

Unaudited Half Year Financial Statement and Dividend Announcement for the Period Ended 30 June 2010

1(a)(i) An income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of comprehensive income of the group for the half year ended 30 June 2010

	Group		Change %
	6 months ended 30.06.10 S'000	6 months ended 30.06.09 S'000	
Revenue	26,687	29,417	-9%
Other operating income	5,055	707	615%
Cost of services	(16,269)	(13,953)	17%
Employee benefits expense	(5,915)	(5,794)	2%
Depreciation	(2,418)	(2,798)	-14%
Changes in fair value of investment properties	-	(156)	n/m
Other operating expenses	(2,512)	(1,864)	35%
Finance costs	(348)	(888)	-61%
Profit before tax	4,280	4,671	-8%
Income tax expense	(427)	(936)	-54%
Profit for the year, representing total comprehensive income for the year	3,853	3,735	3%

Notes to the consolidated statement of comprehensive income

	Group		Change %
	6 months ended 30.06.10 S'000	6 months ended 30.06.09 S'000	
Gain from disposal of property, plant and equipment	(194)	(97)	100%
Gain from disposal of leasehold property held-for-sale ^	(4,626)	-	n/m
Government grant - job credits	(105)	(328)	-68%
Interest income	(5)	(5)	4%
Allowance for doubtful receivables	185	76	144%
Bad debts written off	4	-	n/m
Fair value loss in held-for-trading investments	-	7	n/m
Interest expenses	348	888	-61%

^ This represents a one-time net gain from the sale of leasehold property at 19 Tuas Avenue 20. The Group believes that the gain is capital in nature.

Denotes: n/m - not meaningful

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1(b)(i) A balance sheet for the issuer and group, together with a comparative statement as at the end of the immediately preceding financial year.

Statements of financial position

	Group		Company	
	30.06.10 S'000	31.12.09 S'000	30.06.10 S'000	31.12.09 S'000
ASSETS				
Current assets				
Cash and bank balances	33,815	29,499	15,836	-
Trade receivables	10,136	12,013	-	-
Other receivables	6,984	7,387	36	206
Due from subsidiary	-	-	620	-
Held-for-trading investments	16	16	-	-
	50,951	48,915	16,492	206
Leasehold property held-for-sale	-	1,482	-	-
Total current assets	50,951	50,397	16,492	206
Non-current assets				
Property, plant and equipment	21,838	22,734	-	-
Investment in subsidiaries	-	-	18,285	-
Other investment	36	36	-	-
Total non-current assets	21,874	22,770	18,285	-
Total assets	72,825	73,167	34,777	206
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and loans	1,568	5,598	-	-
Current portion of finance leases	781	1,269	-	-
Current portion of loan from a related party	2,000	2,000	-	-
Trade payables	4,707	4,548	29	-
Other payables	4,650	6,167	134	867
Current portion of deferred income	1,000	1,000	-	-
Income tax payable	1,990	2,235	-	-
Total current liabilities	16,696	22,817	163	867
Non-current liabilities				
Bank loans	4,899	9,852	-	-
Finance leases	684	674	-	-
Loan from a related party	4,000	4,000	-	-
Deferred income	5,500	6,000	-	-
Deferred tax liabilities	792	833	-	-
Total non-current liabilities	15,875	21,359	-	-
Capital and reserves				
Share capital	27,871	500	27,871	-
Capital reserves	506	-	506	-
Merger reserve	(16,033)	-	-	-
Accumulated profits (losses)	27,910	28,491	6,237	(661)
Total equity	40,254	28,991	34,614	(661)
Total liabilities and equity	72,825	73,167	34,777	206

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

	30.06.10		31.12.09	
	Secured S'000	Unsecured S'000	Secured S'000	Unsecured S'000
Amount repayable in one year or less	2,349	2,000	5,680	3,187
Amount repayable after one year	5,583	4,000	7,271	7,255

Details of any collateral:

Total bank borrowings are secured by the following:-

- fixed charge over certain property, plant and equipment purchased with the bank borrowings; and
- personal guarantees provided by certain directors.

1(c) A cash flow statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

Consolidated statement of cash flows

	Group	
	6 months ended 30.06.10 S'000	6 months ended 30.06.09 S'000
Cash flows from operating activities:		
Profit before tax	4,280	4,670
Add/(less):		
Depreciation of property, plant and equipment	2,418	2,798
Interest expense	348	888
Interest income	(5)	(5)
Changes in fair value of investment properties	-	156
Shares issuance expense	401	-
Allowance for doubtful trade receivables	185	75
Bad debts written off	4	-
Deferred income recognised	(500)	-
Fair value loss on held-for-trading investments	-	7
Gain from disposal of property, plant and equipment	(194)	(97)
Gain from disposal of leasehold property held-for-sale	(4,626)	-
Operating profit before working capital changes	2,311	8,492
Trade receivables	1,688	2,635
Other receivables	197	(207)
Trade payables	286	232
Other payables	(337)	2,051
Cash generated from operations	4,145	13,203
Income taxes paid	(713)	(822)
Net cash generated from operating activities	3,432	12,381
Cash flows from investing activities:		
Interest received	5	5
Purchase of property, plant and equipment (Note A)	(1,421)	(494)
Proceeds from disposal of property, plant and equipment	411	276
Proceeds from disposal of leasehold property held-for-sale	6,223	-
Proceeds from disposal of investment property held-for-sale	-	1,500
Net cash generated from investing activities	5,218	1,287
Cash flows from financing activities:		
Interest paid	(348)	(888)
Dividends paid	(4,434)	(1,500)
Obligations under finance leases	(910)	(1,358)
Amount due to directors	(3)	(3,298)
Amount due to related parties	448	18
New bank borrowings raised	-	4,922
Payment of shares issuance expense	(728)	-
Capital contribution from shareholders	506	-
Proceeds from issue of shares	10,120	-
Repayment of bank loans	(5,532)	(840)
Pledged deposits	(131)	105
Net cash used in financing activities	(1,012)	(2,839)

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Consolidated statement of cash flows (... cont'd)

	Group	
	6 months ended	6 months ended
	30.06.10	30.06.09
	S'000	S'000
Net change in cash and cash equivalents	7,638	10,829
Cash and cash equivalents at beginning of financial period	22,938	1,211
Cash and cash equivalents at end of financial period (Note B)	30,576	12,040

Note A

During 1HFY2010, the Group acquired property, plant and equipment at an aggregate cost of S\$1,854,000 of which S\$433,000 were acquired under finance lease. Cash payment of S\$1,421,000 were made to purchase property, plant and equipment.

Note B

Cash and cash equivalents consist of the following:-

	Group	
	30.06.10	30.06.09
	S'000	S'000
Cash and bank balances	33,815	13,935
Bank overdrafts (unsecured)	-	(1,572)
	33,815	12,363
Less: Pledged deposits	(3,239)	(323)
Cash and cash equivalents	30,576	12,040

1(d)(i) A statement (for the issuer and Group) showing either (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.

Group

	Attributable to shareholders of the Company				
	Share Capital	Merger reserve	Capital reserve	Accumulated profits	Total
	S'000	S'000	S'000	S'000	S'000
At 1 January 2009	500	-	-	15,785	16,285
Total comprehensive income for the year	-	-	-	3,735	3,735
Dividends	-	-	-	(5,000)	(5,000)
At 30 June 2009	500	-	-	14,520	15,020
At 1 January 2010	500	-	-	28,491	28,991
Adjustment arising from restructuring exercise	(500)	(16,033)	-	-	(16,533)
Increase in share capital arising from restructuring exercise ⁷	18,284	-	-	-	18,284
Issuance of new shares	10,120	-	506	-	10,626
New share issuance expense	(533)	-	-	-	(533)
Total comprehensive income for the year	-	-	-	3,853	3,853
Dividends	-	-	-	(4,434)	(4,434)
At 30 June 2010	27,871	(16,033)	506	27,910	40,254

Company

	Attributable to shareholders of the Company			
	Share Capital	Capital reserve	Accumulated profits (losses)	Total
	S'000	S'000	S'000	S'000
At 1 January 2009 and 30 June 2009	-	-	(4)	(4)
At 1 January 2010	-	-	(661)	(661)
Increase in share capital arising from restructuring exercise ⁷	18,284	-	-	18,284
Issuance of new shares	10,120	506	-	10,626
New share issuance expense	(533)	-	-	(533)
Total comprehensive income for the year	-	-	11,332	11,332
Dividends	-	-	(4,434)	(4,434)
At 30 June 2010	27,871	506	6,237	34,614

⁷ The Company underwent a restructuring exercise to rationalise the structure of the Group in preparation for the Company's listing on the Singapore Exchange Securities Trading Limited. Pursuant to the exercise, the Company acquired 100% interest in the shares of SH Cogent Logistics Pte Ltd, Soon Hock Transportation Pte Ltd, Cogent Investment Group Pte Ltd and Cogent Automotive Logistics Pte Ltd at the aggregate consideration of S\$18,284,765. The consideration was satisfied by the allotment and issue of 1,999,998 ordinary shares in the Company. The restructuring exercise was completed on 19 January 2010.

- 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

Pursuant to the IPO, the details of changes in the issued share capital since the date of incorporation are as follows:

	Number of shares	Resultant issued share capital S
Issued shares as at 31 December 2009	2	2
Issue of 1,999,998 new shares pursuant to the restructuring exercise	2,000,000	18,284,767
Consolidation	1,000,000	18,284,767
Sub-division	273,000,000	18,284,767
Pre-invitation share capital	273,000,000	18,284,767
New shares issued pursuant to the IPO, nett of listing expenses	46,000,000	27,871,344
Issued shares, post-IPO	<u>319,000,000</u>	<u>27,871,344</u>

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at end of the current financial period and as at end of the immediately preceding year.

	30.06.10	31.12.09
Number of ordinary shares	<u>319,000,000</u>	<u>2 *</u>

*After the IPO, the number of shares of the Company was increased to 319,000,000

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at end of the current financial period report
Not applicable as the Company does not have any treasury shares.

- 2 Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed by the Company's auditors.

- 3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a 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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited combined financial statements as at 31 December 2009 as well as applicable Financial Reporting Standards ("FRS") which became effective for financial years beginning on or after 1 January 2010.

- 5 If there are any changes in the accounting policies and methods of computation including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

None.

- 6 Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends:-

Earnings per ordinary share for the period based on Profit attributable to shareholders after deducting any provision for preference dividends:-	Group	
	6 months ended 30.06.10 (cents)	6 months ended 30.06.09 (cents)
Basic earnings per ordinary share	1.2	1.2
Diluted earnings per ordinary share	1.2	1.2

Both the basic and diluted earnings per ordinary share is calculated based on the net profit attributable to shareholders of the Company set out in 1(a) above and the share capital of 319,000,000 shares.

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7 Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:-

	Group		Company	
	30.06.10 (cents)	31.12.09 (cents)	30.06.10 (cents)	31.12.09 (cents)
Net asset* value per ordinary share**	12.6	9.1	10.9	N.A.

* Net asset refers to shareholders' funds.

** Based on the share capital of 319,000,000 shares.

8 A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-

a) 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; and

b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Revenue

The Group recorded revenue of S\$26.7 million for 1HFY2010, a 9% decrease from the S\$29.4 million generated in 1HFY2009. The lower revenue resulted from reduced contributions from its two business segments: the warehousing and container depot management services, and the automotive logistics management services.

The Group's revenue in the transportation management services segment increased by S\$0.4 million or 5% from S\$8.9 million in 1HFY2009 to S\$9.3 million in 1HFY2010, due to better success in the sales and marketing efforts.

The Group's revenue in the warehousing and container depot management services segment decreased by S\$2.7 million or 16% from S\$16.4 million in 1HFY2009 to S\$13.7 million in 1HFY2010. Of the S\$2.7 million decrease, S\$1.5 million relates to the warehousing management services while S\$1.2 million relates to the container depot management services.

The decrease in the revenue of warehousing management services was mainly due to the following:

- a) The cessation of warehousing business at 76 Pioneer Road in December 2009; and
- b) The cessation of warehousing business at 19 Tuas Avenue 20 in early April 2010.

The Group's container depot operations experienced significant reduction in its container storage and repair volume. This was mainly attributable to the acute decline in the number of idle containers stored at the Group's depot. The recent trade recovery had led to higher volume of containers being deployed on board of ships for cargo transportation. Unlike in the past, container leasing lines held lower container inventory as they become more conscious of the cost of storing excess containers at depot yards. Exacerbating the situation of low idle container volume was the fact that many container manufacturers had either ceased or significantly reduced the production of new containers during the economic slump of 2008-2009. Container repair business was also affected given that more containers were in demand and on the move, and hence any container repair requirement was of minimum.

The Group's revenue in the automotive logistics management services segment decreased by S\$0.5 million or 12% from S\$4.1 million in 1HFY2009 to S\$3.6 million in 1HFY2010. This was mainly due to the unexpected surge in new car prices driven by the increase in COE price as a result of the reduction in COE quota. Demand for new cars in Singapore slid noticeably and the used car export volume had also decreased in tandem. Both the EPZ (Export Processing Zone) and vehicle storage businesses were hence affected.

Cost of services

Despite its revenue being 9% lower in 1HFY2010 as compared to 1HFY2009, the Group's cost of services rose 17% or S\$2.3 million from S\$14.0 million in 1HFY2009 to S\$16.3 million in 1HFY2010. The increase in cost of services was mainly due to the following:

- a) S\$2.2 million of warehouse rental cost incurred for 1HFY2010 with effect from mid-December 2009 following the sale-and-leaseback of its property at 7 Penjuru Close;
- b) S\$0.5 million of increase in land rental and property tax expenses; and
- c) S\$0.3 million of increase in fuel costs;

The above were offset by S\$0.5 million of deferred income recognised which arose from the sale-and-leaseback transaction.

Expenses

Employee benefits expenses rose 2% or S\$0.1 million from S\$5.8 million in 1HFY2009 to S\$5.9 million in 1HFY2010 despite a reduction of 9% in Group revenue. This was mainly due to marginally higher variable wages associated with the marginally increased transportation activities.

Depreciation charges decreased by 14% or S\$0.4 million from S\$2.8 million to S\$2.4 million due to the sale-and-leaseback of property at 7 Penjuru Close in December 2009.

Other operating expenses increased by 35% or S\$0.6 million from S\$1.9 million to S\$2.5 million. The increase arose mainly from the IPO expenses (S\$0.4 million) and increase in allowance for doubtful debts (S\$0.1 million).

Finance costs decreased by 61% or S\$0.6 million from S\$0.9 million to S\$0.3 million mainly due to substantial early repayment of long term bank loans (S\$5.5 million) and bank overdraft (S\$3.5 million).

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Profitability

Notwithstanding a 9% fall in revenue and the confluence of adverse cost factors aforementioned, the Group managed to achieve net profit after tax of S\$3.9 million for 1HFY2010 which was 3% higher compared to 1HFY2009. This was mainly due to the S\$4.6 million net gain from the disposal of property at 19 Tuas Avenue 20.

Assets and liabilities

Current assets increased by S\$0.6 million or 1% from S\$50.4 million to S\$51.0 million as at 30 June 2010. The marginal improvement was mainly due to the following:

- a) S\$4.3 million of increase in cash and bank balances during 1HFY2010, which arose mainly from the following:
- S\$10.1 million of proceeds from issue of new shares (IPO);
 - S\$6.2 million of net proceeds from disposal of leasehold property at 19 Tuas Avenue 20;
 - S\$3.4 million of net cash generated from operating activities;
 - S\$0.4 million of net proceeds from disposal of property, plant and equipment;
- offset by:
- S\$9.9 million of bank borrowings (including bank overdrafts) and finance leases repaid;
 - S\$4.4 million of interim dividends paid; and
 - S\$1.4 million of purchase of property, plant and equipment.
- b) S\$2.3 million of decrease in trade and other receivables, mainly due to the reduction in revenue; and
- c) Disposal of leasehold property at 19 Tuas Avenue 20 which had net carrying value of S\$1.5 million as at 31 December 2009.

Non-current assets decreased by S\$0.9 million or 4% from S\$22.8 million to S\$21.9 million as at 30 June 2010 mainly due to S\$2.4 million of depreciation charges and S\$0.4 million of property, plant and equipment being disposed of, offset by S\$1.9 million of new property, plant and equipment purchased.

Current liabilities decreased by S\$6.1 million or 27% from S\$22.8 million to S\$16.7 million as at 30 June 2010. This was mainly due to S\$4.0 million repayment of short-term portion of bank borrowings (including bank overdraft), S\$0.5 million net reduction in short-term finance lease payable, and S\$1.4 million reduction in trade and other payables.

Non-current liabilities decreased by S\$5.5 million or 26% from S\$21.4 million to S\$15.9 million as at 30 June 2010. This was mainly due to S\$5.0 million of repayment of long-term portion bank borrowings and S\$0.5 million of deferred income recognised which arose from the sale-and-leaseback of property at 7 Penjuru Close.

Cash flows

During 1HFY2010, the Group generated net cash inflows of S\$7.6 million, which was 29% lower compared to 1HFY2009.

Net cash generated from operating activities was S\$3.4 million for 1HFY2010, which was 72% lower compared to 1HFY2009. The reduction was mainly due to the following:

- S\$0.5 million pre-tax loss before gain from disposal of leasehold property held-for-sale and property, plant and equipment in 1HFY2010, as compared to S\$4.6 million pre-tax profit before gain from disposal of property, plant and equipment in 1HFY2009; and
- S\$2.9 million lower net inflows from working capital changes.

Net cash generated from investing activities was S\$5.2 million for 1HFY2010, which was S\$3.9 million higher compared to 1HFY2009. This was mainly due to the increase of S\$4.9 million in proceeds from the disposal of leasehold property held-for-sale and property, plant and equipment, offset by S\$0.9 million increase in purchase of new property, plant and equipment.

Net cash used in financing activities amounted to S\$1.0 million for 1HFY2010, which was S\$1.8 million lower compared to 1HFY2009. The S\$1.8 million reduction was mainly due to the following:

- S\$9.4 million of net proceeds from IPO (after deducting listing expenses) in 1HFY2010;
- S\$0.5 million of capital contribution from shareholders to share the transaction costs of listing shares in 1HFY2010;
- S\$0.5 million of decrease in interest paid;
- S\$0.4 million of decrease in finance lease payments made;
- S\$3.3 million of decrease in payment of amount due to Directors;

Offset by:

- S\$4.7 million of increase in repayment of bank loans;
- Absence of new bank borrowings in 1HFY2010 as compared to S\$4.9 million fresh loans in 1HFY2009; and
- S\$2.9 million of higher interim dividends paid in 1HFY2010.

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9 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.
Not applicable.

10 A commentary at the date of the announcement of the significant trends and 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 Singapore's robust economic growth in 2QFY2010, the business environment remains challenging. Hence, the Group will monitor the market conditions, and evaluate and refine its strategy for its respective businesses accordingly.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

a. Name of Dividend	First Interim Dividend
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.39 cents per ordinary share
Tax Rate	Tax Exempt
Date paid	30-Apr-10

b. Name of Dividend	Second Interim Dividend [#]
Dividend Type	Cash
Dividend Amount per Share (in cents)	1.39 cents per ordinary share
Tax Rate	Tax Exempt
Date paid	To be advised

[#] This second interim dividend is declared in line with the Company's press release (Announcement no. 00056) on 31 March 2010.

(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

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

12 If no dividend has been declared/recommended, a statement to that effect.

Not applicable.

13 INTERESTED PERSON TRANSACTIONS

Name of Interested Person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted during the financial year under review under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	SS'000	SS'000
Soon Hock Property Development Pte Ltd ("SHPD")		
- Purchase of vehicles and equipment (Pursuant to IPO prospectus)	(565)	-
- Rental of premises for 11 Jalan Terusan and Jurong Port Road (Pursuant to IPO prospectus)	(720)	-

14 CONFIRMATION BY THE BOARD PURSUANT TO RULE 705 (4) OF THE LISTING MANUAL

The Board of Directors hereby confirms that, to the best of its knowledge, nothing has come to its attention which may render the unaudited financial results of the Group for the half year ended 30 June 2010 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Yeow Khoon
Executive Chairman
11 August 2010