

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER AND NINE MONTHS ENDED 30 SEPTEMBER 2014

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		
	30.09.2014 \$'000	30.09.2013 \$'000	% Change	30.09.2014 \$'000	30.09.2013 \$'000	% Change
Revenue	32,197	31,001	4	94,223	87,989	7
Other income	11	12	(8)	33	29	14
Other gains – net	111	65	71	236	476	(50)
Expenses						
- Purchases of inventories	(1,088)	(1,290)	(16)	(3,575)	(3,696)	(3)
- Depreciation of property, plant and equipment	(2,727)	(2,192)	24	(7,840)	(6,579)	19
- Depreciation of investment properties	(198)	(198)	-	(595)	(595)	-
- Amortisation of intellectual property rights	(23)	(20)	15	(67)	(20)	235
- Employee compensation	(13,045)	(11,463)	14	(37,212)	(32,782)	14
- Insurance	(664)	(559)	19	(1,813)	(1,819)	-
- Rental on operating leases	(1,350)	(1,255)	8	(3,583)	(3,294)	9
- Sub-contractors charges	(3,611)	(3,211)	12	(10,042)	(9,771)	3
- Travelling and transportation	(301)	(188)	60	(895)	(667)	34
- Upkeep of commercial vehicles & barges	(4,023)	(4,357)	(8)	(12,367)	(12,240)	1
- Finance	(99)	(90)	10	(222)	(298)	(26)
- Other	(2,551)	(2,221)	15	(6,846)	(6,183)	11
Total expenses	(29,680)	(27,044)	10	(85,057)	(77,944)	9
Share of (losses)/profit of joint ventures	(11)	(51)	78	39	1	N.M
Profit before income tax	2,628	3,983	(34)	9,474	10,551	(10)
Income tax expense	(367)	(549)	(33)	(1,459)	(1,381)	6
Total profit	2,261	3,434	(34)	8,015	9,170	(13)
Profit attributable to:						
Equity holders of the Company	2,201	3,259	(32)	7,576	8,583	(12)
Non-controlling interests	60	175	(66)	439	587	(25)
	2,261	3,434	(34)	8,015	9,170	(13)

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

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		
30.09.2014 \$'000	30.09.2013 \$'000	% Change
2,261	3,434	(34)
78	(7)	N.M
2,339	3,427	(32)
2,279	3,252	(30)
60	175	(66)
2,339	3,427	(32)

GROUP Nine months ended		
30.09.2014 \$'000	30.09.2013 \$'000	% Change
8,015	9,170	(13)
(43)	168	(126)
7,972	9,338	(15)
7,533	8,751	(14)
439	587	(25)
7,972	9,338	(15)

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

	GROUP Third quarter ended			GROUP Nine months ended		
	30.09.2014 \$'000	30.09.2013 \$'000	% Change	30.09.2014 \$'000	30.09.2013 \$'000	% Change
Interest income	11	12	(8)	33	29	14
Interest expense	(99)	(90)	10	(222)	(298)	(26)
Currency exchange (loss) / gain – net	(9)	(8)	13	(28)	46	(161)
Gain on disposal of property, plant & equipment	50	23	117	176	285	(38)

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	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	14,974	16,045	12,975	13,522
Trade and other receivables	25,962	18,946	34,246	18,204
Inventories	96	77	-	-
Other current assets	3,937	2,935	2,505	1,866
	<u>44,969</u>	<u>38,003</u>	<u>49,726</u>	<u>33,592</u>
Non-current assets				
Trade and other receivables	1,920	1,773	2,115	2,115
Investments in joint ventures	1,026	987	788	788
Investments in subsidiaries	-	-	5,991	6,291
Property, plant and equipment	63,512	52,043	44,996	42,639
Investment properties	21,810	22,405	5,005	5,222
Intangible assets	386	450	-	-
Other non-current assets	283	303	16	16
	<u>88,937</u>	<u>77,961</u>	<u>58,911</u>	<u>57,071</u>
Total assets	<u>133,906</u>	<u>115,964</u>	<u>108,637</u>	<u>90,663</u>
LIABILITIES				
Current liabilities				
Trade and other payables	22,731	18,808	26,768	20,456
Current income tax liabilities	1,782	1,822	1,039	1,120
Borrowings	16,636	5,200	14,090	3,000
	<u>41,149</u>	<u>25,830</u>	<u>41,897</u>	<u>24,576</u>
Non-current liabilities				
Trade and other payables	7,890	6,847	5,729	4,557
Borrowings	3,100	3,828	353	-
Deferred income tax liabilities	5,994	6,193	4,669	4,784
	<u>16,984</u>	<u>16,868</u>	<u>10,751</u>	<u>9,341</u>
Total liabilities	<u>58,133</u>	<u>42,698</u>	<u>52,648</u>	<u>33,917</u>
NET ASSETS	<u>75,773</u>	<u>73,266</u>	<u>55,989</u>	<u>56,746</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	108	151	-	-
Retained profits	41,533	39,332	25,745	26,502
	<u>71,885</u>	<u>69,727</u>	<u>55,989</u>	<u>56,746</u>
Non-controlling interests	<u>3,888</u>	<u>3,539</u>	<u>-</u>	<u>-</u>
Total equity	<u>75,773</u>	<u>73,266</u>	<u>55,989</u>	<u>56,746</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 30.09.2014		As at 31.12.2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,808	14,828	1,719	3,481

Amount repayable after one year

As at 30.09.2014		As at 31.12.2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,100	-	3,828	-

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 \$2,293,000 (31 December 2013 - \$2,121,000) and \$16,805,000 (31 December 2013 - \$17,183,000) 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	
	30.09.2014 \$'000	30.09.2013 \$'000	30.09.2014 \$'000	30.09.2013 \$'000
Cash flows from operating activities				
Total Profit	2,261	3,434	8,015	9,170
Adjustments for:				
- Depreciation of property, plant and equipment	2,727	2,192	7,840	6,579
- Depreciation of investment properties	198	198	595	595
- Amortisation of intangible assets	23	20	67	20
- Gain on disposal of property, plant and equipment	(50)	(23)	(176)	(285)
- Income tax expense	367	549	1,459	1,381
- Interest expense	99	90	222	298
- Interest income	(11)	(12)	(33)	(29)
- Share of profit of joint ventures	11	51	(39)	(1)
	5,625	6,499	17,950	17,728
Changes in working capital				
- Trade and other receivables	(3,781)	266	(7,163)	(277)
- Inventories	-	(2)	(19)	-
- Other current assets	(811)	(550)	(616)	(30)
- Trade and other payables	3,342	1,708	1,585	(437)
Cash generated from operations	4,375	7,921	11,737	16,984
Income tax paid	(801)	(444)	(1,698)	(1,101)
Interest paid	(84)	(76)	(178)	(255)
Net cash provided by operating activities	3,490	7,401	9,861	15,628
Cash flows from investing activities				
Interest received	11	12	33	29
Disposal of property, plant and equipment	57	36	734	496
Purchase of intangible assets	-	-	(40)	(122)
Purchase of property, plant and equipment	(4,243)	(862)	(16,155)	(5,184)
Net cash used in investing activities	(4,175)	(814)	(15,428)	(4,781)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(1,075)	(1,075)	(5,375)	(4,838)
Dividends paid to non-controlling interests	-	-	(90)	(90)
Proceeds from issue of share to a non-controlling shareholder	-	-	-	411
Proceeds from borrowings	2,151	-	12,351	2,000
Repayments of borrowings	(300)	(5,298)	(1,900)	(8,413)
Repayments of finance lease liabilities	(160)	(133)	(462)	(676)
Net cash used in financing activities	616	(6,506)	4,524	(11,606)
Net increase / (decrease) in cash and cash equivalents	(69)	81	(1,043)	(759)
Cash and cash equivalents at beginning of period	14,979	15,223	16,045	15,913
Effect of currency translation on cash and cash equivalents	64	(7)	(28)	143
Cash and cash equivalents at end of period	14,974	15,297	14,974	15,297

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 profits	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP						
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
2013						
Beginning of financial year	30,244	(72)	33,768	63,940	3,057	66,997
Total comprehensive income for the period	-	70	2,350	2,420	178	2,598
Balance at 31 Mar and 1 Apr 2013	30,244	(2)	36,118	66,360	3,235	69,595
Capital injection from non-controlling interest	-	-	-	-	411	411
Dividend paid	-	-	(3,763)	(3,763)	(90)	(3,853)
Total comprehensive income for the period	-	105	2,974	3,079	234	3,313
Balance at 30 Jun and 1 Jul 2013	30,244	103	35,329	65,676	3,790	69,466
Dividends paid	-	-	(1,075)	(1,075)	-	(1,075)
Total comprehensive income for the period	-	(7)	3,259	3,252	175	3,427
Balance at 30 Sep and 1 Oct 2013	30,244	96	37,513	67,853	3,965	71,818

	Share capital \$'000	Retained profits \$'000	Total \$'000
<u>COMPANY</u>			
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

<u>COMPANY</u>			
2013			
Beginning of financial year	30,244	21,549	51,793
Total comprehensive income for the period	-	2,772	2,772
Balance at 31 Mar and 1 Apr 2013	30,244	24,321	54,565
Dividends paid	-	(3,763)	(3,763)
Total comprehensive income for the period	-	2,003	2,003
Balance at 30 Jun and 1 Jul 2013	30,244	22,561	52,805
Dividends paid	-	(1,075)	(1,075)
Total comprehensive income for the period	-	1,813	1,813
Balance at 30 Sep and 1 Oct 2013	30,244	23,299	53,543

- 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**

Not applicable.

- 1(d)(iii) Total number of issued shares excluding Treasury Shares at the end of 30 September 2014 as compared to 31 December 2013**

As at	30.09.2014	31.12.2013
No. of Ordinary Share	215,018,000	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

	<u>Third quarter ended</u>		<u>Nine months ended</u>	
	30.09.2014	30.09.2013	30.09.2014	30.09.2013
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	1.02 cents	1.51 cents	3.52 cents	3.99 cents
(ii) On a fully-diluted basis	1.02 cents	1.51 cents	3.52 cents	3.99 cents

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 215,018,000 shares (3Q13: 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

	<u>Group</u>		<u>Company</u>	
	30.09.2014	31.12.2013	30.09.2014	31.12.2013
Net asset value per ordinary share based on issued share capital at the end of the financial period	33.43 cents	32.43 cents	26.04 cents	26.39 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 2014 ("3Q14") vs Third Quarter 2013 ("3Q13")

Group revenue in 3Q14 was \$32.20m representing a net increase of 4% or \$1.20m compared to 3Q13. 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 \$0.9m in revenue of an overseas subsidiary.

Overall expenses increased by 10% from \$27.04m to \$29.68m, due mainly to the increase in depreciation, employee compensation, sub-contractor charges, other expenses and partly offset by a decrease in upkeep of commercial vehicles and barges.

Depreciation of property, plant and equipment increased by 24% from \$2.19m in 3Q13 to \$2.73m in 3Q14. 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. The investments include additional property, plant and equipment purchased for the operation of a subsidiary that was incorporated last year.

Employee compensation increased by 14% from \$11.46m in 3Q13 to \$13.05m in 3Q14. This was mainly due to the increase in volume of business and higher wage costs arising from a tighter labour market.

Sub-contractors charges increased by 12% to \$3.60m in 3Q14 from \$3.21m in 3Q13. The increase was mainly due to the increase in volume of business handled by the Transportation and Bulk Cargo Division.

Upkeep of commercial vehicles and barges decreased by 8% from \$4.36m in 3Q13 to \$4.02m in 3Q14, mainly due to lower diesel prices.

“Other” expenses of \$2.6m in 3Q14 was higher compared to \$2.21m in 3Q13 as this include a provision made on doubtful debt by an overseas subsidiary, as well as other increases in line with revenue.

Tax expense decreased by \$0.18m from \$0.55m in 3Q13 to \$0.37m in 3Q14. The decrease was due to lower total profit in 3Q14.

Consequently, the Group's total profit after tax decreased by 34% from \$3.43m in 3Q13 to \$2.26m in 3Q14.

Income Statement Review – nine months ended 30 September 2014 (“9M14”) vs nine months ended 30 September 2013 (“9M13”)

Group revenue increased by 7% or \$6.23m, from \$87.99m in 9M13 to \$94.22m in 9M14. 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 \$1.8m for the nine months in an overseas subsidiary in the Transportation segment.

Overall expenses increased by 9% from \$77.94m in 9M13 to \$85.06m in 9M14, mainly due to increase in depreciation, employee compensation and other expenses. The reasons for the increase in depreciation, employee compensation and other expenses are similar to those cited for 3Q14 vs 3Q13.

The Group's income tax expense increased by 6% from \$1.38m in 9M13 to \$1.46m in 9M14 despite lower total profit in 9M14 mainly due to the absence of a tax incentive grant that was claimed in 9M13.

The Group's total profit after tax decreased by \$1.16m or 13% from \$9.17m in 9M13 to \$8.02m in 9M14.

Statement of financial position

Trade and other receivables increased by \$7.16m from \$20.72m as at 31 December 2013 to \$27.88m as at 30 September 2014. The increase was mainly due to the increase in revenue and longer collection period.

Property, Plant and Equipment increased by \$11.47m from \$52.04m as at 31 December 2013 to \$63.51m as at 30 September 2014. The increase was due to purchase of additional Property, Plant and Equipment for the Transportation and Bulk Cargo Division and the Warehousing Division.

Total borrowings for the Group increased by \$10.71m from \$9.03m as at 31 December 2013 to \$19.74m as at 30 September 2014. Proceeds from borrowings were utilized to finance the purchase of additional property, plant and equipment.

Statement of Cashflow

The Group continues to generate positive cashflow. However, net cash inflow from operating activities for 9M14 reduced compared to 9M13 from \$15.63m to \$9.86m, primarily due to an increase in trade and other receivables arising from the increase in revenue and longer collection period. 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 for the Transportation and Bulk Cargo Division and the Warehousing Division.

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 Group achieved an increase in revenue for both 3Q14 and 9M14 compared to the preceding corresponding periods.

The business environment will continue to create challenges for the Group. The performance of the Group will continue to be affected by the diesel prices, tightening of the labour market and pressure on wage costs.

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

The Company has accepted an offer from the Jurong Town Corporation to lease the existing premises at 42 and 48 Pandan Road for a further term of 24 years 4 months from 1 July 2019. The Company shall demolish the existing buildings and structures at the said premises 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 ("Redevelopment Project").

The total gross floor area of the Redevelopment Project is approximately 101,590 square meters and construction is targeted to complete by February 2018. The Redevelopment Project will be funded by internal resources and bank borrowings and is not expected to have a material impact on the net tangible assets and earnings per share of the Group for the current financial year ending 31 December 2014.

The Company is still in the post-tender negotiation with the contractor and will make further announcement(s) as and when appropriate.

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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 2014.

(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/recommended, 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 2014. 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 2014 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 2014