



65th
1950 - 2015
Anniversary
Poh Tiong Choon Logistics
傅長春儲運65年

傅長春儲運有限公司

Poh Tiong Choon Logistics Limited

(Company Registration No. 196900049H)
(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER AND HALF YEAR ENDED 30 JUNE 2015

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

CONSOLIDATED INCOME STATEMENT

	GROUP Second quarter ended			GROUP Half year ended		
	30.06.2015 \$'000	30.06.2014 \$'000	% Change	30.06.2015 \$'000	30.06.2014 \$'000	% Change
Revenue	40,410	30,846	31	76,753	62,026	24
Other income	4	12	(67)	9	22	(59)
Other gains – net	183	37	395	268	125	114
Expenses						
- Cost of inventories sold	(801)	(1,271)	(37)	(1,491)	(2,487)	(40)
- Depreciation of property, plant and equipment	(3,182)	(2,756)	15	(6,347)	(5,113)	24
- Depreciation of investment properties	(198)	(199)	(1)	(396)	(397)	0
- Amortisation of intellectual property rights	(23)	(22)	5	(46)	(44)	5
- Employee compensation	(15,741)	(12,570)	25	(29,448)	(24,265)	21
- Insurance	(699)	(566)	23	(1,384)	(1,149)	20
- Rental on operating leases	(2,464)	(1,008)	144	(4,782)	(2,233)	114
- Sub-contractor charges	(5,361)	(2,742)	96	(9,528)	(6,331)	50
- Travelling and transportation	(275)	(347)	(21)	(527)	(595)	(11)
- Upkeep of commercial vehicles and barges	(4,508)	(4,453)	1	(7,974)	(8,314)	(4)
- Finance	(71)	(63)	13	(141)	(123)	15
- Other	(2,613)	(2,225)	17	(5,217)	(4,326)	21
Total expenses	(35,936)	(28,222)	27	(67,281)	(55,377)	21
Share of (loss)/profit of joint venture	(9)	51	(118)	21	50	(58)
Profit before income tax	4,652	2,724	71	9,770	6,846	43
Income tax expense	(948)	(417)	127	(1,840)	(1,092)	68
Total profit	3,704	2,307	61	7,930	5,754	38
Profit attributable to:						
Equity holders of the Company	3,533	2,134	66	7,519	5,375	40
Non-controlling interests	171	173	(1)	411	379	8
	3,704	2,307	61	7,930	5,754	38

STATEMENT OF COMPREHENSIVE INCOME

Total profit for the period

Other comprehensive (loss)/ income:

Item that may be reclassified subsequently to profit or loss:

Currency translation differences arising from consolidation

Total comprehensive income for the period

Total comprehensive income attributable to:

Equity holders of the Company

Non-controlling interests

GROUP Second quarter ended			GROUP Half year ended		
30.06.2015 \$'000	30.06.2014 \$'000	% Change	30.06.2015 \$'000	30.06.2014 \$'000	% Change
3,704	2,307	61	7,930	5,754	38
(48)	(19)	(153)	43	(121)	136
3,656	2,288	60	7,973	5,633	42
3,485	2,115	65	7,562	5,254	44
171	173	(1)	411	379	8
3,656	2,288	60	7,973	5,633	42

NOTES TO INCOME STATEMENT

(i) **Profit before tax is arrived at after crediting/(charging):**

	GROUP Second quarter ended			GROUP Half year ended		
	30.06.2015 \$'000	30.06.2014 \$'000	% Change	30.06.2015 \$'000	30.06.2014 \$'000	% Change
Interest income	4	12	(67)	9	22	(59)
Interest expense	(71)	(63)	13	(141)	(123)	15
Currency exchange gain/(losses) – net	45	(15)	400	13	(19)	168
Gain on disposal of property, plant & equipment	183	36	408	268	126	113

(ii) **Adjustment for under or overprovision of tax of previous years**

There is no material adjustment for under or overprovision of tax in respect of prior years.

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

	Group		Company	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	30,978	20,905	28,225	17,719
Trade and other receivables	23,188	22,317	31,084	31,995
Inventories	51	203	-	-
Other current assets	4,591	3,079	2,796	1,940
	<u>58,808</u>	<u>46,504</u>	<u>62,105</u>	<u>51,654</u>
Non-current assets				
Trade and other receivables	1,999	1,969	2,115	2,115
Investments in joint venture	1,060	1,039	788	788
Investments in subsidiaries	-	-	4,946	5,668
Property, plant and equipment	81,984	64,329	64,574	44,959
Investment properties	21,215	21,611	4,788	4,932
Intangible assets	323	367	-	-
Other non-current assets	636	651	389	390
	<u>107,217</u>	<u>89,966</u>	<u>77,600</u>	<u>58,852</u>
Total assets	<u>166,025</u>	<u>136,470</u>	<u>139,705</u>	<u>110,506</u>
LIABILITIES				
Current liabilities				
Trade and other payables	28,204	22,394	36,025	27,751
Current income tax liabilities	2,550	1,448	1,593	722
Borrowings	34,855	16,146	32,287	13,442
	<u>65,609</u>	<u>39,988</u>	<u>69,905</u>	<u>41,915</u>
Non-current liabilities				
Trade and other payables	6,847	7,140	4,686	4,979
Borrowings	7,429	6,484	3,592	1,671
Deferred income tax liabilities	6,558	6,513	4,486	4,571
	<u>20,834</u>	<u>20,137</u>	<u>12,764</u>	<u>11,221</u>
Total liabilities	<u>86,443</u>	<u>60,125</u>	<u>82,669</u>	<u>53,136</u>
NET ASSETS	<u>79,582</u>	<u>76,345</u>	<u>57,036</u>	<u>57,370</u>
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	30,244	30,244	30,244	30,244
Currency translation reserve	221	178	-	-
Retained profits	45,011	42,228	26,792	27,126
	<u>75,476</u>	<u>72,650</u>	<u>57,036</u>	<u>57,370</u>
Non-controlling interests	<u>4,106</u>	<u>3,695</u>	<u>-</u>	<u>-</u>
Total equity	<u>79,582</u>	<u>76,345</u>	<u>57,036</u>	<u>57,370</u>

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

Amount payable in one year or less, or on demand

As at 30.06.2015		As at 31.12.2014	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,106	31,749	2,656	13,490

Amount repayable after one year

As at 30.06.2015		As at 31.12.2014	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,429	-	6,484	-

Details of any collateral

Secured borrowings of the group relate to:

- a. finance lease liabilities for commercial vehicles and equipment where the rights to the leased commercial vehicles and equipment revert to the lessor in the event of default by the Group; and
- b. term loan secured by legal mortgage over an investment property.

The net book value of these commercial vehicles and equipment and investment property amounted to \$9,495,000 (31 December 2014 - \$6,981,000) and \$16,427,000 (31 December 2014 - \$16,679,000) respectively.

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

	GROUP Second quarter ended		GROUP Half year ended	
	30.06.2015 \$'000	30.06.2014 \$'000	30.06.2015 \$'000	30.06.2014 \$'000
Cash flows from operating activities				
Total Profit	3,704	2,307	7,930	5,754
Adjustments for:				
- Depreciation of property, plant and equipment	3,182	2,756	6,347	5,113
- Depreciation of investment properties	198	199	396	397
- Amortisation of intangible assets	23	22	46	44
- Gain on disposal of property, plant and equipment	(183)	(36)	(268)	(126)
- Income tax expense	948	417	1,840	1,092
- Interest expense	71	63	141	123
- Interest income	(4)	(12)	(9)	(22)
- Share of loss/(profit) of joint venture	9	(51)	(21)	(50)
	7,948	5,665	16,402	12,325
Changes in working capital				
- Trade and other receivables	(1,529)	(1,741)	(901)	(3,382)
- Inventories	-	(9)	152	(19)
- Other current assets	270	(375)	528	195
- Trade and other payables	1,672	1,716	39	(1,757)
Cash generated from operations	8,361	5,256	16,220	7,362
Income tax paid	(691)	(886)	(693)	(897)
Interest paid	(57)	(49)	(112)	(94)
Net cash provided by operating activities	7,613	4,321	15,415	6,371
Cash flows from investing activities				
Interest received	4	12	9	22
Proceeds from disposal of property, plant and equipment	226	62	412	677
Purchase of an intangible asset	(2)	-	(2)	(40)
Purchases of property, plant and equipment	(12,628)	(9,062)	(17,664)	(11,912)
Net cash used in investing activities	(12,400)	(8,988)	(17,245)	(11,253)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(3,746)	(4,300)	(3,746)	(4,300)
Dividends paid to non-controlling interests	-	(90)	-	(90)
Proceeds from borrowings	16,000	10,200	22,000	10,200
Repayments of borrowings	(3,300)	(1,300)	(4,350)	(1,600)
Repayments of finance lease liabilities	(547)	(152)	(1,046)	(302)
Share repurchased and cancelled	(643)	-	(990)	-
Net cash provided by financing activities	7,764	4,358	11,868	3,908
Net increase/(decrease) in cash and cash equivalents	2,977	(309)	10,038	(974)
Cash and cash equivalents at beginning of period	28,043	15,303	20,905	16,045
Effect of currency translation on cash and cash equivalents	(42)	(15)	35	(92)
Cash and cash equivalents at end of period	30,978	14,979	30,978	14,979

1(d)(i) A statement (for the issuer and group) showing (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

	Attributable to equity holders of the Company			Non-controlling interests	Total equity
	Share capital	Currency translation reserves	Retained earnings		
	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP					
2015					
Beginning of financial year	30,244	178	42,228	3,695	76,345
Buy-back of shares	-	-	(347)	-	(347)
Total comprehensive income for the period	-	91	3,986	240	4,317
Balance at 31 Mar 2015 and 1 Apr 2015	30,244	269	45,867	3,935	80,315
Share repurchased and cancelled	-	-	(643)	-	(643)
Dividend paid	-	-	(3,746)	-	(3,746)
Total comprehensive income for the period	-	(48)	3,533	171	3,656
Balance at 30 Jun and 1 Jul 2015	30,244	221	45,011	4,106	79,582

2014					
Beginning of financial year	30,244	151	39,332	3,539	73,266
Total comprehensive income for the period	-	(102)	3,241	206	3,345
Balance at 31 Mar and 1 Apr 2014	30,244	49	42,573	3,745	76,611
Dividend paid	-	-	(4,300)	(90)	(4,390)
Total comprehensive income for the period	-	(19)	2,134	173	2,288
Balance at 30 Jun and 1 Jul 2014	30,244	30	40,407	3,828	74,509

COMPANY

2015

Beginning of financial year	30,244	-	27,126	57,370
Buy-back of shares	-	-	(347)	(347)
Total comprehensive income for the period	-	-	2,386	2,386
Balance at 31 Mar 2015 and 1 Apr 2015	30,244	-	29,165	59,409
Share repurchased and cancelled	-	-	(643)	(643)
Dividend paid	-	-	(3,746)	(3,746)
Total comprehensive income for the period	-	-	2,016	2,016
Balance at 30 Jun and 1 Jul 2015	30,244	-	26,792	57,036

2014				
Beginning of financial year	30,244	-	26,502	56,746
Total comprehensive income for the period	-	-	1,979	1,979
Balance at 31 Mar and 1 Apr 2014	30,244	-	28,481	58,725
Dividend paid	-	-	(4,300)	(4,300)
Total comprehensive income for the period	-	-	1,331	1,331
Balance at 30 Jun and 1 Jul 2014	30,244	-	25,512	55,756

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

During the period from 1 April 2015 to 22 June 2015, the Company bought back 921,400 shares by way of market acquisitions transacted on the SGX-ST. Those shares repurchased were immediately cancelled.

	No. of shares
Balance as of 31.03.2015	214,423,300
Less shares bought back and cancelled	(921,400)
Balance as of 30.06.2015	213,501,900

There was no change in the amount of issued and paid-up share capital as these purchases were made entirely out of profits.

The share buyback was undertaken pursuant to a Share Purchase Mandate approved by the shareholders on 30 April 2014 and subsequently renewed by shareholders at the 46th AGM held on 30 April 2015.

- 1(d)(iii) Total number of issued shares excluding Treasury Shares at the end of 30 June 2015 as compared to 31 December 2014**

As at	30.06.2015	31.12.2014
No. of Ordinary Share	213,501,900	215,018,000

- 1(d)(iv) Movement of Treasury Shares**

Not applicable as the Company has no Treasury Shares.

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the Company's auditor.

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

The figures have not been audited or reviewed by the Company's auditor.

- 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 accounting policies and methods of computation applied by the Group and the Company are consistent with those used in its most recently audited financial statements which have been prepared in accordance with the Singapore Financial Reporting Standards.

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

The effect of the adoption of the new or revised FRS and interpretations do not have a material impact on the Company's financial statements.

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

	Second quarter ended		Half year ended	
	30.06.2015	30.06.2014	30.06.2015	30.06.2014
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:				
(i) Based on weighted average number of shares	1.65 cents	0.99 cents	3.51 cents	2.50 cents
(ii) On a fully-diluted basis	1.65 cents	0.99 cents	3.51 cents	2.50 cents

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 214,428,276 shares (2014: 215,018,000).

Diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares.

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30.06.2015	31.12.2014	30.06.2015	31.12.2014
Net asset value per ordinary share based on issued share capital at the end of the financial period	35.35 cents	33.79 cents	26.71 cents	26.68 cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

Income Statement Review – Second Quarter 2015 ("2Q15") vs Second Quarter 2014 ("2Q14")

Group revenue in 2Q15 was \$40.41m representing an increase of 31% or \$9.56m compared to 2Q14. The higher revenue was mainly attributed to the increase in volume handled by the Transportation and Bulk Cargo Division and Warehousing Division.

Total expenses increased by 27% from \$28.22m in 2Q14 to \$35.94m in 2Q15, mainly due to increases in depreciation of property, plant and equipment, employee compensation, rental on operating leases and sub-contractor charges. The increase was partially offset by decrease in cost of inventories sold.

Depreciation of property, plant and equipment increased by 15% from \$2.76m in 2Q14 to \$3.18m in 2Q15. This was in line with the Group's increased investments in property, plant and equipment to cope with the increase in volume for the Transportation and Bulk Cargo Division and the Warehousing Division.

Employee compensation increased by 25% from \$12.57m in 2Q14 to \$15.74m in 2Q15. This was in line with the increase in volume of business and higher wage costs arising from a tighter labour market.

Rental on operating leases increased by 144% from \$1.01m in 2Q14 to \$2.46m in 2Q15 due to the rental of third party warehouse premises to cope with the increased volume and house the warehousing department during the redevelopment at Pandan yard.

Sub-contractor charges increased by 96% from \$2.74m in 2Q14 to \$5.36m in 2Q15. The increase was mainly due to the increase in the volume of business handled by the Transportation and Bulk Cargo Division.

Cost of inventories sold decreased by 37% from \$1.27m in 2Q14 to \$0.80m in 2Q15. The decrease was mainly due to lower diesel prices.

The Group's income tax expense increased by 127% from \$0.42m in 2Q14 to \$0.95m in 2Q15 due to the higher profit before income tax.

Consequently, the Group's net profit after tax increased by 61% from \$2.31m in 2Q14 to \$3.70m in 2Q15.

Income Statement Review – half year 2015 ("1H15") vs half year 2014 ("1H14")

Group revenue in 2H15 was \$76.75m representing an increase of 24% or \$14.73m, from \$62.03m in 1H14. The higher revenue was mainly attributable to the increase in volume handled by the Transportation and Bulk Cargo Division and Warehousing Division.

Total expenses increased by 21% from \$55.38m in 1H14 to \$67.28m in 1H15, mainly due to increases in depreciation of property, plant and equipment, employee compensation, rental on operating leases and sub-contractor charges. The increase was partially offset by decrease in cost of inventories sold. The reasons for the above are similar to those cited in 2Q14 vs 2Q15.

The Group's total profit after tax increased by 38% from \$5.75m in 1H14 to \$7.93m in 1H15 as a result of the above.

Statement of Financial Position

Cash and cash equivalents increased by \$10.07m from \$20.91m as at 31 December 2014 to \$30.98m as at 30 June 2015, partly due to better results from operating activities.

Property, plant and equipment increased by \$17.66m from \$64.33m as at 31 December 2014 to \$81.98m as at 30 June 2015, mainly relating to costs capitalized for the redevelopment of the Pandan yard.

Trade and other payables increased by \$5.52m from \$29.53m as at 31 December 2014 to \$35.05m as at 30 June 2015, mainly due to increase in payables for the redevelopment of the Pandan yard.

Total borrowings for the Group increased by \$19.65m from \$22.63m as at 31 December 2014 to \$42.28m as at 30 June 2015. Proceeds from borrowings were utilized to finance the purchase of property, plant and equipment which includes the progress payments for the redevelopment of the Pandan yard.

Statement of Cashflow

The Group continues to generate positive cashflow. Net cash inflow from operating activities increased from \$6.37m for 1H14 to \$15.42m for 1H15, primarily due to higher profits from operations. The additional cash provided by operating activities and the increase in bank borrowings were utilized mainly to finance the purchase of additional property, plant and equipment.

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

Not applicable as there has been no forecast or prospect statement disclosed to shareholders previously.

10. A commentary at the date of the announcement of the 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 uncertain business environment will continue to create challenges for the Group. The performance of the Group will continue to be affected by diesel prices, tightening of the labour market, pressure on wages costs and interest rate fluctuations.

The Group will continue to be prudent with costs and look for synergistic opportunities to increase its competitiveness.

The Company is in phase 1 of the redevelopment project to demolish the existing buildings and structures at Pandan yard and construct a single user general warehouse comprising a block of ramp up warehouse building with a block of office space together with ancillary facilities which is targeted to complete by February 2018. During this period of redevelopment, the increased rental costs of third party warehouses in different locations and the additional manpower required to manage the project is expected to raise operating expenses.

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

Yes.

Name of Dividend	Proposed Interim tax exempt (one-tier)
Dividend Type Dividend Amount per share (in cents)	Cash 0.75 cents

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes

Name of Dividend	Interim tax exempt (one-tier)
Dividend Type Dividend Amount per share (in cents)	Cash 0.50 cents

(c) Date payable

The Directors have declared an interim tax exempt (one-tier) dividend of 0.75 cents per ordinary share for the financial year ending 31 December 2015, payable on 30 September 2015.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 17 September 2015 for the preparation of dividend warrants. Duly completed transfers received by the Company's Share Registrar, Tricor Barbinder Share Registration Services, at 80 Robinson Road, #02-00, Singapore 068898 up to 5.00 p.m. on 16 September 2015 will be registered before Shareholders' entitlements to the interim dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with Shares as at 5.00 p.m. on 16 September 2015 will be entitled to the interim dividend.

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

Not applicable.

13. Interested Person Transactions (IPT)

The Company has not obtained a general mandate from shareholders for interested person transactions.

There are no interested person transactions (excluding transaction less than \$100,000) for the second quarter financial period ended 30 June 2015.

14. Negative assurance confirmation by Directors pursuant to the SGX Listing Rule 705(5) of the Listing Manual

We, Poh Key Boon and Poh Kay Yong, hereby confirm on behalf of the Board of Directors of the Company that, to the best of its knowledge, nothing material has come to the attention of the Board of Directors of the Company which may render the second quarter and six months unaudited results for the financial period ended 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Poh Key Boon
Director

Poh Kay Yong
Director

BY ORDER OF THE BOARD

Poh Khim Hong (Ms)
Finance Director & CFO
14 August 2015