



傅長春儲運有限公司
Poh Tiong Choon Logistics Limited

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

**FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD
ENDED 31 MARCH 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		
	3 months ended		
	31.03.2014	31.03.2013	+/(-)%
	\$'000	\$'000	
Revenue	31,180	27,923	12
Other income	10	8	25
Other gains – net	88	165	(47)
Expenses			
- Cost of inventories sold	(1,216)	(1,211)	-
- Depreciation of property, plant and equipment	(2,357)	(2,192)	8
- Depreciation of investment properties	(198)	(198)	-
- Amortisation of intellectual property rights	(22)	-	-
- Employee compensation	(11,695)	(10,443)	12
- Insurance	(583)	(616)	(5)
- Rental on operating leases	(1,225)	(1,000)	23
- Sub-contractors charges	(3,589)	(3,139)	14
- Travelling and transportation	(248)	(250)	(1)
- Upkeep of commercial vehicles	(3,724)	(3,682)	1
- Finance	(60)	(116)	(48)
- Other	(2,238)	(2,153)	4
Total expenses	(27,155)	(25,000)	9
Share of (loss) / profit of joint ventures	(1)	47	(102)
Profit before income tax	4,122	3,143	31
Income tax expense	(675)	(615)	10
Total profit	3,447	2,528	36
Profit attributable to:			
Equity holders of the Company	3,241	2,350	38
Non-controlling interests	206	178	16
	3,447	2,528	36

Statement of Comprehensive income for the period ended 31 March 2014

	Group		
	3 months ended		
	31.03.2014	31.03.2013	+ / (-) %
	\$'000	\$'000	
Net profit for the period	3,447	2,528	36
<u>Other Comprehensive income/(loss):</u>			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation	<u>(102)</u>	<u>70</u>	(246)
Total comprehensive income for the period	<u>3,345</u>	<u>2,598</u>	29
Total comprehensive income attributable to:			
Equity holders of the Company	3,139	2,420	30
Non-controlling interests	<u>206</u>	<u>178</u>	16
	<u>3,345</u>	<u>2,598</u>	29

Notes to Income statement

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

	Group		
	3 months ended		
	31.03.2014	31.03.2013	+ / (-) %
	\$'000	\$'000	
Interest income	10	8	25
Interest expense	(60)	(116)	(48)
Currency exchange gain/(loss) – net	(4)	24	(117)
Gain on disposal of property, plant & equipment	90	158	(43)

(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	
	31.03.2014	31.12.2013	31.03.2014	31.12.2013
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	15,303	16,045	11,824	13,522
Trade and other receivables	20,538	18,946	20,464	18,204
Inventories	87	77	-	-
Other current assets	2,371	2,935	1,520	1,866
	38,299	38,003	33,808	33,592
Non-current assets				
Trade and other receivables	1,822	1,773	2,115	2,115
Investments in joint ventures	986	987	788	788
Investments in subsidiaries	-	-	6,291	6,291
Property, plant and equipment	51,963	52,043	43,422	42,639
Investment properties	22,207	22,405	5,150	5,222
Intangible assets	431	450	-	-
Other non-current assets	297	303	16	16
	77,706	77,961	57,782	57,071
Total assets	116,005	115,964	91,590	90,663
LIABILITIES				
Current liabilities				
Trade and other payables	14,958	18,808	18,798	20,456
Current income tax liabilities	2,581	1,822	1,636	1,120
Borrowings	5,278	5,200	3,000	3,000
	22,817	25,830	23,434	24,576
Non-current liabilities				
Trade and other payables	6,921	6,847	4,760	4,557
Borrowings	3,558	3,828	-	-
Deferred income tax liabilities	6,098	6,193	4,671	4,784
	16,577	16,868	9,431	9,341
Total liabilities	39,394	42,698	32,865	33,917
NET ASSETS	76,611	73,266	58,725	56,746
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	30,244	30,244	30,244	30,244
Currency translation reserve	49	151	-	-
Retained profits	42,573	39,332	28,481	26,502
	72,866	69,727	58,725	56,746
Non-controlling interests	3,745	3,539	-	-
Total equity	76,611	73,266	58,725	56,746

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

Amount payable in one year or less, or on demand

As at 31.03.2014		As at 31.12.2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
1,812	3,466	1,719	3,481

Amount repayable after one year

As at 31.03.2014		As at 31.12.2013	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
3,558	-	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 \$1,974,000 (31 December 2013 - \$2,121,000) and \$17,057,000 (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	
	3 months ended	
	31.03.2014	31.03.2013
	\$'000	\$'000
Cash flows from operating activities		
Total Profit	3,447	2,528
Adjustments for:		
- Depreciation of property, plant and equipment	2,357	2,192
- Depreciation of investment properties	198	198
- Amortisation of intangible assets	22	-
- Gain on disposal of property, plant and equipment	(90)	(158)
- Income tax expense	675	615
- Interest expense	60	116
- Interest income	(10)	(8)
- Share of loss/(profit) of joint venture	1	(47)
	6,660	5,436
Changes in working capital		
- Trade and other receivables	(1,641)	(861)
- Inventories	(10)	15
- Other current assets	570	373
- Trade and other payables	(3,473)	(2,944)
Cash generated from operations	2,106	2,019
Income tax paid	(11)	(55)
Interest paid	(45)	(101)
Net cash provided by operating activities	2,050	1,863
Cash flows from investing activities		
Interest received	10	8
Proceeds from disposal of property, plant and equipment	615	336
Purchase of intangible assets	(40)	-
Additions to property, plant and equipment	(2,850)	(2,103)
Net cash used in investing activities	(2,265)	(1,759)
Cash flows from financing activities		
Repayments of borrowings	(300)	(2,460)
Repayments of lease liabilities	(150)	(328)
Net cash used in financing activities	(450)	(2,788)
Net decrease in cash and cash equivalents	(665)	(2,684)
Cash and cash equivalents at beginning of financial year	16,045	15,913
Effects of currency translation on cash and cash equivalents	(77)	57
Cash and cash equivalents at end of financial period	15,303	13,286

- 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 →					
	Share capital	Currency translation reserves	Retained profits	Total	Non-controlling interests	Total equity
	\$'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 2014 and 1 Apr 2014	30,244	49	42,573	72,866	3,745	76,611

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 2013 and 1 Apr 2013	30,244	(2)	36,118	66,360	3,235	69,595

COMPANY

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 2014 and 1 Apr 2014	30,244	-	28,481	58,725		

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 2013 and 1 Apr 2013	30,244	-	24,321	54,565		

- 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 31 March 2014 as compared to 31 December 2013**

As at	31.03.2014	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

		Group	
		3 months ended	
		31.03.2014	31.03.2013
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:		1.51 cents	1.09 cents
(i)	Based on weighted average number of shares		
	- Weighted average number of shares	215,018,000	215,018,000
		Shares	Shares
(ii)	On a fully-diluted basis	1.51 cents	1.09 cents

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	
		31.03.2013	31.12.2013	31.03.2013	31.12.2013
Net asset value per ordinary share based on issued share capital at the end of the financial period		33.89 cents	32.43 cents	27.31 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 – First Quarter 2014 ("1Q14") vs First Quarter 2013 ("1Q13")

Group revenue in 1Q14 was \$31.18m representing an increase of 12% or \$3.26m compared to 1Q13. The higher revenue was mainly attributed to the increase in volume handled. The Transportation and Bulk Cargo Division is the main Division contributing to the increase in revenue.

Overall expenses increased by 9% from \$25.00m in 1Q13 to \$27.16m in 1Q14. The increase was mainly due to the increase in employee compensation, rental on operating leases and sub-contractor charges.

Employee compensation rose by 12% to \$11.70m in 1Q14 from \$10.44m in 1Q13. The increase was due to increase in revenue and salary increments to employees. The increase is partly offset by government grant received under the Wage Credit Scheme.

The rental expense on operating leases rose by 23% from \$1.00m in 1Q13 to \$1.23m in 1Q14. The increase was due to annual revision of land rental rates and the rental of third party premises to cater to the increase in volume.

Sub-contractor charges rose by 14% to \$3.59m in 1Q14 from \$3.14m in 1Q13. The increase was in line with the increase in revenue.

Consequently, the Group's total profit after tax increased by \$0.92m (36%) from \$2.53m in 1Q13 to \$3.45m in 1Q14.

Statement of financial position review

Trade and other receivables increased by \$1.64m from \$20.72m as at 31 December 2013 to \$22.36m as at 31 March 2014. This is in line with the increase in revenue.

Trade and other payable reduced by \$3.78m from \$25.66m as at 31 December 2013 to \$21.88m as at 31 March 2014. This was mainly due to pay-out of provision for employee compensation accrued as at 31 Dec 2013.

Statement of Cashflow

The Group continues to generate positive cashflow. Cash provided by operating activities were mainly utilized 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

None.

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 a 12% increase in revenue in the 1Q2014 as compared to 1Q2013.

The uncertain business environment will continue to create challenges to the Group. The performance of the Group will continue to be affected by diesel prices, tightening of the labour market and wage cost pressures.

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

11. Dividend

(a) Current Financial Period Reported On

Any dividend recommended for the current financial period reported on?

No dividend has been declared for first quarter 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/recommendeded, a statement to that effect

No dividend has been declared or recommended for the period ended 31 March 2014.

13. Interested Person Transactions

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 first quarter financial period ended 31 March 2014.

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

We, Poh Choon Ann and Poh Key Boon, 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 first quarter unaudited results for the financial period ended 31 March 2014 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Poh Choon Ann
Director

Poh Key Boon
Director

BY ORDER OF THE BOARD

Poh Khim Hong (Ms)
Finance Director & CFO
15 May 2014