


INTRACO Limited

(Incorporated in the Republic of Singapore)
Company Registration Number 196800526Z

Unaudited Full Year Financial Statement for the Year Ended 31/12/2016
PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

- 1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated income statement

	Group Year Ended		%
	31/12/16	31/12/15	Change
	S\$'000	S\$'000	
Revenue	107,409	116,639	(7.9)
Cost of sales	(97,491)	(106,412)	(8.4)
Gross profit	9,918	10,227	(3.0)
Other income	290	545	(46.8)
Distribution expenses	(77)	(48)	n.m
Administration expenses	(11,080)	(11,766)	(5.8)
Other expenses	(1)	(189)	(99.5)
Results from operating activities	(950)	(1,231)	(22.8)
Finance income	645	673	(4.2)
Finance costs	(284)	(352)	(19.3)
Net finance income	361	321	12.5
Share of profit of associate and joint venture (net of tax)	1,499	4,197	(64.3)
Profit before tax	910	3,287	(72.3)
Tax expense	(124)	(248)	(50.0)
Profit for the year	786	3,039	(74.1)

The profit/(loss) for the year is stated after (charging) / crediting the following:

	Group Year Ended		%
	31/12/16	31/12/15	Change
	S\$'000	S\$'000	
Interest income	645	673	(4.2)
Distribution from other investments (1)	-	127	(100.0)
Gain on sale of property, plant and equipment	33	11	203.4
Interest expense from loans and borrowings	(284)	(352)	(19.3)
Depreciation of property, plant and equipment	(941)	(1,078)	(12.7)
Property, plant and equipment written off	-	(10)	(100.0)
Amortisation of intangible assets	(299)	(299)	n.m.
Provision for warranty claim	-	(91)	(100.0)
Foreign exchange gains/(losses)	51	(23)	(321.7)
Write-back of trade payables	6	232	(97.6)
Allowance made for doubtful receivables	-	(37)	(100.0)
Write-off of trade receivables	-	(45)	(100.0)
Write-back/(down) of inventory to net realisable value	5	(40)	(113.2)
Change in fair value of contingent consideration	(110)	(291)	(62.2)
Impairment loss on property, plant and equipment	(119)	-	n.m.

Notes to Consolidated Statement of Comprehensive Income

- (1) A distribution of S\$127,000 from non-core investment was recognised in FY2015.

1(b)(i) A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

Statements of financial position

	Notes	Group		Notes	Company	
		31/12/16	31/12/15		31/12/16	31/12/15
		S\$'000	S\$'000		S\$'000	S\$'000
Assets						
Property, plant and equipment		7,402	8,281		326	524
Intangible assets and goodwill		7,130	7,429		-	-
Subsidiaries		-	-		16,920	14,657
Associate and joint venture		21,867	22,924		16,827	17,060
Other investments		9,744	9,785		9,744	9,785
Non-current assets		46,143	48,419		43,817	42,026
Other investments (incl derivatives)		-	-		1,480	2,309
Inventories		1,532	1,410		-	-
Trade and other receivables	(a)	15,773	16,353		21,283	20,180
Cash and cash equivalents		44,103	38,755		8,006	7,009
Current assets		61,408	56,518		30,769	29,498
Total assets		107,551	104,937		74,586	71,524
Equity						
Share capital		84,069	84,069		84,069	84,069
Reserves		349	310		2,937	716
Accumulated losses		(17,813)	(17,668)		(24,853)	(23,589)
Total equity		66,605	66,711		62,153	61,196
Liabilities						
Loans and borrowings		1,935	2,015		-	-
Trade and other payables		6,340	6,229		-	-
Deferred tax liabilities		617	700		-	-
Total non-current liabilities		8,892	8,944		-	-
Trade and other payables	(a)	5,483	7,157		12,433	10,073
Provisions		-	255		-	255
Loans and borrowings	(b)	26,127	21,398		-	-
Current tax payable		444	472		-	-
Current liabilities		32,054	29,282		12,433	10,328
Total liabilities		40,946	38,226		12,433	10,328
Total equity and liabilities		107,551	104,937		74,586	71,524

Notes:

- (a) The decrease in receivables and payables was attributable to the decrease in receivables and payables for plastic resin trading in tandem with reduced sales and purchases in FY2016.
- (b) The increase in loans and borrowings was mainly due to higher usage of trade financing facilities during the year.

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

As at 31/12/16	
Secured	Unsecured
S\$'000	S\$'000
148	25,979

As at 31/12/15	
Secured	Unsecured
S\$'000	S\$'000
145	21,253

Amount repayable after one year

As at 31/12/16	
Secured	Unsecured
S\$'000	S\$'000
1,935	-

As at 31/12/15	
Secured	Unsecured
S\$'000	S\$'000
2,015	-

Details of any collateral

The secured bank loans of the Group are secured over the leasehold land and building with carrying amounts of S\$6,300,000.

- 1(c) **A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated statement of cash flows

	Group	
	31/12/16	31/12/15
	S\$'000	S\$'000
Cash flows from operating activities		
Profit for the year	786	3,039
Adjustments for:		
Depreciation of property, plant and equipment	941	1,078
Amortisation of intangible assets	299	299
Impairment loss on property, plant and equipment	119	-
Gain on sale of property, plant and equipment	(33)	(11)
Property, plant and equipment written off	-	10
Write-back of trade payables	(6)	(232)
Write-off of trade receivables	-	45
Allowance made for doubtful receivables	-	37
(Reversal of write-down)/ write-down of inventory to net realisable value	(5)	40
Provision for warranty claim	-	91
Distribution from other investments	-	(127)
Share of profit of associates and joint venture, net of tax	(1,499)	(4,197)
Change in fair value of the contingent consideration	110	291
Net finance income	(361)	(321)
Tax expense	124	248
	475	290
Change in inventories	(117)	10
Change in trade and other receivables	580	5,173
Change in trade and other payables	(2,620)	(7,914)
	(1,682)	(2,441)
Interest received	645	673
Interest paid	(284)	(352)
Taxes paid	(235)	(254)
Net cash flow used in operating activities	(1,556)	(2,374)
Cash flows from investing activities		
Distribution received from other investments	-	127
Additional investment in associate	-	(80)
Purchase of property, plant and equipment	(139)	(210)
Dividends from an associate	2,816	1,950
Proceeds from sale of property, plant and equipment	61	11
Acquisition of other investments	-	(809)
Net cash flows from investing activities	2,738	989
Cash flows from financing activities		
Proceeds from borrowings	25,979	21,254
Repayment of borrowings	(21,345)	(19,259)
Payment of finance lease liabilities	(55)	(115)
Dividends paid to selling shareholders of a subsidiary	(234)	(300)
Deposits pledged	(36)	(36)
Net cash flows from financing activities	4,309	1,544
Net increase in cash and cash equivalents	5,491	159
Cash and cash equivalents at 1 January	38,605	38,647
Effects of exchange rate fluctuations on cash held	(179)	(201)
Cash and cash equivalents at 31 December	43,917	38,605
Comprising:		
Cash at bank and in hand	18,769	27,368
Fixed deposits with banks	25,334	11,387
Cash and cash equivalents in the statement of financial position	44,103	38,755
Deposits pledged	(186)	(150)
	43,917	38,605

1(d)(i)(a) A statement of comprehensive income (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income	Group Year Ended		% Change
	31/12/16 S\$'000	31/12/15 S\$'000	
Profit for the year	786	3,039	(74.1)
Other comprehensive income			
Items that are or may be reclassified subsequently to profit or loss:			
Net change in fair value of available-for-sale financial assets	(42)	(258)	(83.8)
Foreign currency translation differences of foreign operations	81	904	(91.0)
Share of an associate's capital reserve transferred from accumulated profit	-	3	(100.0)
Total items that may be reclassified subsequently to profit or loss	39	649	(94.0)
Other comprehensive income for the year, net of tax	39	649	(94.0)
Total comprehensive income for the year	825	3,688	(77.6)

1(d)(i)(b) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statements of changes in equity

Group (S\$'000)	Share capital	Capital reserve	Translation reserve	Fair value reserve	Accumulated losses	Total equity
As at 1 January 2016	84,069	1,052	(433)	(309)	(17,668)	66,711
Total comprehensive income for the year						
Profit for the year	-	-	-	-	786	786
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(42)	-	(42)
Foreign currency translation differences of foreign operations	-	-	81	-	-	81
Total other comprehensive income	-	-	81	(42)	-	39
Total comprehensive income for the year	-	-	81	(42)	786	825
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid and declared to selling shareholders of a subsidiary*	-	-	-	-	(931)	(931)
Total contributions by and distributions to owners	-	-	-	-	(931)	(931)
As at 31 December 2016	84,069	1,052	(352)	(351)	(17,813)	66,605
As at 1 January 2015	84,069	1,037	(1,337)	(51)	(20,395)	63,323
Total comprehensive income for the year						
Profit for the year	-	-	-	-	3,039	3,039
Other comprehensive income						
Net change in fair value of available-for-sale financial assets	-	-	-	(258)	-	(258)
Foreign currency translation differences of foreign operations	-	-	904	-	-	904
Share of an associate's capital reserve transferred from accumulated profit	-	15	-	-	(12)	3
Total other comprehensive income	-	15	904	(258)	(12)	649
Total comprehensive income for the year	-	15	904	(258)	3,027	3,688
Transactions with owners, recognised directly in equity						
Contributions by and distributions to owners						
Dividends paid to selling shareholders of a subsidiary*	-	-	-	-	(300)	(300)
Total contributions by and distributions to owners	-	-	-	-	(300)	(300)
As at 31 December 2015	84,069	1,052	(433)	(309)	(17,668)	66,711

* Pursuant to a Put Option entered into between the Group and the selling shareholders of KA Group on 5 September 2014 to acquire the remaining 30% in KA Group.

Consolidated statements of changes in equity (cont'd):

Company (S\$'000)

As at 1 January 2016

Total comprehensive income for the year

Loss for the year

Other comprehensive income

Net change in fair value of available-for-sale financial assets

Total other comprehensive income

Total comprehensive income for the year

As at 31 December 2016

Share capital	Fair value reserve	Accumulated losses	Total equity
84,069	716	(23,589)	61,196
-	-	(1,264)	(1,264)
-	2,221	-	2,221
-	2,221	-	2,221
-	2,221	(1,264)	957
84,069	2,937	(24,853)	62,153

As at 1 January 2015

Total comprehensive income for the year

Profit for the year

Other comprehensive income

Net change in fair value of available-for-sale financial assets

Total other comprehensive income

Total comprehensive income for the year

As at 31 December 2015

84,069	1,078	(25,110)	60,037
-	-	1,521	1,521
-	(362)	-	(362)
-	(362)	-	(362)
-	(362)	1,521	1,159
84,069	716	(23,589)	61,196

1(d)(ii) Details of any changes in the Company's Share Capital

There are no changes in the Company's share capital since 31 December 2014.

No share options had been granted under the INTRACO Employee Share Option Scheme which was approved at an Extraordinary General Meeting held on 29 April 2013. In this respect, the Company does not have outstanding share options as at 31 December 2016.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at end of the immediately preceding year.

	<u>As at 31/12/16</u>	<u>As at 31/12/15</u>
Total number of issued shares excluding treasury shares	<u>103,725,879</u>	<u>103,725,879</u>

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period reported on.

The Company does not have any treasury shares as at 31 December 2016.

2 Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter).

Not applicable

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2015, except for the adoption of a number of new/revised financial reporting standards (FRS) and interpretations applicable for the financial period beginning 1 January 2016.

The adoption of new/revised FRS and interpretations does not result in any significant impact on the financial statements of the Group.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Please refer to item 4 above.

6 Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

Earnings per ordinary share for the period based on net profit attributable to shareholders:

- based on the weighted average number of ordinary shares in issue and on a fully diluted basis

Group	
Year ended 31/12/16	Year ended 31/12/15
cents	cents
0.76	2.93

The weighted average number of ordinary shares in issue for the year ended 31 December 2016 was 103,725,879 (31 December 2015: 103,725,879).

- 7 **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.**

Group		Company	
As at 31/12/16	As at 31/12/15	As at 31/12/16	As at 31/12/15
\$0.64	\$0.64	\$0.60	\$0.59

Net asset value per ordinary share based on issued share capital at the end of the year

8 **Review of Performance**

Revenue

Group revenue for FY2016 was S\$107.4 million, a decrease of S\$9.2 million or 7.9% from FY2015, mainly due to lower revenue from the Trading segment.

Revenue from the Trading segment decreased by S\$10.4 million, or 9.8%, from S\$105.6 million in FY2015 to S\$95.2 million in FY2016. The decrease was mainly due to a shortage of resin supplies in FY2016. Revenue contribution from the Trading segment made up more than 89% of the Group's revenue for FY2016.

Revenue from the Projects segment increased by S\$1.2 million from S\$11.1 million in FY2015 to S\$12.2 million in FY2016. Revenue contribution from the Projects segment made up about 11% of the Group's revenue for FY2016.

Gross profit

Gross profit decreased by S\$0.3 million from S\$10.2 million in FY2015 to S\$9.9 million in FY2016, largely in tandem with the decrease in revenue.

Other income

Other income mainly comprised government grants and refunds of S\$0.2 million and gain on disposal of fixed assets of S\$0.03 million.

Administrative expenses

There was no significant fluctuation in administrative expenses between FY2016 and FY2015.

Finance income

Finance income remained stable at S\$0.6 million for FY2016. It relates to the interest income derived from the available-for-sale debt securities purchased in previous years.

Share of profit of associate and joint venture

The Group's share of results from associate and joint venture decreased by S\$2.7 million from S\$4.2 million in FY2015 to S\$1.5 million in FY2016 due mainly to a gain from disposal of property by the associate recognised in FY2015.

Group profit before tax

Consolidated profit before tax was S\$0.9 million for FY2016 compared to profit before tax of S\$3.3 million reported in FY2015, a decrease of S\$2.4 million. The decrease in consolidated profit before tax was mainly due to the decrease in share of profit of associate and joint venture for S\$2.7 million. This share of profit of associate included a gain of S\$2.8 million on disposal of property recognised in FY2015.

Tax expense

The decrease in tax expense was mainly due to the decrease in profits for the Group and reversal of overprovision in prior years.

Consolidated statement of cash flow

The Group's cash & bank balances increased by S\$5.3 million, or 13.8%, from S\$38.8 million in FY2015 to S\$44.1 million in FY2016.

Net cash flow used in operating activities amounted to S\$1.6 million in FY2016. This was attributable mainly to the decrease in trade and other payables of S\$2.6 million, which was partially offset by the decrease in trade and other receivables of S\$0.6 million and interest received of S\$0.6 million.

Net cash flow from investing activities amounted to S\$2.7 million in FY2016. This was attributable mainly to the dividend income of S\$2.8 million received from an associate, which was partially offset by the purchase of plant and equipment of S\$0.1 million.

There was a net cash inflow in financing activities of S\$4.3 million due mainly to the proceeds from bank borrowings of S\$26.0 million, which was partially offset by the repayment of bank borrowings of S\$21.3 million.

- 9 **Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.**

Not applicable.

10 A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The trading segment is expected to be affected by the resin market, which is dependent on crude oil prices and supplier allocations. The projects segment, which is the Fire Protection business, is expected to continue to contribute to the Group's profitability. However, the rising labour cost due to tight foreign labour control policy and the higher rental cost will result in higher operating cost. With the uncertain outlook of the global economy, the Group expects its businesses to be challenging for the next financial year. The Group will continue to explore new avenues for growth and acquisitions.

11 Dividend

(a) Current Financial Period Reported On

No dividend is declared/recommended for the current financial year.

(b) Corresponding Period of the Immediately Preceding Financial Year

No dividend was declared for the corresponding period of the preceding financial year.

12 If no dividend has been declared/recommended, a statement to that effect.

No dividend is declared/recommended for the current financial year.

13 Business Segmental Information

(a) By operating segments for the year ended 31 December 2016

S\$'000	Projects	Trading	Total
External revenue	12,228	95,181	107,409
Interest income	22	62	84
Interest expense	(82)	(202)	(284)
Depreciation and amortisation	(652)	(392)	(1,044)
Reportable segment profit before tax	2,579	278	2,857
Reportable segment assets	22,022	38,207	60,229
Other material non-cash items:			
Write-back of inventory to net realisable value	(5)	-	(5)
Change in fair value of contingent consideration	110	-	110
Capital expenditure	209	-	209
Reportable segment liabilities	4,247	28,570	32,817

By operating segments for the year ended 31 December 2015

S\$'000	Projects	Trading	Total
External revenue	11,072	105,567	116,639
Interest income	20	107	127
Interest expense	(74)	(278)	(352)
Depreciation and amortisation	(789)	(395)	(1,184)
Reportable segment profit/ (loss) before tax	2,512	(275)	2,237
Reportable segment assets	20,866	36,059	56,925
Other material non-cash items:			
Allowance made for doubtful receivables	37		37
Provision for warranty claim	91		91
Write-down of inventory to net realisable value	40	-	40
Change in fair value of contingent consideration	291	-	291
Capital expenditure	191	-	191
Reportable segment liabilities	1,917	26,239	28,156

Business Segmental Information (cont'd)
Reconciliations of reportable segment revenues, profit or loss, assets and liabilities and other material items

	31/12/16 S\$'000	31/12/15 S\$'000
Revenue		
Total revenue for reporting segments	107,409	116,639
Profit or loss		
Total profit for reporting segments	2,857	2,237
Unallocated amounts:		
- Other corporate expenses, net of income	(3,446)	(3,147)
Share of profit of associate and joint venture, net of tax	1,499	4,197
Consolidated profit for continuing operations before tax	910	3,287
Assets		
Total assets for reportable segments	60,229	56,925
Other unallocated amounts	25,455	25,088
	85,684	82,013
Investments in associate and joint venture	21,867	22,924
Consolidated total assets	107,551	104,937
Liabilities		
Total liabilities for reporting segments	32,817	28,156
Other unallocated amounts	8,129	10,070
Consolidated total liabilities	40,946	38,226

Other material items

	Continuing operations		
	Reportable segment totals	Adjustments	Consolidated totals
	S\$'000	S\$'000	S\$'000
2016			
Interest income	84	561	645
Capital expenditure	209	-	209
Depreciation and amortisation	(1,044)	(197)	(1,241)
Write-down of inventory to net realisable value	5	-	5
2015			
Interest income	127	546	673
Capital expenditure	191	88	279
Depreciation and amortisation	(1,184)	(193)	(1,377)
Allowance made for doubtful receivables	(37)	-	(37)
Provision for warranty claim	(91)	-	(91)
Write-down of inventory to net realisable value	(40)	-	(40)

(b) By geographical segments

In presenting information on the basis of geographical segments, segment revenue is based on the geographical location of customers. Segment assets are based on the geographical location of the assets.

	Revenue		Non-current assets *	
	31/12/16 S\$'000	31/12/15 S\$'000	31/12/16 S\$'000	31/12/15 S\$'000
Singapore	32,885	34,986	7,209	8,082
Rest of ASEAN	74,312	81,653	-	-
Greater China	-	-	193	199
Other Countries	212	-	-	-
	107,409	116,639	7,402	8,281

* Non-current assets presented consist of property, plant and equipment.

- 14 **In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.**
Refer to section 8

- 15 **A breakdown of sales**

	Group		
	31/12/16 S\$'000	31/12/15 S\$'000	% Change
(a) Sales reported for first half year	43,348	58,560	(26.0)
(b) Operating (loss)/profit after tax reported for first half year	(591)	1,165	(150.7)
(c) Sales reported for second half year	64,061	58,079	10.3
(d) Operating profit after tax reported for second half year	1,377	1,874	(26.5)

- 16 **A breakdown of the total annual dividend (in dollar value) for the Issuer's latest full year and its previous full year, as follows:**

Total Annual dividend	Latest Full Year S\$'000	Previous Full Year S\$'000
Ordinary	-	-

- 17 **Interested person transactions**

The Company does not have a general mandate from shareholders pursuant to Rule 920 of the Listing Manual.

- 18 **Confirmation that the issuer has procured undertakings from all of its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).**

The Company hereby confirms that it has procured undertakings from all of its directors and executive officers under Rule 720(1) of the Listing Manual.

- 19 **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704 (13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

There are no persons occupying managerial positions in the Company or any of its principal subsidiaries who are relatives of a director or chief executive officer or substantial shareholder of the Company.

BY ORDER OF THE BOARD

Josephine Toh
Company Secretary
28/02/2017