



Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2014

- 1(a)(i) An income statement and statement of comprehensive income, or a statement of comprehensive income, for the group, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Consolidated statement of profit or loss and other comprehensive income

	Group		
	6 months ended 30.06.14 \$'000	6 months ended 30.06.13 \$'000	Change %
Revenue	55,821	56,436	-1%
Other operating income	1,213	499	143%
Operating expenses			
- Employee benefits expenses	(10,764)	(10,388)	4%
- Depreciation	(3,501)	(3,241)	8%
- Rentals on leased premises	(16,182)	(15,660)	3%
- Amortisation of deferred income	500	500	0%
- Contract services	(4,737)	(4,602)	3%
- Fuel & Utilities	(4,362)	(4,422)	-1%
- Storage and handling charges	(2,148)	(3,472)	-38%
- Repair & maintenance	(2,136)	(2,356)	-9%
- Hire of vehicle and equipment	(509)	(733)	-31%
- Others	(3,872)	(3,348)	16%
Total operating expenses	(47,711)	(47,722)	0%
Operating profit	9,323	9,213	1%
Finance costs	(92)	(75)	23%
Share of loss of joint ventures	(67)	(61)	10%
Profit before tax	9,164	9,077	1%
Income tax expense	(1,709)	(1,759)	-3%
Profit for the period, representing total comprehensive income for the period	7,455	7,318	2%

- 1(a)(ii) The following items (with appropriate breakdowns and explanations), if significant, must either be included in the income statement or in the notes to the income statement for the current financial period reported on and the corresponding period of the immediately preceding financial year**

Profit for the period is arrived at after crediting (charging) the following:

	Group		
	6 months ended 30.06.14 \$'000	6 months ended 30.06.13 \$'000	Change %
71130 Gain/(Loss) from disposal of property, plant and equipment	605	(21)	n/m
Bargain purchase gain	20	-	n/m
71170 Government grant	369	55	571%
71210/71 Interest income	28	26	8%
77149/77 (Allowance for)/Writeback of doubtful debts and bad debts written off, net	(8)	3	n/m
=finance Interest on borrowings	(92)	(75)	23%

n/m: not meaningful



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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

Statements of financial position

	Group		Company	
	30.06.14 \$'000	31.12.13 \$'000	30.06.14 \$'000	31.12.13 \$'000
ASSETS				
Current assets				
Cash and bank balances	35,104	47,278	4,595	7,325
Trade receivables	17,689	16,277	8,620	6,515
Asset held for sale	3,253	-	-	-
Other receivables	4,542	3,755	611	7,794
Held-for-trading investments	26	24	-	-
Total current assets	60,614	67,334	13,826	21,634
Non-current assets				
Property, plant and equipment	171,371	124,252	5	7
Investment in subsidiaries	-	-	34,984	34,984
Investment in joint ventures	14	201	-	-
Other investment	36	36	-	-
Other receivables	978	1,325	-	-
Total non-current assets	172,399	125,814	34,989	34,991
Total assets	233,013	193,148	48,815	56,625
LIABILITIES AND EQUITY				
Current liabilities				
Bank overdrafts and loans	1,317	2,231	-	-
Current portion of deferred income	1,036	1,021	-	-
Current portion of finance leases	1,556	1,422	-	-
Trade payables	5,540	7,288	98	97
Other payables	27,785	42,032	1,129	2,709
Provision for reinstatement costs	186	300	-	-
Income tax payable	3,393	3,245	-	1
Total current liabilities	40,813	57,539	1,227	2,807
Non-current liabilities				
Bank loans	104,265	48,263	-	-
Deferred income	1,500	2,003	-	-
Finance leases	1,850	1,972	-	-
Other payables	3,687	3,865	-	-
Provision for reinstatement costs	1,050	1,050	-	-
Deferred tax liabilities	481	515	-	-
Total non-current liabilities	112,833	57,668	-	-
Capital and reserves				
Share capital	45,092	45,092	45,092	45,092
Capital reserve	506	506	506	506
Merger reserve	(16,033)	(16,033)	-	-
Accumulated profits	49,802	48,376	1,990	8,220
Total equity	79,367	77,941	47,588	53,818
Total liabilities and equity	233,013	193,148	48,815	56,625

1(b)(ii) In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year

	30.06.14		31.12.13	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	2,873	-	3,653	-
Amount repayable after one year	106,115	-	50,235	-

Details of any collateral:

Total bank borrowings are secured by the following:-

- A first mortgage over certain properties of a subsidiary;
- Fixed and floating charge over all assets of a subsidiary;
- An assignment of the rights, interests and benefits arising under the construction contract and performance bonds relating to the construction of a property ("Property");
- An assignment of the rights, interests and benefits arising under the insurance policies relating to the construction of the Property;
- Corporate guarantee



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1(c) A statement of cash flows (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	6 months ended
	30.06.14	30.06.13
	\$'000	\$'000
Cash flows from operating activities:		
Profit before tax	9,164	9,077
Adjustments for:		
Depreciation of property, plant and equipment	3,501	3,241
Interest expense	92	75
Interest income	(28)	(26)
Allowance for/(Writeback of) doubtful debts and bad debts written off, net	8	(3)
Deferred income	(500)	(500)
Share of loss of joint ventures	67	61
Bargain purchase gain	(20)	-
(Gain)/Loss from disposal of property, plant and equipment	(605)	21
Fair value gain on held-for-trading investment	(3)	(4)
Operating cash flows before movements in working capital	11,676	11,942
Trade receivables	(1,258)	(249)
Other receivables	(795)	(1,337)
Trade payables	(2,407)	433
Other payables	(3,297)	5,753
Cash generated from operations	3,919	16,542
Income taxes paid	(1,325)	(1,099)
Net cash from operating activities	2,594	15,443
Cash flows from investing activities:		
Interest received	28	26
Net cash outflow on acquisition of subsidiary (Note A)	(9)	-
Purchase of property, plant and equipment (Note B)	(6,140)	(12,155)
Proceeds from disposal of property, plant and equipment	632	127
Net cash used in investing activities	(5,489)	(12,002)
Cash flows from financing activities:		
Interest paid	(933)	(121)
Dividends paid	(6,029)	(957)
Obligations under finance leases	(871)	(718)
Repayment of bank loans	(1,445)	(844)
Pledged deposits	403	(3,099)
Net cash generate used in financing activities	(8,875)	(5,739)
Net decrease in cash and cash equivalents	(11,770)	(2,298)
Cash and cash equivalents at beginning of period	46,101	32,225
Cash and cash equivalents at end of period (Note C)	34,331	29,927



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

Note A

On 26 June 2014, the Group completed its acquisition of a further 50% equity interest in its joint venture company, JW Cogent Logistics Sdn. Bhd. ("JW Cogent"), at a purchase consideration of RM258,537. Upon the acquisition, JW Cogent became a wholly-owned subsidiary of the Group.

The fair value of assets acquired and liabilities at the acquisition date were:

	Fair value recognised on acquisition \$'000
Property, plant and equipment	165
Trade and other receivables	201
Cash and cash equivalents	91
	<u>457</u>
Trade and other payables	(217)
Total net assets at fair value	240
Fair value of equity interest in JW Cogent held by the Group	(120)
Net assets acquired	120
Bargain purchase gain	(20)
Total purchase consideration	100
Less: Cash and cash equivalents balances acquired	(91)
Net cash outflow on acquisition of subsidiary	<u>9</u>

Note B

During 1HFY2014, the Group acquired property, plant and equipment at an aggregate cost of \$48,573,000 (1HFY2013: \$28,514,000) of which \$41,550,000 (1HFY2013: \$16,359,000) were acquired using proceeds from a term loan and \$883,000 (1HFY2013: Nil) were acquired under finance leases. Cash payment of \$6,140,000 (1HFY2013: \$12,155,000) were made to purchase property, plant and equipment.

Note C

Cash and cash equivalents consist of the following:-

	Group	
	30.06.14	30.06.13
	\$'000	\$'000
Cash and bank balances	35,104	36,376
Less: Pledged deposits	(773)	(6,449)
Cash and cash equivalents	<u>34,331</u>	<u>29,927</u>

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 \$'000	Merger reserve \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 January 2013	45,092	(16,033)	506	34,204	63,769
Dividends, representing total transactions with owners, recognised directly in equity	-	-	-	(957)	(957)
Profit for the period, representing total comprehensive income for the period	-	-	-	7,318	7,318
At 30 June 2013	<u>45,092</u>	<u>(16,033)</u>	<u>506</u>	<u>40,565</u>	<u>70,130</u>
At 1 January 2014	45,092	(16,033)	506	48,376	77,941
Dividends, representing total transactions with owners, recognised directly in equity	-	-	-	(6,029)	(6,029)
Profit for the period, representing total comprehensive income for the period	-	-	-	7,455	7,455
At 30 June 2014	<u>45,092</u>	<u>(16,033)</u>	<u>506</u>	<u>49,802</u>	<u>79,367</u>

Company

	Attributable to shareholders of the Company			
	Share Capital \$'000	Capital reserve \$'000	Accumulated profits \$'000	Total \$'000
At 1 January 2013	45,092	506	177	45,775
Profit for the period, representing total comprehensive income for the period	-	-	688	688
At 30 June 2013	<u>45,092</u>	<u>506</u>	<u>865</u>	<u>46,463</u>
At 1 January 2014	45,092	506	8,220	53,818
Dividends, representing total transactions with owners, recognised directly in equity	-	-	(6,029)	(6,029)
Loss for the period, representing total comprehensive loss for the period	-	-	(201)	(201)
At 30 June 2014	<u>45,092</u>	<u>506</u>	<u>1,990</u>	<u>47,588</u>



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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.

There was no change in the Company's share capital for the 6 months ended 30 June 2014. There are no outstanding convertibles or shares held as treasury shares as at 30 June 2014.

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

	30.06.14	31.12.13
Number of ordinary shares ('000)	<u>478,500</u>	<u>478,500</u>

1(d)(iv) A statement showing all sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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.

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 been applied.

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 consolidated financial statements as at 31 December 2013, a.k.a. applicable Financial Reporting Standards ("FRS"), which became effective for financial year beginning on or after 1 January 2014.

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:

(a) based on the weighted average number of ordinary shares on issue; and
(b) on a fully diluted basis (detailing any adjustments made to the earnings).

	Group	
	6 months ended 30.06.14	6 months ended 30.06.13
Profit attributable to shareholders of the Company (\$'000)	7,455	7,318
Weighted average number of ordinary shares in issue during the year ('000)	478,500	478,500
Basic and diluted earnings per ordinary share (cents)	<u>1.56</u>	<u>1.53</u>

The basic and diluted earnings per ordinary share for the period ended 30 June 2014 has been calculated based on profit attributable to shareholders of approximately \$7,455,000 divided by the weighted average number of ordinary shares of approximately 478,500,000 in issue during the financial period.

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:

(a) current financial period reported on; and
(b) immediately preceding financial year.

	Group		Company	
	30.06.14	31.12.13	30.06.14	31.12.13
	(cents)	(cents)	(cents)	(cents)
Net asset ^a value per ordinary share ^b	<u>16.59</u>	<u>14.66</u>	<u>9.95</u>	<u>9.71</u>

^a Net asset refers to shareholders' funds

^b Based on the total number of issued shares of approximately of 478,500,000 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.

Review of the Group's performance – First Half 2014 ("1HFY14") vs First Half 2013 ("1HFY13")

Group revenue for 1HFY14 decreased marginally by \$0.6 million, or 1%, from \$56.4 million to \$55.8 million. The decrease was attributable to the Group's Transportation Management Service segment generating a lower revenue, offset by higher revenue from its Automotive Logistics Management Service segment.

Other operating income increased by \$0.7 million, or 143%, from \$0.5 million to \$1.2 million. The increase was mainly attributable to gain from disposal of property, plant and equipment.

Operating expenses were closely similar between both 1HFY14 and 1HFY13.

Storage and handling charges decreased by \$1.3 million, or 38%, mainly due to decrease in cargo handling requirement.

Hire of vehicles and equipment decreased by \$0.2 million, or 31%, which was in line with decrease in revenue from the Transportation Management Service segment.

Consequently, the Group's profit after tax increased by \$0.2 million, or 2%, from \$7.3 million to \$7.5 million in 1HFY14.

Assets and liabilities

Current assets decreased by \$6.7 million, or 10%, from \$67.3 million as at 31 December 2013 to \$60.6 million as at 30 June 2014. The decrease was largely due to the following:

- i) decrease of \$12.2 million in cash and bank balance; and
- ii) increase of \$3.3 million in asset held for sale following a reclassification from property, plant and equipment in anticipation of the asset disposal; and
- iii) increase of \$2.2 million in trade and other receivables.

Non-current assets increased by \$46.6 million, or 37%, from \$125.8 million as at 31 December 2013 to \$172.4 million as at 30 June 2014. The increase resulted mainly from the following:

- i) increase of \$47.1 million in property, plant and equipment relates largely to the cost of constructing the integrated logistics hub, offset by depreciation charges;
- ii) decrease of \$0.2 million in investment in joint ventures following the transformation of a joint venture to become a subsidiary through acquisition of additional interest in the joint venture; and
- iii) decrease of \$0.3 million in non-current other receivables.

Current liabilities decreased by \$16.7 million, or 29%, from \$57.5 million as at 31 December 2013 to \$40.8 million as at 30 June 2014. The decrease was mainly due to the following:

- i) decrease of \$1.7 million in trade payables; and
- ii) decrease of \$14.2 million in other payables (current portion) as payments were made to settle amount due in respect of construction costs; and
- iii) decrease of \$0.9 million in current portion of bank loans.

Non-current liabilities increased by \$55.1 million, or 95%, from \$57.7 million as at 31 December 2013 to \$112.8 million as at 30 June 2014. The increase was mainly due to the following:

- i) increase of \$56.0 million in bank loan as loan was further drawn down to finance the integrated logistics hub construction; and
- ii) decrease of \$0.5 million in deferred income due to amortisation of deferred income.

Cash flows

During 1HFY2014, the Group's cash and cash equivalents decreased by \$11.8 million from \$46.1 million as at 31 December 2013 to \$34.3 million as at 30 June 2014.

Net cash generated from operating activities was \$2.6 million in 1HFY2014 as compared with \$15.4 million in 1HFY2013. The decrease was mainly due to changes in working capital.

Net cash used in investing activities was \$5.5 million in 1HFY2014 as compared with \$12.0 million in 1HFY2013. The decrease was primarily due to lower cash payment made for the construction of integrated logistics hub in 1HFY2014.

Net cash used in financing activities was \$8.9 million in 1HFY2014 as compared with net cash used of \$5.7 million in 1HFY2013. The increase was mainly due to increase in dividend payout offset by decrease in pledged deposits.

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



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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.

Phase 1 of the integrated logistics hub at 1 Buroh Crescent was substantially completed in June 2014 with temporary occupation permit (“TOP”) received for the first four floors of the building. TOP for the remaining part of the building, including the roof-top container depot (with 16,000 TEUs storage capacity), is expected by end of 2014.

Notwithstanding the above development, the business outlook continues to be challenging with uncertainties in the global economic climate and geo-political concerns in the region. The Group will continue to explore various avenues of enhancing its business processes and staying ahead of competition.

The Group remains cautiously optimistic of its future growth.

**11. If a decision regarding dividend has been made,
(a) Whether an interim (final) ordinary dividend has been declared (recommended);**

There is no dividend declared for the current financial period.

(b) (i) Amount per share?

Nil

(b) (ii) Previous corresponding period

There is no dividend declared for the previous corresponding period.

(c) Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).

Not applicable

(d) The date the dividend is payable.

Not applicable

(e) The date on which Registrable Transfers received by the company (up to 5.00 pm) will be registered before entitlements to the dividend are determined

Not applicable

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

No dividend has been declared/recommend by the Board for the current financial period.

13 If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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)
	\$’000	\$’000
Construction of integrated logistics hub - SH Design & Build Pte Ltd	51,904 ^	N.A.
Income earned from provision of transportation logistics services - SH Design & Build Pte Ltd	148	N.A.
Income from office rental and utility recovery - SH Design & Build Pte Ltd	88	N.A.
- Soon Hock Investment Group Pte Ltd	48	N.A.
- Phoenix Wines Pte Ltd	4	N.A.

^ This relates to a contract awarded to SH Design & Build Pte Ltd for the design and construction of the integrated logistics hub at Tanjong Kling Road. The award of the contract was approved by shareholders in an Extraordinary General Meeting held on 27 June 2012.

14 Negative assurance confirmation on Interim Financial Statement

The Board of Directors hereby confirms that, to the best of their knowledge, nothing has come to their attention which may render the unaudited financial results of the Group for the half year ended 30 June 2014 to be false or misleading in any material aspect.

BY ORDER OF THE BOARD

Tan Yeow Khoo
Executive Chairman & CEO
13 August 2014