



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 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 Second quarter ended			GROUP Half year ended		
	30.06.2017 \$'000	30.06.2016 \$'000	% Change	30.06.2017 \$'000	30.06.2016 \$'000	% Change
Revenue	33,720	33,622	-	69,222	70,570	(2)
Other income	35	56	(38)	83	109	(24)
Other gains – net	96	339	(72)	368	418	(12)
Expenses						
- Cost of inventories sold	(672)	(422)	59	(1,368)	(826)	66
- Depreciation of property, plant and equipment	(3,587)	(2,610)	37	(7,108)	(5,303)	34
- Depreciation of investment properties	(180)	(179)	1	(359)	(359)	-
- Employee compensation	(14,736)	(14,921)	(1)	(30,050)	(29,124)	3
- Insurance	(621)	(654)	(5)	(1,183)	(1,402)	(16)
- Rental on operating leases	(1,159)	(2,600)	(55)	(2,129)	(5,376)	(60)
- Sub-contractor charges	(3,474)	(2,905)	20	(6,519)	(7,087)	(8)
- Travelling and transportation	(209)	(277)	(25)	(411)	(557)	(26)
- Upkeep of commercial vehicles and barges	(3,171)	(3,212)	(1)	(6,740)	(6,335)	6
- Finance	(444)	(224)	98	(903)	(591)	53
- Other	(3,096)	(2,276)	36	(5,736)	(4,516)	27
Total expenses	(31,349)	(30,280)	4	(62,506)	(61,476)	2
Share of (loss)/profit of joint venture	(76)	(14)	443	(91)	18	(606)
Profit before income tax	2,426	3,723	(35)	7,076	9,639	(27)
Income tax expense	(300)	(535)	(44)	(1,034)	(1,520)	(32)
Total profit	2,126	3,188	(33)	6,042	8,119	(26)
Profit attributable to:						
Equity holders of the Company	1,869	2,798	(33)	5,486	7,368	(26)
Non-controlling interests	257	390	(34)	556	751	(26)
	2,126	3,188	(33)	6,042	8,119	(26)

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			GROUP Half year ended		
30.06.2017 \$'000	30.06.2016 \$'000	% Change	30.06.2017 \$'000	30.06.2016 \$'000	% Change
2,126	3,188	(33)	6,042	8,119	(26)
(5)	(8)	(38)	6	(29)	121
2,121	3,180	(33)	6,048	8,090	(25)
1,864	2,790	(33)	5,492	7,339	(25)
257	390	(34)	556	751	(26)
2,121	3,180	(33)	6,048	8,090	(25)

NOTES TO INCOME STATEMENT

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

	GROUP Second quarter ended			GROUP Half year ended		
	30.06.2017 \$'000	30.06.2016 \$'000	% Change	30.06.2017 \$'000	30.06.2016 \$'000	% Change
Interest income	35	56	(38)	83	109	(24)
Interest expense	(444)	(224)	98	(903)	(591)	53
Currency exchange (losses)/gain– net	4	(20)	120	(30)	(17)	76
Gain on disposal of property, plant & equipment	82	322	(75)	351	398	(12)

(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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	24,529	24,788	18,967	19,970
Trade and other receivables	24,917	24,389	23,120	21,258
Inventories	36	105	-	-
Other current assets	4,541	3,484	2,764	2,073
Current income tax recoverable	1,568	1,565	1,568	1,565
	<u>55,591</u>	<u>54,331</u>	<u>46,419</u>	<u>44,866</u>
Non-current assets				
Trade and other receivables	2,038	2,082	2,849	2,658
Investments in joint venture	889	980	788	788
Investments in subsidiaries	-	-	2,658	2,658
Property, plant and equipment	162,169	139,020	146,994	124,362
Investment properties	19,771	20,130	4,208	4,353
Intangible assets	226	226	-	-
Other non-current assets	405	368	208	162
	<u>185,498</u>	<u>162,806</u>	<u>157,705</u>	<u>134,981</u>
Total assets	<u>241,089</u>	<u>217,137</u>	<u>204,124</u>	<u>179,847</u>
LIABILITIES				
Current liabilities				
Trade and other payables	32,185	27,526	34,717	29,132
Current income tax liabilities	780	814	-	-
Borrowings	91,429	74,662	88,719	71,192
	<u>124,394</u>	<u>103,002</u>	<u>123,436</u>	<u>100,324</u>
Non-current liabilities				
Trade and other payables	5,562	5,820	3,549	3,807
Borrowings	7,345	6,711	5,911	4,852
Deferred income tax liabilities	10,457	9,902	7,840	7,188
Provision	380	380	380	380
	<u>23,744</u>	<u>22,813</u>	<u>17,680</u>	<u>16,227</u>
Total liabilities	<u>148,138</u>	<u>125,815</u>	<u>141,116</u>	<u>116,551</u>
NET ASSETS	<u>92,951</u>	<u>91,322</u>	<u>63,008</u>	<u>63,296</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	214	208	-	-
Retained profits	58,455	57,208	32,764	33,052
	<u>88,913</u>	<u>87,660</u>	<u>63,008</u>	<u>63,296</u>
Non-controlling interests	<u>4,038</u>	<u>3,662</u>	<u>-</u>	<u>-</u>
Total equity	<u>92,951</u>	<u>91,322</u>	<u>63,008</u>	<u>63,296</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 30.06.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,411	87,018	4,621	70,041

Amount repayable after one year

As at 30.06.2017		As at 31.12.2016	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,345	-	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 \$15,370,000 (31 December 2016 - \$13,283,000) and \$15,563,000 (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 Second quarter ended		GROUP Half year ended	
	30.06.2017 \$'000	30.06.2016 \$'000	30.06.2017 \$'000	30.06.2016 \$'000
Cash flows from operating activities				
Total Profit	2,126	3,188	6,042	8,119
Adjustments for:				
- Depreciation of property, plant and equipment	3,587	2,610	7,108	5,303
- Depreciation of investment properties	180	179	359	359
- Gain on disposal of property, plant and equipment	(82)	(322)	(351)	(398)
- Income tax expense	300	535	1,034	1,520
- Interest expense	444	224	903	591
- Interest income	(35)	(56)	(83)	(109)
- Share of loss/(profit) of joint venture	76	14	91	(18)
	6,596	6,372	15,103	15,367
Changes in working capital				
- Trade and other receivables	1,390	(24)	(484)	1,742
- Inventories	(5)	(19)	69	87
- Other current and non-current assets	(1,698)	288	(1,094)	697
- Trade and other payables	4,025	(8)	(996)	(5,609)
Cash generated from operations	10,308	6,609	12,598	12,284
Income tax paid	(515)	(1,222)	(515)	(1,362)
Net cash provided by operating activities	9,793	5,387	12,083	10,922
Cash flows from investing activities				
Interest received	35	56	83	109
Proceeds from disposal of property, plant and equipment	280	449	578	607
Additions to property, plant and equipment	(12,011)	(8,274)	(22,132)	(22,138)
Net cash used in investing activities	(11,696)	(7,769)	(21,471)	(21,422)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(4,239)	(4,784)	(4,239)	(4,784)
Dividends paid to non-controlling interest	(180)	-	(180)	-
Proceeds from borrowings	10,000	6,200	20,000	19,200
Repayments of borrowings	(1,300)	(1,300)	(3,600)	(3,100)
Repayments of finance lease liabilities	(1,012)	(741)	(1,955)	(1,446)
Interest paid	(444)	(210)	(889)	(562)
Share repurchased and cancelled	-	(187)	-	(640)
Net cash provided by/(used in) financing activities	2,825	(1,022)	9,137	8,668
Net increase/(decrease) in cash and cash equivalents	922	(3,404)	(251)	(1,832)
Cash and cash equivalents at beginning of financial period	23,610	30,300	24,788	28,773
Effect of currency translation on cash and cash equivalents	(3)	(25)	(8)	(70)
Cash and cash equivalents at end of financial period	24,529	26,871	24,529	26,871

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
	\$'000	\$'000	\$'000	\$'000	\$'000
GROUP					
2017					
Beginning of financial year	30,244	208	57,208	87,660	3,662
Total comprehensive income for the period	-	11	3,617	3,628	299
Balance at 31 Mar and 1 Apr 2017	30,244	219	60,825	91,288	3,961
Dividend paid	-	-	(4,239)	(4,239)	(180)
Total comprehensive (loss)/income for the period	-	(5)	1,869	1,864	257
Balance at 30 Jun and 1 Jul 2017	30,244	214	58,455	88,913	4,038
2016					
Beginning of financial year	30,244	239	50,692	81,175	3,220
Share repurchased and cancelled	-	-	(453)	(453)	-
Total comprehensive (loss)/income for the period	-	(21)	4,570	4,549	361
Balance at 31 Mar and 1 Apr 2016	30,244	218	54,809	85,271	3,581
Share repurchased and cancelled	-	-	(187)	(187)	-
Dividend paid	-	-	(4,784)	(4,784)	-
Total comprehensive (loss)/income for the period	-	(8)	2,798	2,790	390
Balance at 30 Jun and 1 Jul 2016	30,244	210	52,636	83,090	3,971
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 and 1 Apr 2017	30,244	-	34,774	65,018	
Dividend paid	-	-	(4,239)	(4,239)	
Total comprehensive income for the period	-	-	2,229	2,229	
Balance at 30 Jun and 1 Jul 2017	30,244	-	32,764	63,008	
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	

- 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 2017 to 30 June 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 30 June 2017 as compared to 31 December 2016**

As at	30.06.2017	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**

	Second quarter ended		Half year ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
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	0.88 cents	1.32 cents	2.59 cents	3.46 cents
(ii) On a fully-diluted basis	0.88 cents	1.32 cents	2.59 cents	3.46 cents

The computation of earnings per ordinary share on the weighted average number of shares and fully diluted basis is based on 211,940,800 shares (2016: 212,776,695).

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	
	30.06.2017	31.12.2016	30.06.2017	31.12.2016
Net asset value per ordinary share based on issued share capital at the end of the financial period	41.95 cents	41.36 cents	29.73 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 – Second Quarter 2017 ("2Q17") vs Second Quarter 2016 ("2Q16")

Group revenue in 2Q17 was \$33.72m, similar to \$33.62m in 2Q16.

Total expenses increased by 4% from \$30.28m in 2Q16 to \$31.35m in 2Q17, mainly due to increases in depreciation of property, plant and equipment, other expenses, sub-contractor charges, cost of inventories sold and finance cost. The increase was partly offset by the decrease in rental on operating leases.

Depreciation of property, plant and equipment increased by 37% or S\$0.98m, from \$2.61m in 2Q16 to \$3.59m in 2Q17, mainly due to greater depreciation on the completion of the redevelopment of Phase 1, 48 Pandan Road premises.

Other expenses increased by 36% or \$0.82m, from \$2.28m in 2Q16 to \$3.10m in 2Q17, mainly due to higher property maintenance costs incurred for the new Phase 1, 48 Pandan Road premises.

Sub-contractor charges increased by 20% or \$0.57m, from \$2.91m in 2Q16 to \$3.48m in 2Q17. The reason was mainly due to an increase in volume for certain services handled by the Transportation and Bulk Cargo Division.

Cost of inventories sold surged by 59% from \$0.42m in 2Q16 to \$0.67m in 2Q17. The increase was mainly caused by higher diesel prices.

Finance cost of \$0.44m in 2Q17 was higher compared to \$0.22m in 2Q16, as the Company started to expense off the interest cost for the construction loan after TOP of Phase 1, 48 Pandan Road premises was obtained.

Rental on operating leases decreased by 55% or \$1.44m, from \$2.6m in 2Q16 to \$1.16m in 2Q17. 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 premises after TOP was obtained towards end of 2Q16.

The Group's income tax expense decreased by 44% or \$0.23m, from \$0.53m in 2Q16 to \$0.30m in 2Q17 mainly attributed to lower profit.

Consequently, the Group's net profit after tax decreased by 33% from \$3.19m in 2Q16 to \$2.13m in 2Q17.

Income Statement Review – half year 2017 ("1H17") vs half year 2016 ("1H16")

Group revenue in 1H17 was \$69.22m representing a decrease of 2% or \$1.35m, from \$70.57m in 1H16. The lower revenue was mainly attributable to the decrease in volume handled by the Transportation and Bulk Cargo Division.

Total expenses increased by 2% from \$61.48m in 1H16 to \$62.51m in 1H17, mainly due to increase in depreciation of property, plant and equipment, other expenses, employee compensation and cost of inventories sold. The increase was partially offset by decrease in rental on operating leases. The reasons for the above are similar to those cited in 2Q16 vs 2Q17.

The Group's total profit after tax decreased by 26% from \$8.12m in 1H16 to \$6.04m in 1H17 as a result of the above.

Statement of Financial Position

Property, plant and equipment increased by \$23.15m from \$139.02m as at 31 December 2016 to \$162.17m as at 30 June 2017, mainly due to costs capitalised for Phase 2 of the redevelopment of the Pandan premises.

Trade and other payables increased by \$4.40m from \$33.35m as at 31 December 2016 to \$37.75m as at 30 June 2017, mainly due to increase in payables for the redevelopment of the Pandan yard.

Total borrowings for the Group increased by \$17.40m from \$81.37m as at 31 December 2016 to \$98.77m as at 30 June 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 cashflow from its operations. 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 second quarter 2017.

(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	Cash
Dividend Amount per share (in cents)	0.75 cents

(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 30 June 2017.

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 2017.

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 2017 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
14 August 2017