



## Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012

- 1(a)(i) **An income statement and 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 comprehensive income**

	Group		Change %
	6 months ended 30.06.12 \$'000	6 months ended 30.06.11 (Restated) ^ \$'000	
Revenue	42,751	30,387	41%
Other operating income	178	54	230%
Cost of services	(25,698)	(19,469)	32%
Employee benefits expenses	(8,413)	(6,146)	37%
Depreciation	(2,722)	(2,608)	4%
Other operating expenses	(2,741)	(1,413)	94%
Finance costs	(105)	(142)	-26%
Share of loss of joint ventures	(169)	(112)	51%
Profit before tax	3,081	551	459%
Income tax expense	(635)	(102)	523%
Profit for the year, representing total comprehensive income for the period attributable to owners of the Company	2,446	449	445%

^ Reclassification of utilities expenses item has been made to the prior period's financial statements to enhance comparability with the current period's financial statements. The effect of the reclassification is as follows:

	Group	
	Previously reported \$'000	After reclassification \$'000
Cost of services	(18,999)	(19,469)
Other operating expenses	(1,883)	(1,413)

- 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		Change %
	6 months ended 30.06.12 \$'000	6 months ended 30.06.11 \$'000	
Gain from disposal of property, plant and equipment	58	7	729%
Interest income	40	21	90%
Allowance for doubtful debts and bad debts written off	(29)	(29)	0%
Deferred income	500	500	0%
Interest expenses	(105)	(142)	-26%

n/m: not meaningful



## Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012

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	
	30.06.12 \$'000	31.12.11 \$'000	30.06.12 \$'000	31.12.11 \$'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and bank balances	45,051	35,572	23,184	24,390
Trade receivables	13,394	15,053	3,868	2,548
Other receivables	5,305	4,485	1,831	1,329
Held-for-trading investments	11	11	-	-
	<u>63,761</u>	<u>55,121</u>	<u>28,883</u>	<u>28,267</u>
<b>Non-current assets</b>				
Property, plant and equipment	25,904	24,358	10	11
Investment in subsidiaries	-	-	18,284	18,284
Investment in joint ventures	416	486	-	-
Other investment	36	36	-	-
Deferred tax assets	434	-	-	-
Other receivables	360	-	-	-
Total non-current assets	<u>27,150</u>	<u>24,880</u>	<u>18,294</u>	<u>18,295</u>
<b>Total assets</b>	<u>90,911</u>	<u>80,001</u>	<u>47,177</u>	<u>46,562</u>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Bank overdrafts and loans	1,675	1,636	-	-
Current portion of deferred income	1,000	1,000	-	-
Current portion of finance leases	936	834	-	-
Trade payables	5,394	4,106	2	101
Other payables	12,833	6,471	712	686
Income tax payable	1,456	1,203	-	-
<b>Total current liabilities</b>	<u>23,294</u>	<u>15,250</u>	<u>714</u>	<u>787</u>
<b>Non-current liabilities</b>				
Bank loans	1,607	2,456	-	-
Deferred income	3,500	4,000	-	-
Other payables	1,776	-	-	-
Finance leases	1,684	1,591	-	-
Deferred tax liabilities	594	694	-	-
<b>Total non-current liabilities</b>	<u>9,161</u>	<u>8,741</u>	<u>-</u>	<u>-</u>
<b>Capital and reserves</b>				
Share capital	45,092	45,092	45,092	45,092
Capital reserve	506	506	506	506
Merger reserve	(16,033)	(16,033)	-	-
Accumulated profits	28,891	26,445	865	177
<b>Total equity</b>	<u>58,456</u>	<u>56,010</u>	<u>46,463</u>	<u>45,775</u>
<b>Total liabilities and equity</b>	<u>90,911</u>	<u>80,001</u>	<u>47,177</u>	<u>46,562</u>



## Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012

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.

	30.06.12		31.12.11	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	2,611	-	2,470	-
Amount repayable after one year	3,291	-	4,047	-

**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
- Corporate guarantee and personal guarantees provided by certain directors.

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 30.06.12 \$'000	6 months ended 30.06.11 \$'000
<b>Cash flows from operating activities:</b>		
Profit before tax	3,081	551
Add/(less):		
Depreciation of property, plant and equipment	2,722	2,608
Interest expense	105	142
Interest income	(40)	(21)
Allowance for doubtful trade receivables, net	29	29
Deferred income	(500)	(500)
Share of loss of joint ventures	169	112
Fixed asset written off	11	-
Gain from disposal of property, plant and equipment	(58)	(7)
<b>Operating profit before working capital changes</b>	<b>5,519</b>	<b>2,914</b>
Trade receivables	1,630	(2,236)
Other receivables	(1,180)	(788)
Trade payables	1,288	(170)
Other payables	7,553	934
<b>Cash generated from operations</b>	<b>14,810</b>	<b>654</b>
Income taxes paid	(915)	(1,206)
<b>Net cash generated from/(used in) operating activities</b>	<b>13,895</b>	<b>(552)</b>
<b>Cash flows from investing activities:</b>		
Interest received	40	21
Investment in joint ventures	(100)	(679)
Purchase of property, plant and equipment (Note A)	(3,076)	(2,590)
Proceeds from disposal of property, plant and equipment	86	8
<b>Net cash (used in) investing activities</b>	<b>(3,050)</b>	<b>(3,240)</b>
<b>Cash flows from financing activities:</b>		
Interest paid	(105)	(142)
Dividends paid	-	(893)
Obligations under finance leases	(451)	(447)
Repayment of bank loans	(810)	(810)
Pledged deposits	47	(7)
<b>Net cash (used in) financing activities</b>	<b>(1,319)</b>	<b>(2,299)</b>



## Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012

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

	Group	
	6 months ended 30.06.12 \$'000	6 months ended 30.06.11 \$'000
Net increase in cash and cash equivalents	9,526	(6,091)
Cash and cash equivalents at beginning of period	32,079	24,889
<b>Cash and cash equivalents at end of period (Note B)</b>	<b>41,605</b>	<b>18,798</b>

Note A

During 1HFY2012, the Group acquired property, plant and equipment at an aggregate cost of S\$3,722,000 of which S\$646,000 were acquired under finance lease. Cash payment of S\$3,076,000 were made to purchase property, plant and equipment.

Note B

Cash and cash equivalents consist of the following:-

	Group	
	30.06.12 \$'000	30.06.11 \$'000
Cash and bank balances	45,051	22,277
Less: Pledged deposits	(3,446)	(3,479)
Cash and cash equivalents	<b>41,605</b>	<b>18,798</b>

- 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				Total \$'000
	Share Capital \$'000	Merger reserve \$'000	Capital reserve \$'000	Accumulated profits \$'000	
<b>At 1 January 2011</b>	27,871	(16,033)	506	24,086	<b>36,430</b>
Total comprehensive income for the period	-	-	-	449	<b>449</b>
Dividends	-	-	-	(893)	<b>(893)</b>
<b>At 30 June 2011</b>	<b>27,871</b>	<b>(16,033)</b>	<b>506</b>	<b>23,642</b>	<b>35,986</b>
<b>At 1 January 2012</b>	45,092	(16,033)	506	26,445	56,010
Total comprehensive income for the period	-	-	-	2,446	2,446
<b>At 30 June 2012</b>	<b>45,092</b>	<b>(16,033)</b>	<b>506</b>	<b>28,891</b>	<b>58,456</b>

Company

	Attributable to shareholders of the Company			
	Share Capital \$'000	Capital reserve \$'000	Accumulated profits (losses) \$'000	Total \$'000
<b>At 1 January 2011</b>	27,871	506	1,568	29,945
Total comprehensive income for the period	-	-	(241)	(241)
Dividends	-	-	(893)	(893)
<b>At 30 June 2011</b>	<b>27,871</b>	<b>506</b>	<b>434</b>	<b>28,811</b>
<b>At 1 January 2012</b>	45,092	506	177	45,775
Total comprehensive income for the period	-	-	688	688
<b>At 30 June 2012</b>	<b>45,092</b>	<b>506</b>	<b>865</b>	<b>46,463</b>

- 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 2012. There are no outstanding convertibles or shares held as treasury shares as at 30 June 2012.

- 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.

	30.06.12	31.12.11
Number of ordinary shares	<b>478,500,000</b>	<b>478,500,000</b>



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**Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012**

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- 1(d)(iv) **A statement showing all sales, transfers, disposal, 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 2011, a.k.a. applicable Financial Reporting Standards ("FRS"), which became effective for financial year beginning on or after 1 January 2012.
- 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).**

	<u>Group</u>	
	<u>6 months ended</u> <u>30.06.12</u>	<u>6 months ended</u> <u>30.06.11</u>
<b>Profit attributable to shareholders of the Company (S\$'000)</b>	2,446	449
<b>Weighted average number of ordinary shares in issue during the year ('000)</b>	478,500	319,000
<b>Basic and diluted earnings per ordinary share (cents)</b>	0.5	0.1

The basic and diluted earnings per ordinary share for the period ended 30 June 2012 has been calculated based on profit attributable to shareholders of approximately S\$2,446,000 divided by the weighted average number of ordinary shares of approximately 478,500,000 in issue during the financial period.



## Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012

- 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**

	<b>Group</b>		<b>Company</b>	
	<b>30.06.12</b> (cents)	<b>31.12.11</b> (cents)	<b>30.06.12</b> (cents)	<b>31.12.11</b> (cents)
Net asset <sup>A</sup> value per ordinary share <sup>B</sup>	12.2	11.7	9.7	9.6

<sup>A</sup> Net asset refers to shareholders' funds

<sup>B</sup> Based on the share capital 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.

#### **Revenue**

For the 6 months ended 30 June 2012 ("1HFY2012"), the Group recorded revenue of S\$42.8 million - a 41% increase over the S\$30.4 million generated in prior comparative period ("1HFY2011"). The growth was underpinned by the following:

##### **i) Significant improvement across its existing operating segments**

The Group's Transportation Management Services segment continued to benefit from the buoyant demand for transportation services especially in the oil & gas sector. Its container depot operations registered positive growth in the volume of container repairs and storage.

##### **ii) Maiden contribution from The Grandstand**

On 1 March 2012, the Group commenced its operations at The Grandstand (f.k.a. Turf City) principally to provide space management and automotive logistics services. This effectively provides additional growth engine for the Group.

#### **Other operating income**

The Group's other operating income was S\$0.2 million, or 230% higher than that of the prior corresponding period. The increase was mainly from interest income and gain on asset disposal.

#### **Cost of services**

The Group's cost of services rose S\$6.2 million, or 32%, from S\$19.5 million in 1HFY2011 to S\$25.7 million in 1HFY2012. The increase in cost of services factored in the new costs incurred at the newly commenced operations of The Grandstand. It was generally in tandem with the increase in revenue.

#### **Expenses**

Employee benefits expenses rose S\$2.3 million, or 37%, from S\$6.1 million in 1HFY2011 to S\$8.4 million in 1HFY2012. The increase was largely due to higher salaries and wages incurred to generate higher revenue from transportation and container depot operations, coupled with the new headcounts at The Grandstand operations.

Depreciation charges increased by a marginal S\$0.1 million, or 4%, from S\$2.6 million to S\$2.7 million following the purchase of few vehicles to boost the Group's transportation fleet.

Other operating expenses increased by S\$1.3 million, or 94%, from S\$1.4 million to S\$2.7 million. The increase was mainly attributable to the new costs associated with The Grandstand operations.

Finance costs decreased by 26%, largely due to repayment of long term bank loans and hire purchases.

#### **Profitability**

The Group's net profit after tax surged S\$2.0 million, or 445%, from S\$0.4 million in 1HFY2011 to S\$2.4 million in 1HFY2012. The stellar growth was driven by the improved showing at the Group's existing logistics operations supplemented by new earnings growth powered at The Grandstand.

#### **Assets and liabilities**

Current assets increased by S\$8.6 million, or 16%, from S\$55.1 million to S\$63.8 million as at 30 June 2012. The increase was mainly due to the following:

i) Increase of S\$9.5 million, or 27%, in cash and bank balances;

ii) Increase of S\$0.8 million, or 18%, in other receivables mainly due to new deposits placed with suppliers;

Offset by decrease of S\$1.7 million, or 11%, in trade receivables mainly due to more prompt debt collection in 1HFY2012.



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**Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012**

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Non-current assets increased by S\$2.3 million, or 9%, from S\$24.9 million to S\$27.2 million as at 30 June 2012 mainly due to the following:

- i) Increase of S\$1.5 million in net book value of property, plant and equipment mainly due to acquisition of new vehicles and renovation costs;
- ii) Increase of S\$0.4 million in deferred tax assets; and
- iii) S\$0.4 million other receivables in respect of sales incentives offered to customers.

Current liabilities increased by S\$8.0 million, or 53%, from S\$15.3 million to S\$23.3 million as at 30 June 2012. The increase was mainly due to the following increases associated with the new operations at The Grandstand:

- i) Increase of S\$1.3 million in trade payables;
- ii) Increase of S\$6.4 million in other payables mainly in respect of deposits received from customers;
- iii) Increase of S\$0.3 million in income tax payable.

Non-current liabilities increased by S\$0.4 million, or 5%, from S\$8.7 million to S\$9.2 million as at 30 June 2012. The increase was largely due to net increase of S\$1.8 million of other payables (non-current) relating to discount received from supplier, offset by repayment of bank borrowings.

**Cash flows**

During 1HFY2012, the Group generated net cash inflows of S\$9.5 million, increasing the cash and cash equivalents from S\$32.1 million to S\$41.6 million as at 30 June 2012.

Net cash generated from operating activities was S\$13.9 million in 1HFY2012 as compared to net cash used of S\$0.6 million in 1HFY2011. The improvement was mainly due to higher net operating profit coupled with improved movement in working capital during 1HFY2012.

Net cash used in investing activities was S\$3.0 million in 1HFY2012 as compared to S\$3.2 million during 1HFY2011. The improvement was mainly due to lower new investment in joint ventures in 1HFY2012.

Net cash used in financing activities was S\$1.3 million in 1HFY2012 as compared to S\$2.3 million during 1HFY2011. This was mainly due to a one-off dividend of S\$0.9 million paid to shareholders in 1HFY2011.

**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.**

The Eurozone problem and marked slowdown in China cast uncertainty over how Singapore's trade volume will pan out and the concomitant impact on the logistics sector. The Group shall brace itself for the challenges ahead, and seek optimal balance in taking on opportunities that emerge from macroeconomic change.

Barring unforeseen adverse development, the Group expects its business performance in the second half to remain stable.

**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

**(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



## Unaudited Half Year Financial Statements and Dividend Announcement for the Period Ended 30 June 2012

## 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)
	SS'000	SS'000
<b>SH Design &amp; Build Pte Ltd</b> - Purchase of renovation service - Construction of integrated logistics hub	(368) -	Not applicable -

## 14 Use of proceeds from IPO and rights issue

Intended Use	Balance as at 31.12.2011 S\$'million	Amount Utilised S\$'million	Balance as at 30.06.2012 S\$'million
<b>Proceeds from IPO:</b>			
a) For expansion of container depot operations and warehousing space	5.2	-	5.2
b) For expansion of vehicle logistics operations	2.0	-	2.0
c) For working capital	-	-	-
	<u>7.2</u>	<u>-</u>	<u>7.2</u>
<b>Proceeds from Rights Issue:</b>			
For construction of integrated logistics hub	17.2	-	17.2
	<u>17.2</u>	<u>-</u>	<u>17.2</u>

## 15 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 2012 to be false or misleading in any material aspect.

## BY ORDER OF THE BOARD

Tan Yeow Khoon  
Executive Chairman  
13 August 2012