



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 2016

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		
	30.06.2016 \$'000	30.06.2015 \$'000	% Change	30.06.2016 \$'000	30.06.2015 \$'000	% Change
Revenue	33,622	40,410	(17)	70,570	76,753	(8)
Other income	56	4	1300	109	9	1111
Other gains – net	339	183	85	418	268	56
Expenses						
- Cost of inventories sold	(422)	(801)	(47)	(826)	(1,491)	(45)
- Depreciation of property, plant and equipment	(2,610)	(3,182)	(18)	(5,303)	(6,347)	(16)
- Depreciation of investment properties	(179)	(198)	(10)	(359)	(396)	(9)
- Amortisation of intellectual property rights	-	(23)	N.M.	-	(46)	N.M.
- Employee compensation	(14,921)	(15,741)	(5)	(29,124)	(29,448)	(1)
- Insurance	(654)	(699)	(6)	(1,402)	(1,384)	1
- Rental on operating leases	(2,600)	(2,464)	6	(5,376)	(4,782)	12
- Sub-contractor charges	(2,905)	(5,361)	(46)	(7,087)	(9,528)	(26)
- Travelling and transportation	(277)	(275)	1	(557)	(527)	6
- Upkeep of commercial vehicles and barges	(3,212)	(4,508)	(29)	(6,335)	(7,974)	(21)
- Finance	(224)	(71)	215	(591)	(141)	319
- Other	(2,276)	(2,613)	(13)	(4,516)	(5,217)	(13)
Total expenses	(30,280)	(35,936)	(16)	(61,476)	(67,281)	(9)
Share of (loss)/profit of joint venture	(14)	(9)	56	18	21	(14)
Profit before income tax	3,723	4,652	(20)	9,639	9,770	(1)
Income tax expense	(535)	(948)	(44)	(1,520)	(1,840)	(17)
Total profit	3,188	3,704	(14)	8,119	7,930	2
Profit attributable to:						
Equity holders of the Company	2,798	3,533	(21)	7,368	7,519	(2)
Non-controlling interests	390	171	128	751	411	83
	3,188	3,704	(14)	8,119	7,930	2

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		
30.06.2016 \$'000	30.06.2015 \$'000	% Change
3,188	3,704	(14)
(8)	(48)	(83)
3,180	3,656	(13)
2,790	3,485	(20)
390	171	128
3,180	3,656	(13)

GROUP Half year ended		
30.06.2016 \$'000	30.06.2015 \$'000	% Change
8,119	7,930	2
(29)	43	(167)
8,090	7,973	1
7,339	7,562	(3)
751	411	83
8,090	7,973	1

NOTES TO INCOME STATEMENT

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

Interest income

Interest expense

Currency exchange (losses)/gain– net

Gain on disposal of property, plant & equipment

GROUP Second quarter ended		
30.06.2016 \$'000	30.06.2015 \$'000	% Change
56	4	1300
(224)	(71)	215
(20)	45	(144)
322	183	76

GROUP Half year ended		
30.06.2016 \$'000	30.06.2015 \$'000	% Change
109	9	1111
(591)	(141)	319
(17)	13	(231)
398	268	49

(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	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	26,871	28,773	22,189	25,183
Trade and other receivables	19,827	21,598	19,703	25,906
Inventories	49	136	-	-
Other current assets	4,406	5,090	3,061	3,822
	51,153	55,597	44,953	54,911
Non-current assets				
Trade and other receivables	2,055	2,026	2,525	2,525
Investments in joint venture	1,045	1,027	788	788
Investments in subsidiaries	-	-	2,884	3,325
Property, plant and equipment	133,680	117,597	118,902	101,571
Investment properties	20,490	20,849	4,498	4,643
Intangible assets	226	226	-	-
Other non-current assets	383	396	163	162
	157,879	142,121	129,760	113,014
Total assets	209,032	197,718	174,713	167,925
LIABILITIES				
Current liabilities				
Trade and other payables	22,969	29,581	27,599	34,770
Current income tax liabilities	2,721	2,798	1,504	1,580
Borrowings	76,218	59,503	72,713	55,904
	101,908	91,882	101,816	92,254
Non-current liabilities				
Trade and other payables	6,296	6,554	4,135	4,393
Borrowings	6,833	8,188	4,599	4,915
Deferred income tax liabilities	6,934	6,699	4,491	4,475
	20,063	21,441	13,225	13,783
Total liabilities	121,971	113,323	115,041	106,037
NET ASSETS	87,061	84,395	59,672	61,888
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	30,244	30,244	30,244	30,244
Currency translation reserve	210	239	-	-
Retained profits	52,636	50,692	29,428	31,644
	83,090	81,175	59,672	61,888
Non-controlling interests	3,971	3,220	-	-
Total equity	87,061	84,395	59,672	61,888

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

Amount payable in one year or less, or on demand

As at 30.06.2016		As at 31.12.2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,253	71,965	4,164	55,339

Amount repayable after one year

As at 30.06.2016		As at 31.12.2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
6,833	-	8,188	-

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 \$12,387,000 (31 December 2015 - \$11,694,000) and \$15,992,000 (31 December 2015 – \$16,206,000) 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	
	30.06.2016 \$'000	30.06.2015 \$'000	30.06.2016 \$'000	30.06.2015 \$'000
Cash flows from operating activities				
Total Profit	3,188	3,704	8,119	7,930
Adjustments for:				
- Depreciation of property, plant and equipment	2,610	3,182	5,303	6,347
- Depreciation of investment properties	179	198	359	396
- Amortisation of intangible assets	-	23	-	46
- Gain on disposal of property, plant and equipment	(322)	(183)	(398)	(268)
- Income tax expense	535	948	1,520	1,840
- Interest expense	224	71	591	141
- Interest income	(56)	(4)	(109)	(9)
- Share of loss/(profit) of joint venture	14	9	(18)	(21)
	6,372	7,948	15,367	16,402
Changes in working capital				
- Trade and other receivables	(24)	(1,529)	1,742	(901)
- Inventories	(19)	-	87	152
- Other current assets	288	270	697	528
- Trade and other payables	(8)	1,672	(5,609)	39
Cash generated from operations	6,609	8,361	12,284	16,220
Income tax paid	(1,222)	(691)	(1,362)	(693)
Interest paid	(210)	(57)	(562)	(112)
Net cash provided by operating activities	5,177	7,613	10,360	15,415
Cash flows from investing activities				
Interest received	56	4	109	9
Proceeds from disposal of property, plant and equipment	449	226	607	412
Purchase of an intangible asset	-	(2)	-	(2)
Purchases of property, plant and equipment	(8,274)	(12,628)	(22,138)	(17,664)
Net cash used in investing activities	(7,769)	(12,400)	(21,422)	(17,245)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(4,784)	(3,746)	(4,784)	(3,746)
Proceeds from borrowings	6,200	16,000	19,200	22,000
Repayments of borrowings	(1,300)	(3,300)	(3,100)	(4,350)
Repayments of finance lease liabilities	(741)	(547)	(1,446)	(1,046)
Share repurchased and cancelled	(187)	(643)	(640)	(990)
Net cash (used in)/provided by financing activities	(812)	7,764	9,230	11,868
Net (decrease)/increase in cash and cash equivalents	(3,404)	2,977	(1,832)	10,038
Cash and cash equivalents at beginning of period	30,300	28,043	28,773	20,905
Effect of currency translation on cash and cash equivalents	(25)	(42)	(70)	35
Cash and cash equivalents at end of period	26,871	30,978	26,871	30,978

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 reserve	Retained Profits	Total	Non-controlling interests	Total equity
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP						
2016						
Beginning of financial year	30,244	239	50,692	81,175	3,220	84,395
Share repurchased and cancelled	-	-	(453)	(453)	-	(453)
Total comprehensive (loss)/income for the period	-	(21)	4,570	4,549	361	4,910
Balance at 31 Mar and 1 Apr 2016	30,244	218	54,809	85,271	3,581	88,852
Share repurchased and cancelled	-	-	(187)	(187)	-	(187)
Dividend paid	-	-	(4,784)	(4,784)	-	(4,784)
Total comprehensive (loss)/income for the period	-	(8)	2,798	2,790	390	3,180
Balance at 30 Jun and 1 Jul 2016	30,244	210	52,636	83,090	3,971	87,061
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 (loss)/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
COMPANY						
2016						
Beginning of financial year	30,244	-	31,644	61,888		
Share repurchased and cancelled	-	-	(453)	(453)		
Total comprehensive income for the period			1,873	1,873		
Balance at 31 Mar and 1 Apr 2016	30,244	-	33,064	63,308		
Share repurchased and cancelled	-	-	(187)	(187)		
Dividend paid	-	-	(4,784)	(4,784)		
Total comprehensive income for the period	-	-	1,335	1,335		
Balance at 30 Jun and 1 Jul 2016	30,244	-	29,428	59,672		
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		

- 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 2016 to 30 June 2016, the Company bought back 242,200 shares by way of market acquisitions transacted on the SGX-ST. Those shares repurchased were immediately cancelled.

	No. of shares
Balance as of 31.03.2016	212,617,900
Less shares bought back and cancelled	(242,200)
Balance as of 30.06.2016	212,375,700

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 at the 47th AGM held on 29 April 2016.

- 1(d)(iii) Total number of issued shares excluding Treasury Shares at the end of 30 June 2016 as compared to 31 December 2015**

As at	30.06.2016	31.12.2015
No. of Ordinary Share	212,375,700	213,251,000

- 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

	Second quarter ended		Half year ended	
	30.06.2016	30.06.2015	30.06.2016	30.06.2015
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	1.32 cents	1.65 cents	3.46 cents	3.51 cents
(ii) On a fully-diluted basis	1.32 cents	1.65 cents	3.46 cents	3.51 cents

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 212,776,695 shares (2015: 214,428,276).

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	
	30.06.2016	31.12.2015	30.06.2016	31.12.2015
Net asset value per ordinary share based on issued share capital at the end of the financial period	39.12 cents	38.07 cents	28.10 cents	29.02 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 2016 ("2Q16") vs Second Quarter 2015 ("2Q15")

Group revenue in 2Q16 was \$33.62m representing a decrease of 17% or \$6.79m compared to 2Q15. The lower revenue was mainly attributed to the decrease in volume handled by the Transportation and Bulk Cargo Division.

Total expenses decreased by 16% from \$35.94m in 2Q15 to \$30.28m in 2Q16, mainly due to decreases in depreciation of property, plant and equipment, cost of inventories sold, sub-contractor charges and upkeep of commercial vehicles and barges.

Depreciation of property, plant and equipment decreased by 18% from \$3.18m in 2Q15 to \$2.61m in 2Q16, mainly due to certain underutilized property, plant and equipment that were fully impaired in Fourth Quarter 2015.

Cost of inventories sold decreased by 47% from \$0.80m in 2Q15 to \$0.42m in 2Q16. The decrease was mainly due to lower diesel prices.

Sub-contractor charges decreased by 46% from \$5.36m in 2Q15 to \$2.91m in 2Q16. The decrease was mainly due to the decrease in the volume of business handled by the Transportation and Bulk Cargo Division.

Upkeep of commercial vehicles and barges decreased by 29% from \$4.51m in 2Q15 to \$3.21m in 2Q16. The decrease was mainly due to lower diesel prices and usage.

The Group's income tax expense decreased by 44% from \$0.95m in 2Q15 to \$0.54m in 2Q16 due to the lower profit before income tax.

Consequently, the Group's net profit after tax decreased by 14% from \$3.70m in 2Q15 to \$3.19m in 2Q16.

Income Statement Review – half year 2016 (“1H16”) vs half year 2015 (“1H15”)

Group revenue in 1H16 was \$70.57m representing a decrease of 8% or \$6.18m, from \$76.75m in 1H15. The lower revenue was mainly attributable to the decrease in volume handled by the Transportation and Bulk Cargo Division.

Total expenses decreased by 9% from \$67.28m in 1H15 to \$61.48m in 1H16, mainly due to decreases in depreciation of property, plant and equipment, cost of inventories sold, sub-contractor charges and upkeep of commercial vehicles and barges. The decrease was partially offset by increase in rental in operating leases. The reasons for the above are similar to those cited in 2Q15 vs 2Q16.

The Group's total profit after tax increased by 2% from \$7.93m in 1H15 to \$8.12m in 1H16 as a result of the above.

Statement of Financial Position

Trade and other receivables decreased by \$1.74m from \$23.62m as at 31 December 2015 to \$21.88m as at 30 June 2016. The decrease was mainly due to better debt collections and lower revenue.

Property, plant and equipment increased by \$16.08m from \$117.60m as at 31 December 2015 to \$133.68m as at 30 June 2016, mainly relating to costs capitalized for the redevelopment of the Pandan yard.

Trade and other payables decreased by \$6.87m from \$36.14m as at 31 December 2015 to \$29.27m as at 30 June 2016, mainly due to decrease in payables for the redevelopment of the Pandan yard.

Total borrowings for the Group increased by \$15.36m from \$67.69m as at 31 December 2015 to \$83.05m as at 30 June 2016. 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 continued to generate positive cashflow. The decrease in proceeds and repayments of bank borrowings was mainly due to lesser progress payments of the redevelopment at Pandan yard as Phase 1 was completed during this half year while Phase 2 is expected to begin in the later part of the year.

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

Despite the challenging business environment, the Group will continue to look for new business opportunities. The performance of the Group will continue to be affected by diesel prices, tightening of the labour market, pressure on wage 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 has obtained the TOP (Temporary Occupation Permit) on 20 May 2016 for 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 Company is in the midst of installing machineries and equipment as well as performing other preparatory work before Phase 1 building can function for its warehousing purposes. 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?

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 0.75 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 2016, payable on 30 September 2016.

(d) Books closure date

NOTICE IS HEREBY GIVEN that the Transfer Books and Register of Members of the Company will be closed on 16 September 2016 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 15 September 2016 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 15 September 2016 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 2016.

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 2016 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Poh Key Boon
Director

Poh Kay Yong
Director

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

The Company has procured undertakings from all its directors and executive officers (in the revised format set out in Appendix 7.7) under Rule 720(1).

BY ORDER OF THE BOARD

Poh Khim Hong (Ms)
Finance Director & CFO
10 August 2016