



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)

FIRST QUARTER UNAUDITED FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 MARCH 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		
	3 months ended		%
	31.03.2016	31.03.2015	Change
	\$'000	\$'000	
Revenue	36,948	36,343	2
Other income	53	5	960
Other gains – net	79	85	(7)
Expenses			
- Cost of inventories sold	(404)	(690)	(41)
- Depreciation of property, plant and equipment	(2,693)	(3,165)	(15)
- Depreciation of investment properties	(180)	(198)	(9)
- Amortisation of intellectual property rights	-	(23)	N.M
- Employee compensation	(14,203)	(13,707)	4
- Insurance	(748)	(685)	9
- Rental on operating leases	(2,776)	(2,318)	20
- Sub-contractors charges	(4,182)	(4,167)	0
- Travelling and transportation	(280)	(252)	11
- Upkeep of commercial vehicles and barges	(3,123)	(3,466)	(10)
- Finance	(367)	(70)	424
- Other	(2,240)	(2,604)	(14)
Total expenses	(31,196)	(31,345)	1
Share of profit of joint ventures	32	30	7
Profit before income tax	5,916	5,118	16
Income tax expense	(985)	(892)	10
Total profit	4,931	4,226	17
Profit attributable to:			
Equity holders of the Company	4,570	3,986	15
Non-controlling interests	361	240	50
	4,931	4,226	17

Statement of Comprehensive income for the period ended 31 March 2016

	Group		
	3 months ended		
	31.03.2016	31.03.2015	%
	\$'000	\$'000	Change
Net profit for the period	4,931	4,226	17
<u>Other Comprehensive (loss)/income:</u>			
Item that may be reclassified subsequently to profit or loss:			
Currency translation differences arising on consolidation	<u>(21)</u>	<u>91</u>	(123)
Total comprehensive income for the period	<u>4,910</u>	<u>4,317</u>	14
Total comprehensive income attributable to:			
Equity holders of the Company	4,549	4,077	12
Non-controlling interests	<u>361</u>	<u>240</u>	50
	<u>4,910</u>	<u>4,317</u>	14

N.M denotes Not Meaningful

Notes to Income statement

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

	Group		
	3 months ended		
	31.03.2016	31.03.2015	%
	\$'000	\$'000	Change
Interest income	53	5	960
Interest expense	(367)	(70)	424
Currency exchange gain/(loss) – net	3	(31)	110
Gain on disposal of property, plant and equipment	76	85	(11)

(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	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
	\$'000	\$'000	\$'000	\$'000
ASSETS				
Current assets				
Cash and cash equivalents	30,300	28,773	26,021	25,183
Trade and other receivables	19,817	21,598	22,643	25,906
Inventories	30	136	-	-
Other current assets	4,687	5,090	3,497	3,822
	54,834	55,597	52,161	54,911
Non-current assets				
Trade and other receivables	2,041	2,026	2,525	2,525
Investments in joint ventures	1,059	1,027	788	788
Investments in subsidiaries	-	-	3,052	3,325
Property, plant and equipment	125,771	117,597	110,591	101,571
Investment properties	20,669	20,849	4,570	4,643
Intangible assets	226	226	-	-
Other non-current assets	390	396	163	162
	150,156	142,121	121,689	113,014
Total assets	204,990	197,718	173,850	167,925
LIABILITIES				
Current liabilities				
Trade and other payables	21,098	29,581	27,702	34,770
Current income tax liabilities	3,564	2,798	1,987	1,580
Borrowings	70,829	59,503	67,390	55,904
	95,491	91,882	97,079	92,254
Non-current liabilities				
Trade and other payables	6,460	6,554	4,299	4,393
Borrowings	7,409	8,188	4,670	4,915
Deferred income tax liabilities	6,778	6,699	4,494	4,475
	20,647	21,441	13,463	13,783
Total liabilities	116,138	113,323	110,542	106,037
NET ASSETS	88,852	84,395	63,308	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	218	239	-	-
Retained profits	54,809	50,692	33,064	31,644
	85,271	81,175	63,308	61,888
Non-controlling interests	3,581	3,220	-	-
Total equity	88,852	84,395	63,308	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 31.03.2016		As at 31.12.2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
4,034	66,795	4,164	55,339

Amount repayable after one year

As at 31.03.2016		As at 31.12.2015	
Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
7,409	-	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 \$12,183,000 (31 December 2015 - \$11,694,000) and \$16,099,000 (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	
	3 months ended	
	31.03.2016	31.03.2015
	\$'000	\$'000
Cash flows from operating activities		
Total profit	4,931	4,226
Adjustments for:		
- Depreciation of property, plant and equipment	2,693	3,165
- Depreciation of investment properties	180	198
- Amortisation of intangible assets	-	23
- Gain on disposal of property, plant and equipment	(76)	(85)
- Income tax expense	985	892
- Interest expense	367	70
- Interest income	(53)	(5)
- Share of profit of joint venture	(32)	(30)
	<u>8,995</u>	<u>8,454</u>
Changes in working capital		
- Trade and other receivables	1,766	628
- Inventories	106	152
- Other current and non-current assets	409	258
- Trade and other payables	(5,601)	(1,633)
Cash generated from operations	<u>5,675</u>	<u>7,859</u>
Income tax paid	(140)	(2)
Interest paid	(352)	(55)
Net cash provided by operating activities	<u>5,183</u>	<u>7,802</u>
Cash flows from investing activities		
Interest received	53	5
Proceeds from disposal of property, plant and equipment	158	186
Additions to property, plant and equipment	(13,864)	(5,036)
Net cash used in investing activities	<u>(13,653)</u>	<u>(4,845)</u>
Cash flows from financing activities		
Proceeds from borrowings	13,000	6,000
Repayments of borrowings	(1,800)	(1,050)
Repayments of lease liabilities	(705)	(499)
Share buy back	(453)	(347)
Net cash provided by financing activities	<u>10,042</u>	<u>4,104</u>
Net increase in cash and cash equivalents	1,572	7,061
Cash and cash equivalents at beginning of financial year	28,773	20,905
Effects of currency translation on cash and cash equivalents	(45)	77
Cash and cash equivalents at end of financial period	<u>30,300</u>	<u>28,043</u>

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						
2016						
Beginning of financial year	30,244	239	50,692	81,175	3,220	84,395
Buy-back of shares	-	-	(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

2015						
Beginning of financial year	30,244	178	42,228	72,650	3,695	76,345
Buy-back of shares	-	-	(347)	(347)	-	(347)
Total comprehensive income for the period	-	91	3,986	4,077	240	4,317
Balance at 31 Mar 2015	30,244	269	45,867	76,380	3,935	80,315

COMPANY

2016				
Beginning of financial year	30,244	-	31,644	61,888
Buy-back of shares	-	-	(453)	(453)
Total comprehensive income for the period			1,873	1,873
Balance at 31 Mar 2016	30,244	-	33,064	63,308

2015				
Beginning of financial year	30,244	-	27,126	57,370
Buy-back of shares			(347)	(347)
Total comprehensive income for the period	-	-	2,386	2,386
Balance at 31 Mar 2015	30,244	-	29,165	59,409

- 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 2016 to 31 March 2016, the Company brought back 633,100 shares by way of market acquisitions transacted on the SGX-ST. The shares repurchased were cancelled immediately upon acquisition.

	No. of shares
Balance as of 31.12.2015	213,251,000
Less shares bought back and cancelled	(633,100)
Balance as of 31.03.2016	212,617,900

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

As at	31.03.2016	31.12.2015
No. of Ordinary Share	212,617,900	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**

		Group	
		3 months ended	
		31.03.2016	31.03.2015
Earnings per ordinary share of the Group for the financial period based on net profit attributable to shareholders:		2.15 cents	1.85 cents
(i)	Based on weighted average number of shares		
	- Weighted average number of shares	212,952,519	214,973,494
		Shares	Shares
(ii)	On a fully-diluted basis	2.15 cents	1.85 cents

The computation of earnings per ordinary share on weighted average number of shares and fully diluted basis is based on 212,952,519 shares (1Q15: 214,973,494).

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	
	31.03.2016	31.12.2015	31.03.2016	31.12.2015
Net asset value per ordinary share based on issued share capital at the end of the financial period	40.11 cents	38.07 cents	29.78 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 – First Quarter 2016 ("1Q16") vs First Quarter 2015 ("1Q15")

Group revenue in 1Q16 was \$36.95m representing an increase of 2% or \$0.61m compared to 1Q15. The higher revenue was mainly attributed to the increase in volume handled. The Transportation and Bulk Cargo Division and the Warehousing Division are the two main Divisions contributing to the increase in revenue.

Overall expenses decreased by 1% from \$31.34m in 1Q15 to \$31.20m in 1Q16. The decrease was mainly due to the decrease in cost of inventories, depreciation of property, plant and equipment, upkeep of commercial vehicles and barges and "Other" expenses. The decrease is partly offset by the increase in employee compensation, rental on operating leases and finance costs.

Cost of inventories sold decreased by 41% from \$0.69m in 1Q15 to \$0.40m in 1Q16. The decrease was mainly due to lower diesel prices.

Depreciation of property, plant and equipment decreased by 15% from \$3.17m in 1Q15 to \$2.69m in 1Q16, mainly due to certain underutilized property, plant and equipment that were fully impaired in Fourth Quarter 2015.

Upkeep of commercial vehicles and barges decreased by 10% from \$3.47m in 1Q15 to \$3.12m in 1Q16, mainly due to lower diesel prices.

"Other" expense of \$2.24m in 1Q16 was lower compared to \$2.60m in 1Q15 as "Other" expense in 1Q15 included a one-off demolition cost of \$0.36m incurred in phase 1 of redevelopment at Pandan yard.

Employee compensation increased by 4% from \$13.71m in 1Q15 to \$14.20m in 1Q16. This was in line with the increase in volume of business and higher wage costs arising from a tighter labour market.

Rental on operating leases increased by 20% from \$2.32m in 1Q15 to \$2.78m in 1Q16 due to the rental of third party warehouse premises to cope with the increased volume and to temporarily house the warehousing department during the redevelopment at Pandan yard.

Finance costs increased by 424% from \$0.07m in 1Q15 to \$0.37m in 1Q16, mainly due to finance-related costs incurred by the redevelopment project.

The Group's income tax expense increased by 10% from \$0.89m in 1Q15 to \$0.99m in 1Q16 due to higher profit before income tax.

Consequently, the Group's net profit after tax increased by 17% from \$4.23m in 1Q15 to \$4.93m in 1Q16.

Statement of financial position review

Trade and other receivables decreased by \$1.76m from \$23.62m as at 31 December 2015 to \$21.86m as at 31 March 2016. The decrease was mainly due to better debt collections.

Property, plant and equipment increased by \$8.17m from \$117.60m as at 31 December 2015 to \$125.77m as at 31 March 2016, mainly relating to costs capitalized for the redevelopment of the Pandan yard.

Trade and other payables reduced by \$8.58m from \$36.14m as at 31 December 2015 to \$27.56m as at 31 March 2016. This was mainly due to pay-out of provision for employee compensation accrued as at 31 December 2015 and the decrease in payables for the redevelopment of the Pandan yard.

Total borrowings for the Group increased by \$10.55m from \$67.69m as at 31 December 2015 to \$78.24m as at 31 March 2016. Proceeds from borrowings were utilized to finance the purchase of property, plant and equipment which included the progress payments for the redevelopment at Pandan yard.

Statement of Cashflow

The Group continued to generate positive cashflow. The increase in bank borrowings was mainly utilized to finance the purchase of additional property, plant and equipment which included the progress payments of the redevelopment at Pandan yard.

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 wages 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 is in 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 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?

No dividend has been declared for first quarter 2016.

(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 2016.

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 2016.

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 2016 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
10 May 2016