



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 THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 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 Third quarter ended			GROUP Nine months ended		
	30.09.2015 \$'000	30.09.2014 \$'000	% Change	30.09.2015 \$'000	30.09.2014 \$'000	% Change
Revenue	40,283	32,197	25	117,036	94,223	24
Other income	29	11	164	38	33	15
Other gains – net	35	111	(68)	303	236	28
Expenses						
- Purchases of inventories	(700)	(1,088)	(36)	(2,191)	(3,575)	(39)
- Depreciation of property, plant and equipment	(2,995)	(2,727)	10	(9,342)	(7,840)	19
- Depreciation of investment properties	(186)	(198)	(6)	(582)	(595)	(2)
- Amortisation of intellectual property rights	(23)	(23)	-	(69)	(67)	3
- Employee compensation	(15,987)	(13,045)	23	(45,435)	(37,212)	22
- Insurance	(724)	(664)	9	(2,108)	(1,813)	16
- Rental on operating leases	(2,648)	(1,350)	96	(7,430)	(3,583)	107
- Sub-contractors charges	(5,569)	(3,611)	54	(15,097)	(10,042)	50
- Travelling and transportation	(239)	(301)	(21)	(766)	(895)	(14)
- Upkeep of commercial vehicles & barges	(3,757)	(4,023)	(7)	(11,731)	(12,367)	(5)
- Finance	(77)	(99)	(22)	(218)	(222)	(2)
- Other	(2,898)	(2,551)	14	(8,115)	(6,846)	19
Total expenses	(35,803)	(29,680)	21	(103,084)	(85,057)	21
Share of (losses)/profit of joint ventures	(11)	(11)	-	10	39	(74)
Profit before income tax	4,533	2,628	72	14,303	9,474	51
Income tax expense	(801)	(367)	118	(2,641)	(1,459)	81
Total profit	3,732	2,261	65	11,662	8,015	46
Profit attributable to:						
Equity holders of the Company	3,596	2,201	63	11,115	7,576	47
Non-controlling interests	136	60	127	547	439	25
	3,732	2,261	65	11,662	8,015	46

STATEMENT OF COMPREHENSIVE INCOME**Total profit for the period****Other comprehensive income/(loss):**

Currency translation differences arising on consolidation

Total comprehensive income for the period**Total comprehensive income attributable to:**

Equity holders of the Company

Non-controlling interests

GROUP Third quarter ended		
30.09.2015 \$'000	30.09.2014 \$'000	% Change
3,732	2,261	65
47	78	(40)
3,779	2,339	62
3,643	2,279	60
136	60	127
3,779	2,339	62

GROUP Nine months ended		
30.09.2015 \$'000	30.09.2014 \$'000	% Change
11,662	8,015	46
89	(43)	307
11,751	7,972	47
11,204	7,533	48
547	439	25
11,751	7,972	47

NOTES TO INCOME STATEMENT**(i) Profit before tax is arrived at after crediting / (charging):**

Interest income

Interest expense

Currency exchange (loss) / gain – net

Gain on disposal of property, plant & equipment

GROUP Third quarter ended		
30.09.2015 \$'000	30.09.2014 \$'000	% Change
29	11	164
(77)	(99)	(22)
(7)	(9)	22
33	50	(34)

GROUP Nine months ended		
30.09.2015 \$'000	30.09.2014 \$'000	% Change
38	33	15
(218)	(222)	(2)
6	(28)	121
301	176	71

N.M denotes Not Meaningful

(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	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	25,910	20,905	21,194	17,719
Trade and other receivables	21,819	22,317	29,698	31,995
Inventories	31	203	-	-
Other current assets	4,727	3,079	2,980	1,940
	<u>52,487</u>	<u>46,504</u>	<u>53,872</u>	<u>51,654</u>
Non-current assets				
Trade and other receivables	2,013	1,969	2,115	2,115
Investments in joint ventures	1,049	1,039	788	788
Investments in subsidiaries	-	-	3,720	5,668
Property, plant and equipment	99,707	64,329	81,995	44,959
Investment properties	21,029	21,611	4,715	4,932
Intangible assets	300	367	-	-
Other non-current assets	362	651	122	390
	<u>124,460</u>	<u>89,966</u>	<u>93,455</u>	<u>58,852</u>
Total assets	<u>176,947</u>	<u>136,470</u>	<u>147,327</u>	<u>110,506</u>
LIABILITIES				
Current liabilities				
Trade and other payables	32,902	22,394	39,961	27,751
Current income tax liabilities	2,899	1,448	1,933	722
Borrowings	38,926	16,146	36,079	13,442
	<u>74,727</u>	<u>39,988</u>	<u>77,973</u>	<u>41,915</u>
Non-current liabilities				
Trade and other payables	6,701	7,140	4,540	4,979
Borrowings	7,620	6,484	4,301	1,671
Deferred income tax liabilities	6,616	6,513	4,257	4,571
	<u>20,937</u>	<u>20,137</u>	<u>13,098</u>	<u>11,221</u>
Total liabilities	<u>95,664</u>	<u>60,125</u>	<u>91,071</u>	<u>53,136</u>
NET ASSETS	<u>81,283</u>	<u>76,345</u>	<u>56,256</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	268	178	-	-
Retained profits	46,879	42,228	26,012	27,126
	<u>77,391</u>	<u>72,650</u>	<u>56,256</u>	<u>57,370</u>
Non-controlling interests	<u>3,892</u>	<u>3,695</u>	<u>-</u>	<u>-</u>
Total equity	<u>81,283</u>	<u>76,345</u>	<u>56,256</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 30.09.2015		As at 31.12.2014	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,391	35,535	2,656	13,490

Amount repayable after one year

As at 30.09.2015		As at 31.12.2014	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,620	-	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 \$10,453,000 (31 December 2014 - \$6,981,000) and \$16,314,000 (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 Third quarter ended		GROUP Nine months ended	
	30.09.2015 \$'000	30.09.2014 \$'000	30.09.2015 \$'000	30.09.2014 \$'000
Cash flows from operating activities				
Total Profit	3,732	2,261	11,662	8,015
Adjustments for:				
- Depreciation of property, plant and equipment	2,995	2,727	9,342	7,840
- Depreciation of investment properties	186	198	582	595
- Amortisation of intangible assets	23	23	69	67
- Gain on disposal of property, plant and equipment	(33)	(50)	(301)	(176)
- Income tax expense	801	367	2,641	1,459
- Interest expense	77	99	218	222
- Interest income	(29)	(11)	(38)	(33)
- Share of profit of joint ventures	11	11	(10)	(39)
	7,763	5,625	24,165	17,950
Changes in working capital				
- Trade and other receivables	1,355	(3,781)	454	(7,163)
- Inventories	20	-	172	(19)
- Other current assets	(923)	(811)	(395)	(616)
- Trade and other payables	1,975	3,342	2,014	1,585
Cash generated from operations	10,190	4,375	26,410	11,737
Income tax paid	(396)	(801)	(1,089)	(1,698)
Interest paid	(63)	(84)	(175)	(178)
Net cash provided by operating activities	9,731	3,490	25,146	9,861
Cash flows from investing activities				
Interest received	29	11	38	33
Disposal of property, plant and equipment	81	57	493	734
Purchase of intangible assets	-	-	(2)	(40)
Purchase of property, plant and equipment	(15,805)	(4,243)	(33,469)	(16,155)
Net cash used in investing activities	(15,695)	(4,175)	(32,940)	(15,428)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(1,599)	(1,075)	(5,345)	(5,375)
Dividends paid to non-controlling interests	(350)	-	(350)	(90)
Proceeds from borrowings	8,269	2,151	30,269	12,351
Repayments of borrowings	(4,800)	(300)	(9,150)	(1,900)
Repayments of finance lease liabilities	(540)	(160)	(1,586)	(462)
Share repurchased and cancelled	(129)	-	(1,119)	-
Net cash from financing activities	851	616	12,719	4,524
Net increase / (decrease) in cash and cash equivalents	(5,113)	(69)	4,925	(1,043)
Cash and cash equivalents at beginning of period	30,978	14,979	20,905	16,045
Effect of currency translation on cash and cash equivalents	45	64	80	(28)
Cash and cash equivalents at end of period	25,910	14,974	25,910	14,974

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

	Share capital	Attributable to equity holders of the Company Currency translation reserves	Retained profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP						
2015						
Beginning of financial year	30,244	178	42,228	72,650	3,695	76,345
Share repurchased and cancelled	-	-	(347)	(347)	-	(347)
Total comprehensive income for the period	-	91	3,986	4,077	240	4,317
Balance at 31 Mar and 1 Apr 2015	30,244	269	45,867	76,380	3,935	80,315
Share repurchased and cancelled	-	-	(643)	(643)	-	(643)
Dividend paid	-	-	(3,746)	(3,746)	-	(3,746)
Total comprehensive income for the period	-	(48)	3,533	3,485	171	3,656
Balance at 30 Jun and 1 Jul 2015	30,244	221	45,011	75,476	4,106	79,582
Share repurchased and cancelled	-	-	(129)	(129)	-	(129)
Dividend paid	-	-	(1,599)	(1,599)	(350)	(1,949)
Total comprehensive income for the period	-	47	3,596	3,643	136	3,779
Balance at 30 Sep and 1 Oct 2015	30,244	268	46,879	77,391	3,892	81,283
2014						
Beginning of financial year	30,244	151	39,332	69,727	3,539	73,266
Total comprehensive income for the period	-	(102)	3,241	3,139	206	3,345
Balance at 31 Mar and 1 Apr 2014	30,244	49	42,573	72,866	3,745	76,611
Dividend paid	-	-	(4,300)	(4,300)	(90)	(4,390)
Total comprehensive income for the period	-	(19)	2,134	2,115	173	2,288
Balance at 30 Jun and 1 Jul 2014	30,244	30	40,407	70,681	3,828	74,509
Dividends paid	-	-	(1,075)	(1,075)	-	(1,075)
Total comprehensive income for the period	-	78	2,201	2,279	60	2,339
Balance at 30 Sep and 1 Oct 2014	30,244	108	41,533	71,885	3,888	75,773

	Share capital \$'000	Retained profits \$'000	Total \$'000
<u>COMPANY</u>			
2015			
Beginning of financial year	30,244	27,126	57,370
Share repurchased and cancelled	-	(347)	(347)
Total comprehensive income for the period	-	2,386	2,386
Balance at 31 Mar 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
Share repurchased and cancelled	-	(129)	(129)
Dividend paid	-	(1,599)	(1,599)
Total comprehensive income for the period	-	948	948
Balance at 30 Sep and 1 Oct 2015	30,244	26,012	56,256
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
Dividends 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
Dividends paid	-	(1,075)	(1,075)
Total comprehensive income for the period	-	1,308	1,308
Balance at 30 Sep and 1 Oct 2014	30,244	25,745	55,989

- 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 July 2015 to 30 September 2015, the Company bought back 171,000 shares by way of market acquisitions transacted on the SGX-ST. Those shares repurchased were immediately cancelled.

	No. of shares
Balance as of 30.06.2015	213,501,900
Less shares bought back and cancelled	(171,000)
Balance as of 30.09.2015	213,330,900

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

As at	30.09.2015	31.12.2014
No. of Ordinary Share	213,330,900	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)**

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 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

Earnings per share

	Third quarter ended		Nine months ended	
	30.09.2015	30.09.2014	30.09.2015	30.09.2014
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	1.68 cents	1.02 cents	5.19 cents	3.52 cents
(ii) On a fully-diluted basis	1.68 cents	1.02 cents	5.19 cents	3.52 cents

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 214,095,764 shares (3Q14: 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	
	30.09.2015	31.12.2014	30.09.2015	31.12.2014
Net asset value per ordinary share based on issued share capital at the end of the financial period	36.28 cents	33.79 cents	26.37 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 – Third Quarter 2015 ("3Q15") vs Third Quarter 2014 ("3Q14")

Group revenue in 3Q15 was \$40.28m representing a net increase of 25% or \$8.09m compared to 3Q14. The overall increase in revenue was mainly due to the increase in volume handled by the Transportation and Bulk Cargo Division and the Warehousing Division, partly offset by a drop of \$0.5m in revenue of an overseas subsidiary.

Overall expenses increased by 21% from \$29.68m to \$35.80m, due mainly to the increase in depreciation, employee compensation, rental on operating leases, sub-contractor charges, other expenses and partly offset by a decrease in purchase of inventories, travelling and transportation and finance expenses.

Depreciation of property, plant and equipment increased by 10% from \$2.73m in 3Q14 to \$3.00m in 3Q15. 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 23% from \$13.05m in 3Q14 to \$15.99m in 3Q15. This was mainly due to the increase in volume of business and higher wage costs arising from a tighter labour market.

Rental on operating leases increased by 96% from \$1.35m in 3Q14 to \$2.65m in 3Q15. This was mainly due to the rental of third party warehouse premises during the redevelopment at Pandan yard, and also to cope with the increased volume of business.

Sub-contractors charges increased by 54% to \$5.57m in 3Q15 from \$3.61m in 3Q14. The increase was mainly due to the increase in volume of business handled by the Transportation and Bulk Cargo Division.

“Other” expenses of \$2.90m in 3Q15 was higher compared to \$2.55m in 3Q14. This increase was in line with increase in revenue.

Tax expense increased by \$0.43m from \$0.37m in 3Q14 to \$0.80m in 3Q15. The increase was due to higher total profit in 3Q15.

Consequently, the Group’s total profit after tax increased by 65% from \$2.26m in 3Q14 to \$3.73m in 3Q15.

Income Statement Review – nine months ended 30 September 2015 (“9M15”) vs nine months ended 30 September 2014 (“9M14”)

Group revenue increased by 24% or \$22.81m, from \$94.22m in 9M14 to \$117.04m in 9M15. The higher revenue was mainly attributable to the increase in volume handled by the Transportation and Bulk Cargo Division and the Warehousing Division, partly offset by a drop in revenue of \$2.3m in an overseas subsidiary in the Transportation segment.

Overall expenses increased by 21% from \$85.06m in 9M14 to \$103.08m in 9M15, mainly due to increase in depreciation, employee compensation, rental on operating leases, sub-contractor and other expenses. The reasons for the increase are similar to those cited for 3Q15 vs 3Q14.

The Group’s income tax expense increased by 81% from \$1.46m in 9M14 to \$2.64m in 9M15 mainly due to higher profit in 9M15.

The Group’s total profit after tax increased by \$3.65m or 46% from \$8.02m in 9M14 to \$11.66m in 9M15.

Statement of financial position

Cash and cash equivalents increased by \$5.00m from \$20.91m as at 31 December 2014 to \$25.91m as at 30 September 2015, partly due to better results from operating activities.

Property, Plant and Equipment increased by \$35.38m from \$64.33m as at 31 December 2014 to \$99.71m as at 30 September 2015, mainly relating to costs capitalized for the redevelopment of the Pandan yard.

Trade and other payables increased by \$10.07m from \$29.53m as at 31 December 2014 to \$39.60m as at 30 September 2015, mainly due to increase in payables for the redevelopment of the Pandan yard.

Total bank borrowings for the Group increased by \$23.92m from \$22.63m as at 31 December 2014 to \$46.55m as at 30 September 2015. Proceeds from borrowings were utilized to finance the purchase of additional 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 \$9.86m for 9M14 to \$25.1m for 9M15, primarily due to higher profits from operations. The additional cash provided by operating activities and 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

Despite the challenging business environment, the Group continues to seize new business opportunities. 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 construct a single-user general warehouse comprising a block of ramp up warehouse building with a block of office space together with ancillary facilities. The entire project 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?

No dividend has been declared for 3Q 2015.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

None

(c) Date payable

Not applicable

(d) Books closure date

Not applicable

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

No dividend has been declared or recommended in the current reporting period.

13. Interested Person Transactions

There are no interested person transactions (excluding transaction less than \$100,000) for the third quarter financial period ended 30 September 2015. The Company has not obtained a general mandate from shareholders for interested person transactions.

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 our knowledge, nothing material has come to the attention of the Board of Directors of the Company which may render the third quarter and nine months unaudited results for the financial period ended 30 September 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
13 November 2015