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 2017

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		
	31.03.2017	31.03.2016	% Change
	$'000	$'000	
Revenue	**35,502**	36,948	(4)
Other income	**48**	53	(9)
Other gains – net	**272**	79	244
Expenses			
- Cost of inventories sold	**(696)**	(404)	72
- Depreciation of property, plant and equipment	**(3,521)**	(2,693)	31
- Depreciation of investment properties	**(179)**	(180)	(1)
- Employee compensation	**(15,314)**	(14,203)	8
- Insurance	**(562)**	(748)	(25)
- Rental on operating leases	**(970)**	(2,776)	(65)
- Sub-contractors' charges	**(3,045)**	(4,182)	(27)
- Travelling and transportation	**(202)**	(280)	(28)
- Upkeep of commercial vehicles and barges	**(3,569)**	(3,123)	14
- Finance	**(459)**	(367)	25
- Other	**(2,640)**	(2,240)	18
Total expenses	**(31,157)**	(31,196)	0
Share of (losses)/profit of joint ventures	**(15)**	32	(147)
Profit before income tax	**4,650**	5,916	(21)
Income tax expense	**(734)**	(985)	(25)
Total profit	**3,916**	4,931	(21)
Profit attributable to:			
Equity holders of the Company	**3,617**	4,570	(21)
Non-controlling interests	**299**	361	(17)
	3,916	4,931	(21)

Statement of Comprehensive income for the period ended 31 March 2017

	Group		
	3 months ended		
	31.03.2017	31.03.2016	% Change
	$'000	$'000	
Net profit for the period	**3,916**	4,931	(21)
Other Comprehensive income/(loss):			
Item that may be reclassified subsequently to profit or loss:			
Currency translation gain/(losses) arising from consolidation	**11**	(21)	152
Total comprehensive income for the period	**3,927**	**4,910**	(20)
Total comprehensive income attributable to:			
Equity holders of the Company	**3,628**	4,549	(20)
Non-controlling interests	**299**	361	(17)
	3,927	**4,910**	(20)

N.M denotes Not Meaningful

Notes to Income statement

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

	Group		
	3 months ended		
	31.03.2017	31.03.2016	% Change
	$'000	$'000	
Interest income	**48**	53	(9)
Interest expense	**(459)**	(367)	25
Currency exchange (loss)/gain – net	**(34)**	3	(1,233)
Gain on disposal of property, plant and equipment	**269**	76	254

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

There is no material adjustment for under or over provision 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	
	31.03.2017	31.12.2016	**31.03.2017**	31.12.2016
	$'000	$'000	**$'000**	$'000
ASSETS				
Current assets				
Cash and cash equivalents	**23,610**	24,788	**18,392**	19,970
Trade and other receivables	**26,284**	24,389	**22,472**	21,258
Inventories	**31**	105	**-**	-
Other current assets	**2,836**	3,484	**1,600**	2,073
Current income tax recoverable	**1,545**	1,565	**1,545**	1,565
	54,306	54,331	**44,009**	44,866
Non-current assets				
Trade and other receivables	**2,061**	2,082	**2,849**	2,658
Investments in joint ventures	**965**	980	**788**	788
Investments in subsidiaries	**-**	-	**2,658**	2,658
Property, plant and equipment	**148,756**	139,020	**134,053**	124,362
Investment properties	**19,951**	20,130	**4,281**	4,353
Intangible assets	**226**	226	**-**	-
Other non-current assets	**412**	368	**208**	162
	172,371	162,806	**144,837**	134,981
Total assets	**226,677**	217,137	**188,846**	179,847
LIABILITIES				
Current liabilities				
Trade and other payables	**25,200**	27,526	**28,127**	29,132
Current income tax liabilities	**1,254**	814	**-**	-
Borrowings	**82,364**	74,662	**79,304**	71,192
	108,818	103,002	**107,431**	100,324
Non-current liabilities				
Trade and other payables	**5,726**	5,820	**3,713**	3,807
Borrowings	**6,328**	6,711	**4,772**	4,852
Deferred income tax liabilities	**10,176**	9,902	**7,532**	7,188
Provision	**380**	380	**380**	380
	22,610	22,813	**16,397**	16,227
Total liabilities	**131,428**	125,815	**123,828**	116,551
NET ASSETS	**95,249**	91,322	**65,018**	63,296
EQUITY				
Capital and reserves attributable to equity holders of the Company				
Share capital	**30,244**	30,244	**30,244**	30,244
Currency translation reserve	**219**	208	**-**	-
Retained profits	**60,825**	57,208	**34,774**	33,052
	91,288	87,660	**65,018**	63,296
Non-controlling interests	**3,961**	3,662	**-**	-
Total equity	**95,249**	91,322	**65,018**	63,296

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

Amount payable in one year or less, or on demand

As at 31.03.2017		As at 31.12.2016	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
4,350	78,014	4,621	70,041

Amount repayable after one year

As at 31.03.2017		As at 31.12.2016	
Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
6,328	-	6,711	-

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 $13,344,000 (31 December 2016 - $13,283,000) and $15,670,000 (31 December 2016 – $15,777,000) 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	
	31.03.2017	31.03.2016
	$'000	$'000
Cash flows from operating activities		
Total profit	**3,916**	4,931
Adjustments for:		
- Depreciation of property, plant and equipment	**3,521**	2,693
- Depreciation of investment properties	**179**	180
- Gain on disposal of property, plant and equipment	**(269)**	(76)
- Income tax expense	**734**	985
- Interest expense	**459**	367
- Interest income	**(48)**	(53)
- Share of losses/(profit) of joint venture	**15**	(32)
	8,507	8,995
Changes in working capital		
- Trade and other receivables	**(1,874)**	1,766
- Inventories	**74**	106
- Other current and non-current assets	**604**	409
- Trade and other payables	**(5,021)**	(5,601)
Cash generated from operations	**2,290**	5,675
Income tax paid	**-**	(140)
Net cash provided by operating activities	**2,290**	5,535
Cash flows from investing activities		
Interest received	**48**	53
Proceeds from disposal of property, plant and equipment	**298**	158
Additions to property, plant and equipment	**(10,121)**	(13,864)
Net cash used in investing activities	**(9,775)**	(13,653)
Cash flows from financing activities		
Proceeds from borrowings	**10,000**	13,000
Repayments of borrowings	**(2,300)**	(1,800)
Repayments of lease liabilities	**(943)**	(705)
Interest paid	**(445)**	(352)
Share repurchased and cancelled	**-**	(453)
Net cash provided by financing activities	**6,312**	9,690
Net (decrease)/increase in cash and cash equivalents	**(1,173)**	1,572
Cash and cash equivalents at beginning of financial year	**24,788**	28,773
Effects of currency translation on cash and cash equivalents	**(5)**	(45)
Cash and cash equivalents at end of financial period	**23,610**	30,300

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
GROUP	$'000	$'000	$'000	$'000	$'000	$'000
2017						
Beginning of financial year	30,244	208	57,208	87,660	3,662	91,322
Total comprehensive income for the period	-	11	3,617	3,628	299	3,927
Balance at 31 Mar 2017	**30,244**	**219**	**60,825**	**91,288**	**3,961**	**95,249**
2016						
Beginning of financial year	30,244	239	50,692	81,175	3,220	84,395
Shares repurchased and cancelled	-	-	(453)	(453)	-	(453)
Total comprehensive income for the period	-	(21)	4,570	4,549	361	4,910
Balance at 31 Mar 2016	**30,244**	**218**	**54,809**	**85,271**	**3,581**	**88,852**

COMPANY				
2017				
Beginning of financial year	30,244	-	33,052	63,296
Total comprehensive income for the period			1,722	1,722
Balance at 31 Mar 2017	**30,244**	**-**	**34,774**	**65,018**
2016				
Beginning of financial year	30,244	-	31,644	61,888
Shares repurchased and cancelled	-	-	(453)	(453)
Total comprehensive income for the period			1,873	1,873
Balance at 31 Mar 2016	**30,244**	**-**	**33,064**	**63,308**

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 January 2017 to 31 March 2017, the Company did not repurchase any of its share.

1(d)(iii) Total number of issued shares excluding Treasury Shares at the end of 31 March 2017 as compared to 31 December 2016

As at	31.03.2017	31.12.2016
No. of Ordinary Share	211,940,800	211,940,800

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	
		31.03.2017	31.03.2016
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	**1.71 cents**	**2.15 cents**
(ii)	On a fully-diluted basis	**1.71 cents**	**2.15 cents**

The computation of earnings per ordinary share on weighted average number of shares and fully diluted basis is based on 211,940,800 (1Q16: 212,952,519) 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	
	31.03.2017	31.12.2016	**31.03.2017**	31.12.2016
Net asset value per ordinary share based on issued share capital at the end of the financial period	**43.07 cents**	41.36 cents	**30.68 cents**	29.86 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 2017 ("1Q17") vs First Quarter 2016 ("1Q16")

Group revenue in 1Q17 was $35.50m representing a decrease of 4% or $1.45m compared to 1Q16. The lower revenue was mainly due to a decrease in volume handled by the Transportation and Bulk Cargo Division, partially offset with an increase in volume handled by the Warehousing Division.

Total expenses in 1Q17 was $31.16m, which remained comparable to $31.20m in 1Q16 despite a lower revenue. This was mainly attributed to a decrease in rental on operating leases and sub-contractors' charges. The decrease was partly offset by the increase in cost of inventories sold, depreciation of property, plant and equipment, upkeep of commercial vehicles and barges, employee compensation and other expenses.

Rental on operating leases decreased by 65% from $2.78m in 1Q16 to $0.97m in 1Q17. This was mainly due to non-renewal of expired leases for third party warehouse premises after the migration of customers' cargo to Phase 1, 48 Pandan Road building after TOP was obtained in 2Q16.

Sub-contractors' charges reduced by 27% from 4.18m in 1Q16 to $3.05m in 1Q17. The decrease was mainly due to lower volume of business handled by the Transportation and Bulk Cargo Division.

Cost of inventories sold surged by 72% from $0.40m in 1Q16 to $0.70m in 1Q17. The increase was mainly caused by higher diesel prices.

Depreciation of property, plant and equipment increased by 31% or $0.83m, from $2.69m in 1Q16 to $3.52m in 1Q17, mainly due to greater depreciation on the completion of the redevelopment of Phase 1 premises.

Upkeep of commercial vehicles and barges increased by 14% from $3.12m in 1Q16 to $3.57m in 1Q17, mainly caused by higher diesel prices.

Employee compensation increased by 8% from $14.20m in 1Q16 to $15.31m in 1Q17. This was mainly attributed to a much lower payout by government under the Wage Credit Scheme as compared to the previous period.

Other expenses increased by 18% from $2.24m in 1Q16 to $2.64m in 1Q17 mainly due to higher property maintenance costs incurred for the new Phase 1, 48 Pandan Road premises.

The Group's income tax expense decreased by 25% from $0.99m in 1Q16 to $0.73m in 1Q17 due to lower profit before income tax.

Consequently, the Group's net profit after tax decreased by 21% from $4.93m in 1Q16 to $3.92m in 1Q17.

Statement of financial position review

Trade and other receivables increased by $1.88m from $$26.47m as at 31 December 2016 to $28.35m as at 31 March 2017, mainly due to different payment terms of new customers.

Property, plant and equipment increased by $9.74m from $139.02m as at 31 December 2016 to $148.76m as at 31 March 2017, mainly due to costs capitalised for Phase 2 of the redevelopment of the Pandan premises.

Trade and other payables decreased by $2.42m from $33.35m as at 31 December 2016 to $30.93m as at 31 March 2017, mainly due to payment of employee compensation accrued as at 31 December 2016.

Total borrowings for the Group increased by $7.32m from $81.37m as at 31 December 2016 to $88.69m as at 31 March 2017. Proceeds from borrowings were utilised to finance the purchase of additional property, plant and equipment which included the progress payments for the redevelopment of the Phase 2, 48 Pandan Road premises.

Statement of Cashflow

The Group continued to generate positive cashflows from its operations. However, net cash inflow from operating activities decreased by $3.25m from $5.54m for 1Q16 to $2.29m for 1Q17, mainly due to different payment terms of new customers.

Cash provided by operating activities and additional borrowings from banks 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

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 continues to obtain 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 started Phase 2 of the redevelopment project to construct a single-user general warehouse comprising a block of ramp-up warehouse building with office space and ancillary facilities. The entire project when completed in 2018 is expected to contribute positively to the Group's results.

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 2017.

(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 for the period ended 31 March 2017.

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 2017.

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

We, Poh Kay Yong 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 2017 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Poh Kay Yong Director	Poh Key Boon 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
15 May 2017