

# FINANCIAL STATEMENTS

*For the financial year ended 31 December 2001*

Contents	Page
Directors' Report	18
Statement by Directors	24
Auditors' Report	25
Income Statements	26
Balance Sheets	27
Consolidated Statement of Changes in Equity	28
Statement of Changes in Equity - Company	29
Consolidated Cash Flow Statement	30
Notes to the Financial Statements	31

## DIRECTORS' REPORT

*For the financial year ended 31 December 2001*

The directors present their report to the members together with the audited financial statements of the Company and of the Group for the financial year ended 31 December 2001.

### Directors

The directors in office at the date of this report are:

Mr Poh Choon Ann	(Chairman and Chief Executive Officer)
Mr Poh Kay Ping	(Deputy Chief Executive Officer)
Ms Poh Khim Hong	
Mr Poh Kay Yong	
Mr Poh Key Boon	
Mr Lew Syn Pau	
Dr Hong Hai	

### Principal activities

The principal activities of the Company consist of the provision of services relating to land transportation, warehousing, stevedoring, container services, equipment renting and general contracting. The principal activities of the subsidiaries consist of the provision of services relating to land transportation, container services, equipment renting and general contracting.

There have been no significant changes in the nature of these activities during the financial year.

### Results for the financial year

The consolidated profit after tax attributable to the members of the Company for the financial year was \$2,258,000. The Company made a profit after tax for the financial year of \$2,064,000.

### Material transfers to or from reserves and provisions

There were no transfers to or from reserves and provisions during the financial year other than as disclosed in the consolidated financial statements.

### Acquisition and disposal of subsidiaries

During the financial year, the Company acquired an additional 15% interest in its existing subsidiary, PTC-Chien Li Transportation Pte Ltd, for a cash consideration of \$93,000. The share of the net tangible assets of the subsidiary acquired was \$98,000 at the acquisition date. A discount on acquisition of \$5,000 was taken to the income statement.

There were no other acquisition or disposal of interests in subsidiaries during the financial year.

Subsequent to year-end, the Company incorporated a wholly-owned subsidiary in Singapore known as Bitubulk Pte Ltd ("Bitubulk"). The principal activity of Bitubulk is that of trading in bitumen and other chemical products.

#### Issue of shares and debentures

There were no issue of shares or debentures by any corporation in the Group during the financial year.

#### Arrangements to enable directors to acquire shares and debentures

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate.

#### Directors' interests in shares or debentures

- (a) The interests of the directors holding office at the end of the financial year in the share capital of the Company and related companies, as recorded in the register of directors' shareholdings, were as follows:

	Holdings registered in <u>name of director or nominee</u>		Holdings in which a director <u>is deemed to have an interest</u>	
	<u>At</u> <u>31.12.2001</u>	<u>At</u> <u>1.1.2001</u>	<u>At</u> <u>31.12.2001</u>	<u>At</u> <u>1.1.2001</u>
<u>The Company</u>				
(Ordinary shares of \$0.10 each)				
Poh Choon Ann	-	-	81,759,000	80,977,000
Poh Kay Ping	-	-	81,759,000	80,977,000
Poh Khim Hong	-	-	81,759,000	80,977,000
<u>PTC-Chien Li Transportation Pte Ltd</u>				
(Ordinary shares of \$1 each)				
Poh Choon Ann	-	-	375,000	300,000
Poh Kay Ping	-	-	375,000	300,000
Poh Khim Hong	-	-	375,000	300,000
<u>PTC-Xin Hua Transportation Pte Ltd</u>				
(Ordinary shares of \$1 each)				
Poh Choon Ann	-	-	400,000	400,000
Poh Kay Ping	-	-	400,000	400,000
Poh Khim Hong	-	-	400,000	400,000

## DIRECTORS' REPORT

For the financial year ended 31 December 2001

- (b) The directors' interests in the share capital of the Company and of related corporations as at 21 January 2002 were the same as at 31 December 2001 except for the following directors:

	<u>Holdings registered in name of director or nominee</u> <u>At 21.1.2002</u>	<u>Holdings in which a director is deemed to have an interest</u> <u>At 21.1.2002</u>
<u>The Company</u>		
(Ordinary shares of \$0.10 each)		
Poh Choon Ann	-	76,784,000
Poh Kay Ping	-	76,784,000
Poh Khim Hong	5,000,000	76,784,000

### Dividends

For the year ended 31 December 2001, the directors recommend that a proposed first and final dividend of 5%, net of tax at 24.5%, based on the number of shares on issue at the balance sheet date, amounting to \$755,000 be paid. These financial statements do not reflect the dividends payable, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2002. This is in accordance with SAS 10 (Revised 2000).

Dividends paid, since the end of the Company's preceding financial year were as follows:

A first and final dividend of 5%, net of tax at 24.5%, was paid on 8 June 2001 in respect of the financial year ended 31 December 2000 as proposed in the Directors' Report for that financial year	\$ <u>755,000</u>
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### Bad and doubtful debts

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain the action taken in relation to the writing off of bad debts and providing for doubtful debts of the Company, and have satisfied themselves that all known bad debts of the Company have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render the amounts written off for bad debts or provided for doubtful debts in the Group inadequate to any substantial extent.

#### Current assets

Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values or that adequate provisions have been made for the diminution in values of such current assets.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the values attributed to current assets in the consolidated financial statements misleading.

#### Charges on assets and contingent liabilities

At the date of this report, no charges have arisen since the end of the financial year on the assets of the Company or any other corporation in the Group which secure the liability of any other person, nor has any contingent liability arisen since the end of the financial year in the Company or any other corporation in the Group.

#### Ability to meet obligations

No contingent or other liability of the Company or any other corporation in the Group has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company and the Group to meet its obligations as and when they fall due.

#### Other circumstances affecting financial statements

At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

#### Unusual items

In the opinion of the directors, the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

## DIRECTORS' REPORT

*For the financial year ended 31 December 2001*

### Unusual items after the financial year

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company and of the Group for the financial year in which this report is made.

### Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the consolidated financial statements and in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

### Share options

There were no options granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares have been issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares in the Company or its subsidiaries under option at the end of the financial year.

### Audit Committee

The Audit Committee comprises the following three members, of which two are non-executive and independent directors:

Mr Lew Syn Pau (Chairman)  
Dr Hong Hai  
Ms Poh Khim Hong

The Audit Committee carries out its functions in accordance with Section 201B(5) of the Companies Act and performs the following:

- (a) reviews with the external auditors, their audit plan, evaluation of the system of internal accounting controls, audit reports and any matters which the external auditors wish to discuss;
- (b) reviews the half-yearly and annual financial statements, including announcements to shareholders and the Singapore Exchange Securities Trading Ltd prior to the submission to the Board;
- (c) reviews and approves all interested person transactions;

- (d) makes recommendations to the Board on the appointment of external auditors; and
- (e) reviews the assistance given by the Company's officers to the external auditors.

It held two meetings during the financial year.

The Audit Committee has nominated PricewaterhouseCoopers for re-appointment as the auditors of the Company at the forthcoming Annual General Meeting.

#### Auditors

The auditors, PricewaterhouseCoopers have expressed their willingness to accept re-appointment.

On behalf of the directors

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POH KAY YONG  
Director

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POH KHIM HONG  
Director

3 April 2002

## STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 26 to 52 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 31 December 2001 and of the results of the business and changes in equity, of the Company and of the Group and the cash flows of the Group for the financial year then ended, and at the date of this statement there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors

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POH KAY YONG  
Director

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POH KHIM HONG  
Director

3 April 2002



AUDITORS' REPORT  
TO THE MEMBERS OF POH TIONG CHOON LOGISTICS LIMITED

We have audited the financial statements of Poh Tiong Choon Logistics Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2001 set out on pages 26 to 52. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
  - (i) the state of affairs of the Company and of the Group at 31 December 2001, the profit and changes in equity of the Company and of the Group, and the cash flows of the Group for the financial year ended on that date; and
  - (ii) the other matters required by Section 201 of the Act to be dealt with in the financial statements of the Company and the consolidated financial statements of the Group; and
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.

PricewaterhouseCoopers  
Certified Public Accountants

Singapore, 3 April 2002

## INCOME STATEMENTS

For the financial year ended 31 December 2001

	Notes	<u>Group</u>		<u>Company</u>	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Revenue	3	40,565	38,855	40,922	39,159
Other operating income		164	150	490	441
Staff costs	4	(16,148)	(14,427)	(12,367)	(11,075)
Depreciation and amortisation		(4,505)	(4,043)	(3,442)	(3,156)
Other operating expenses		(16,599)	(17,358)	(22,414)	(22,424)
Operating profit	5	3,477	3,177	3,189	2,945
Finance income	6	31	131	31	131
Finance costs	7	(242)	(239)	(136)	(126)
Share of results of associated company		140	252	-	-
Profit before tax		3,406	3,321	3,084	2,950
Taxation	9	(1,061)	(1,021)	(1,020)	(920)
Profit from ordinary activities before minority interests		2,345	2,300	2,064	2,030
Minority interests		(87)	(66)	-	-
Net profit		2,258	2,234	2,064	2,030
Earnings per share - basic	10	1.13 cents	1.12 cents		
Earnings per share - diluted	10	1.13 cents	1.12 cents		

The accompanying notes form an integral part of these financial statements  
Auditors' Report - Page 25

## BALANCE SHEETS

As at 31 December 2001

	Notes	<u>Group</u>		<u>Company</u>	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Current assets</b>					
Cash and cash equivalents	11	4,405	5,372	4,242	5,200
Receivables	12	11,605	9,781	11,443	9,612
Due by associated company (trade)		60	54	60	54
Due by related parties	13(a)	165	188	163	173
Other debtors	14	833	886	683	772
		<u>17,068</u>	<u>16,281</u>	<u>16,591</u>	<u>15,811</u>
<b>Non-current assets</b>					
Investments	15	54	132	54	132
Associated company	16	562	682	810	878
Subsidiaries	17	-	-	793	700
Deferred expenditure	18	196	246	196	246
Fixed assets	19	47,570	26,883	44,605	23,585
		<u>48,382</u>	<u>27,943</u>	<u>46,458</u>	<u>25,541</u>
<b>Total assets</b>		<u>65,450</u>	<u>44,224</u>	<u>63,049</u>	<u>41,352</u>
<b>Current liabilities</b>					
Trade creditors		1,948	1,689	1,773	1,553
Due to subsidiaries (trade)		-	-	1,171	793
Due to related parties	13(b)	39	6	39	6
Other creditors	20	6,106	4,603	5,621	3,938
Borrowings - Hire purchase creditors	21	906	969	537	708
Borrowings - Long-term loans	21	1,737	477	1,250	-
Taxation	9	270	710	172	658
		<u>11,006</u>	<u>8,454</u>	<u>10,563</u>	<u>7,656</u>
<b>Non-current liabilities</b>					
Borrowings - Hire purchase creditors	21	1,852	1,880	983	1,223
Borrowings - Long-term loans	21	18,802	2,578	18,750	2,000
Deferred taxation	9	2,673	1,672	2,441	1,470
		<u>23,327</u>	<u>6,130</u>	<u>22,174</u>	<u>4,693</u>
<b>Total liabilities</b>		<u>34,333</u>	<u>14,584</u>	<u>32,737</u>	<u>12,349</u>
<b>Net assets</b>		<u>31,117</u>	<u>29,640</u>	<u>30,312</u>	<u>29,003</u>
<b>Share capital and reserves</b>					
Share capital	22	20,000	20,000	20,000	20,000
Share premium		3,501	3,501	3,501	3,501
Retained earnings		7,212	5,709	6,811	5,502
Interests of members of the Company		30,713	29,210	30,312	29,003
Minority interests		404	430	-	-
		<u>31,117</u>	<u>29,640</u>	<u>30,312</u>	<u>29,003</u>

The accompanying notes form an integral part of these financial statements  
Auditors' Report - Page 25

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

*For the financial year ended 31 December 2001*

	Notes	<u>Share capital</u> S'000	<u>Share premium</u> S'000	<u>Retained earnings</u> S'000	<u>Total</u> S'000
Balance at 1 January 2001					
- as previously reported		20,000	3,501	5,417	28,918
- prior year adjustment	23	-	-	(463)	(463)
- effect of adopting SAS 10	24	-	-	755	755
- as restated		20,000	3,501	5,709	29,210
Total recognised gains for the financial year -					
Net profit		-	-	2,258	2,258
Dividend for 2000	24	-	-	(755)	(755)
Balance at 31 December 2001		20,000	3,501	7,212	30,713
Balance at 1 January 2000					
- as previously reported		20,000	3,501	3,869	27,370
- prior year adjustment	23	-	-	(394)	(394)
- effect of adopting SAS 10	24	-	-	745	745
- as restated		20,000	3,501	4,220	27,721
Net profit					
- as previously reported		-	-	2,303	2,303
- prior year adjustment	23	-	-	(69)	(69)
- as restated		-	-	2,234	2,234
Total recognised gains for the financial year		-	-	2,234	2,234
Dividend for 1999	24	-	-	(745)	(745)
Balance at 31 December 2000		20,000	3,501	5,709	29,210

## STATEMENT OF CHANGES IN EQUITY - COMPANY

*For the financial year ended 31 December 2001*

	Notes	<u>Share capital</u> \$'000	<u>Share premium</u> \$'000	<u>Retained earnings</u> \$'000	<u>Total</u> \$'000
Balance at 1 January 2001					
- as previously reported		20,000	3,501	5,210	28,711
- prior year adjustment	23	-	-	(463)	(463)
- effect of adopting SAS 10	24	-	-	755	755
- as restated		20,000	3,501	5,502	29,003
Total recognised gains for the financial year - Net profit		-	-	2,064	2,064
Dividend for 2000	24	-	-	(755)	(755)
Balance at 31 December 2001		<u>20,000</u>	<u>3,501</u>	<u>6,811</u>	<u>30,312</u>
Balance at 1 January 2000					
- as previously reported		20,000	3,501	3,866	27,367
- prior year adjustment	23	-	-	(394)	(394)
- effect of adopting SAS 10	24	-	-	745	745
- as restated		20,000	3,501	4,217	27,718
Net profit					
- as previously reported		-	-	2,099	2,099
- prior year adjustment	23	-	-	(69)	(69)
- as restated		-	-	2,030	2,030
Total recognised gains for the financial year		-	-	2,030	2,030
Dividend for 1999	24	-	-	(745)	(745)
Balance at 31 December 2000		<u>20,000</u>	<u>3,501</u>	<u>5,502</u>	<u>29,003</u>

## CONSOLIDATED CASH FLOW STATEMENT

*For the financial year ended 31 December 2001*

	Notes	2001 \$'000	2000 \$'000
<b>Cash flows from operating activities</b>			
Net profit before tax		3,406	3,321
Adjustments for:			
Provision for diminution in value of investment		90	-
Share of profit of associated company		(140)	(252)
Depreciation and amortisation		4,505	4,043
Profit from sale of fixed assets		(126)	(80)
Finance income		(31)	(131)
Finance costs		242	239
Operating cash flow before working capital changes		7,946	7,140
Receivables		(1,754)	199
Payables		1,795	1,126
Cash generated from operations		7,987	8,465
Income tax paid		(490)	(1,162)
Interest paid		(242)	(239)
Net cash inflow from operating activities		7,255	7,064
<b>Cash flows from investing activities</b>			
Proceeds from sale of fixed assets		618	346
Purchase of fixed assets		(25,634)	(11,813)
Purchase of investments		(110)	-
Dividends received from associated company		250	152
Interest received		31	131
Net cash outflow from investing activities		(24,845)	(11,184)
<b>Cash flows from financing activities</b>			
Dividends paid		(755)	(745)
Dividends paid to the minority shareholder of subsidiary company		(15)	(9)
Net drawdown of long-term loans		17,484	1,510
Deferred expenditure		-	(246)
Net (repayment)/drawdown of hire purchase		(91)	1,536
Net cash inflow from financing activities		16,623	2,046
Net decrease in cash and cash equivalents		(967)	(2,074)
Cash and cash equivalents at beginning of year		5,372	7,446
Cash and cash equivalents at end of year	11	4,405	5,372

*The accompanying notes form an integral part of these financial statements  
Auditors' Report – Page 25*

# NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

## 1. General

The Company is domiciled and incorporated in Singapore and is listed on the Singapore Exchange. The address of its registered office is :

48 Pandan Road  
Singapore 609289

The principal activities of the Company consist of the provision of services relating to land transportation, warehousing, stevedoring, container services, equipment renting and general contracting. The principal activities of the subsidiaries consist of the provision of services relating to land transportation, container services, equipment renting and general contracting.

## 2. Significant accounting policies

### (a) Basis of preparation

The financial statements are prepared in accordance with the historical cost convention.

The financial statements are prepared in accordance with and comply with Singapore Statements of Accounting Standard.

The financial statements are expressed in Singapore Dollars.

In 2001, the Group adopted the following standards:

SAS 8 (Revised 2000)	Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies
SAS 10 (Revised 2000)	Events Occurring after the Balance Sheet Date
SAS 17 (Revised 2000)	Employee Benefits
SAS 22 (Revised 2000)	Business Combinations
SAS 31	Provisions, Contingent Liabilities and Contingent Assets
SAS 32	Financial Instruments - Disclosure and Presentation
SAS 34	Intangible Assets
SAS 35	Discontinuing Operations
SAS 36	Impairment of Assets

In particular, the effects of adopting SAS 17 and SAS 10 are summarised in the consolidated statement of changes in shareholders' equity and further information is disclosed in Notes 23 and 24.

### (b) Basis of consolidation

The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the consolidated income statement from the date of their acquisition or disposal. Intercompany balances and transactions and resulting unrealised profits are eliminated in full on consolidation. Where necessary, accounting policies for subsidiaries have been changed to ensure consistency with the policies adopted by the Group.

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2001*

### 2. Significant accounting policies (continued)

#### (c) Foreign currencies

Transactions in foreign currencies during the financial year are converted to Singapore dollars at the rates of exchange prevailing at the transaction dates.

#### (d) Revenue recognition

Revenue represents revenue from land transportation, warehousing, stevedoring, container services, equipment renting and general contracting, and rental income receivable, net of goods and services tax.

Revenue is recognised upon the completion of services rendered.

Dividend income is recorded gross in the income statements in the accounting period in which a dividend is declared payable by the investee company or by the subsidiaries.

Interest income is accrued on a day to day basis.

#### (e) Taxation

Tax expense is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items. In accounting for timing differences, deferred tax assets are not accounted for unless there is reasonable expectation of their realisation.

#### (f) Cash and cash equivalents

Cash and cash equivalents are carried in the balance sheet at cost.

For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand and fixed deposits with financial institutions.

#### (g) Trade debtors

Trade debtors are carried at anticipated realisable value.

Bad debts are written off and specific provisions are made for those debts considered to be doubtful. General provisions are made on the balance of trade debtors to cover unexpected losses which have not been specifically identified.

#### (h) Investments

Quoted and unquoted investments, including the investment in subsidiaries and associates that are intended to be held for the long term are stated in the financial statements at cost less provision. This provision is made in recognition of a diminution in the value of the investments which is other than temporary determined on an individual investment basis. Cost is determined on the weighted average method.

Profits or losses on disposal of investments are taken to the income statements.



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 2. Significant accounting policies (continued)

#### (i) Associates

The Group treats as associates those companies in which the Group has a long term equity interest of between 20 and 50 percent and over whose financial and operating policy decisions it has significant influence.

Associates are accounted for under the equity method whereby the Group's share of profits less losses of associates is included in the consolidated income statement and the Group's share of net assets is included in the consolidated balance sheet. These amounts are taken from the most recent audited financial statements of the companies concerned, made up to dates not more than six months prior to the end of the financial year of the Group. Where the accounting policies of associates do not conform with those of the Group, adjustments are made where the amounts involved are considered significant to the Group.

#### (j) Fixed assets and depreciation

Fixed assets are stated at cost less accumulated depreciation. Leasehold properties are amortised over the remaining term of the lease except for the PTC Chemical Logistics Complex, which is amortised evenly over 50 years from the date of obtaining Temporary Occupancy Permit as disclosed in Note 26 (b).

Depreciation is calculated so as to write off the cost or carrying amount of fixed assets on a straight-line basis over the expected useful lives of the assets concerned. The annual rates used for this purpose are:

	%
Commercial Vehicles	5 – 20
Machinery & Equipment	5 – 15
Computer & Accessories	20 – 33 $\frac{1}{3}$
Motor Vehicles	12 $\frac{1}{2}$
Office Equipment, Furniture & Fittings	10 – 20
Freehold property	1

#### (k) Accounting for leases

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Assets purchased under finance leases are capitalised. Leased assets and liabilities are established at the present value of the minimum lease payments. The excess of lease payments over the recorded lease obligations is treated as finance charges, which are amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Operating lease payments are charged to the income statements in the periods in which they are incurred.

#### (l) Goodwill

Goodwill represents the excess of the fair value of the consideration given over the fair value of the identifiable net assets of subsidiaries and associates when acquired. Goodwill is amortised on a straight-line basis, through the consolidated income statement, over its useful economic life up to a maximum of 20 financial years. Goodwill which is assessed as having no continuing economic value is written off to the consolidated income statement.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 2. Significant accounting policies (continued)

#### (m) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made.

#### (n) Employee leave entitlement

Employee entitlements to annual leave and long service leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave and long service leave as a result of services rendered by employees up to the balance sheet date.

#### (o) Financial risk management

##### *Financial risk factors*

The Group's activities expose it to a variety of financial risks, including interest rate, credit and liquidity risks. The policies for managing each of these risks are summarised below.

##### (i) *Interest rate risk*

The Group is exposed to interest rate risk through the impact of rate changes on interest-bearing liabilities. The Group has not hedged its exposure to interest rates as the risk is not expected to be significant. The Group's debt includes bank loans and lease commitments.

The Group has no significant interest-bearing assets.

##### (ii) *Credit risk*

The Group has policies in place to ensure that the provision of services are made to customers with an appropriate credit history.

##### (iii) *Liquidity risk*

Prudent liquidity risk management implies maintaining sufficient level of cash and the availability of funding through an adequate amount of committed credit facilities deemed necessary to finance the Group's operations.

The Group's business is not exposed to any foreign exchange risk in the current financial year.

#### (p) Comparatives

Where necessary, comparative figures have been adjusted to conform with changes in presentation in the current year. Where applicable, the comparatives have been adjusted or extended to take into account the requirements of the revised or new Singapore Statements of Accounting Standard which the Group implemented in 2001.

With the exception of SAS 17 (see Note 23) and SAS 10 (see Note 24), there are no changes in accounting policy that affect operating profit resulting from the adoption of the revised or new standards in these financial statements, as the Group was already following the recognition and measurement principles in those standards.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 3. Revenue

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Transportation and bulk cargo	33,499	32,190	33,856	32,494
Warehousing	7,066	6,665	7,066	6,665
	<u>40,565</u>	<u>38,855</u>	<u>40,922</u>	<u>39,159</u>

### 4. Staff costs

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Wages and salaries	11,861	11,162	8,856	8,432
Bonus	730	709	631	618
Directors' remuneration	1,797	1,233	1,535	1,002
Central provident fund and foreign levy	1,760	1,323	1,345	1,023
	<u>16,148</u>	<u>14,427</u>	<u>12,367</u>	<u>11,075</u>

	<u>Group</u>		<u>Company</u>	
	2001	2000	2001	2000
Average monthly number of persons employed during the year :				
Full time	<u>536</u>	<u>525</u>	<u>416</u>	<u>412</u>

### 5. Operating profit

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Operating profit before tax is arrived at after				
<i>Charging:</i>				
Directors' remuneration				
- directors of the Company	1,566	1,017	1,535	1,002
- other directors	231	216	-	-
Auditors' remuneration				
Auditors of the Company				
- Current year	69	60	57	48
- Underprovision of prior year	11	11	10	9
	<u>80</u>	<u>71</u>	<u>67</u>	<u>57</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 5. Operating profit (continued)

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Depreciation and amortisation:</b>				
Leasehold properties	1,076	945	1,076	945
Freehold property	1	-	1	-
Commercial vehicles	2,813	2,509	1,762	1,631
Machinery & equipment	276	292	273	289
Computer & accessories	172	143	169	141
Motor vehicles	120	107	120	107
Office equipment, furniture & fittings	47	47	41	43
	<u>4,505</u>	<u>4,043</u>	<u>3,442</u>	<u>3,156</u>
Provision for doubtful trade debts	58	56	58	56
Provision for diminution in value of investment	90	-	90	-
Loss on disposal of fixed assets	6	35	-	-
<i>And after crediting:</i>				
Provision for doubtful trade debts written back	16	12	16	12
Dividend income from				
- subsidiary company	-	-	80	52
- associated company	-	-	245	204
Profit from sale of fixed assets	<u>132</u>	<u>115</u>	<u>132</u>	<u>115</u>

### 6. Finance income

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Interest income</b>				
- Fixed deposits	22	124	22	124
- Current account	9	7	9	7
	<u>31</u>	<u>131</u>	<u>31</u>	<u>131</u>

### 7. Finance costs

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
<b>Interest paid on:</b>				
- Bank loans	83	84	30	-
- Hire purchases	159	155	106	126
	<u>242</u>	<u>239</u>	<u>136</u>	<u>126</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 8. Remuneration bands of directors of the Company

	2001	2000
Number of directors of the Company in remuneration bands:		
\$500,000 and above	1	-
\$250,000 to \$499,999	-	1
Below \$250,000	6	6
Total	<u>7</u>	<u>7</u>

### 9. Taxation

#### (a) Tax expense

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
On the profit for the year:				
Singapore income tax	1	457	-	470
Transfer to deferred taxation	1,001	495	971	450
	<u>1,002</u>	<u>952</u>	<u>971</u>	<u>920</u>
Share of tax of associated company	10	69	-	-
	<u>1,012</u>	<u>1,021</u>	<u>971</u>	<u>920</u>
Underprovision of Singapore income tax in preceding financial years	49	-	49	-
	<u>1,061</u>	<u>1,021</u>	<u>1,020</u>	<u>920</u>

(b) The income tax expense of the Company and the Group is higher than the amount of income tax determined by applying the Singapore income tax rate of 24.5% to profit before tax mainly because of certain expenses which are not allowable for tax purposes.

(c) At 31 December 2001, the Company and the Group have unutilised capital allowances of approximately \$3,139,000 (2000:Nil) and \$3,230,000 (2000: \$103,000) respectively which can, subject to the relevant provisions of the Income Tax Act, Cap. 134 be carried forward and utilised to offset against future taxable profits. The full amounts have been utilised to reduce the deferred tax liability for the Company and the Group at 31 December 2001.

#### (d) Movements in provision for current tax

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance at the beginning of the financial year	710	1,415	658	1,395
Income tax paid	(490)	(1,162)	(452)	(1,142)
Tax deducted at source	-	-	(83)	(65)
Current financial year's tax expense on profit	1	457	-	470
Underprovision in prior financial years	49	-	49	-
Balance at the end of the financial year	<u>270</u>	<u>710</u>	<u>172</u>	<u>658</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 9. Taxation (continued)

#### (e) Composition of deferred tax

Provision for deferred tax comprises the estimated tax expense at current tax rates on the following items:

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Difference in depreciation and amortisation of fixed assets for accounting and income tax purposes	2,673	1,672	2,441	1,470

#### (f) Movements in provision for deferred tax

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance at the beginning of the financial year	1,672	1,177	1,470	1,020
Transfer from income statement	1,001	495	971	450
Balance at the end of the financial year	2,673	1,672	2,441	1,470

### 10. Earnings per share

		<u>Group</u>	
		2001	2000
Profit after tax attributable to the members of the Company	(\$'000)	2,258	2,234
Weighted average number of ordinary shares in issue for basic and diluted earnings per share	('000)	200,000	200,000
Basic and diluted earnings per share	(cents)	1.13	1.12

As detailed in Note 23, the Group changed its accounting policy with respect to accounting for accrued annual leave entitlements. For comparative purposes, the basic and diluted earnings per share of year 2000, previously reported at 1.15 cents have been adjusted for the prior year adjustment.

### 11. Cash and cash equivalents

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Cash at bank and on hand	2,202	1,589	2,039	1,417
Fixed deposits	2,203	3,783	2,203	3,783
	4,405	5,372	4,242	5,200

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 12. Receivables

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Trade debtors	11,773	9,916	11,611	9,747
Less: Provision for doubtful debts	(168)	(135)	(168)	(135)
	<u>11,605</u>	<u>9,781</u>	<u>11,443</u>	<u>9,612</u>

Movements in provision for doubtful debts are as follows:

Balance at the beginning of the financial year	135	91	135	91
Provision made during the financial year	58	56	58	56
Bad debts written off against provision	(9)	-	(9)	-
Recovery of doubtful debts	(16)	(12)	(16)	(12)
Balance at the end of the financial year	<u>168</u>	<u>135</u>	<u>168</u>	<u>135</u>

### 13. Due by/to related parties

#### (a) Due by related parties

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Trade	163	173	163	173
Non - trade	2	15	-	-
	<u>165</u>	<u>188</u>	<u>163</u>	<u>173</u>

#### (b) Due to related parties

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Trade	24	6	24	6
Non - trade	15	-	15	-
	<u>39</u>	<u>6</u>	<u>39</u>	<u>6</u>

(c) Related parties are companies in which the directors or majority shareholders of the Company have significant influence or interests respectively.

### 14. Other debtors

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Deposits	175	274	175	274
Staff loans	66	61	50	58
Prepayments	509	518	393	407
Interest receivable	-	2	-	2
Sundry debtors	83	31	65	31
	<u>833</u>	<u>886</u>	<u>683</u>	<u>772</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 15. Investments

	<u>Group and Company</u> 2001		<u>Group and Company</u> 2000	
	<u>Cost</u> S'000	<u>Market value</u> S'000	<u>Cost</u> S'000	<u>Market value</u> S'000
(a) Quoted				
- Equity shares in a corporation	4	4	4	4
(b) Unquoted				
- Equity shares in corporations	113		110	
Less: Provision for diminution in value	(90)		-	
	23		110	
(c) Club membership	27		18	
	54		132	

Movements in provision for diminution in value:

	<u>Group and Company</u> 2001 S'000
Balance at the beginning of the financial year	-
Provision made during the financial year	90
Balance at the end of the financial year	90

### 16. Associated company

	<u>Group</u>		<u>Company</u>	
	2001 S'000	2000 S'000	2001 S'000	2000 S'000
Unquoted equity shares, at cost	878	878	878	878
Less: Amount written off	(361)	(361)	-	-
Less: Dividends received from pre-acquisition reserves	(68)	-	(68)	-
Net tangible assets acquired	449	517	810	878
Group's share of post acquisition retained profits and reserves of associated company net of dividends received	113	165	-	-
	562	682	810	878

<u>Name of Company</u>	<u>Principal activities</u>	<u>Country of incorporation and operation</u>	<u>Equity holding</u>		<u>Cost of investment</u>	
			2001 %	2000 %	2001 S'000	2000 S'000
Hai Poh Terminals Pte Ltd	Stevedoring and terminal operations	Singapore	50	50	810	878



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 17. Subsidiaries

	<u>Company</u>	
	2001 \$'000	2000 \$'000
Unquoted equity shares, at cost	793	700

The subsidiaries of the Company are as follows:

<u>Name of Company</u>	<u>Principal activities</u>	<u>Country of incorporation and operation</u>	<u>Equity holding</u>		<u>Cost of investment</u>	
			2001 %	2000 %	2001 \$'000	2000 \$'000
PTC-Chien Li Transportation Pte Ltd	Land transportation, container services, equipment renting and general contracting	Singapore	75	60	393	300
PTC-Xin Hua Transportation Pte Ltd	Land transportation, container services, equipment renting and general contracting	Singapore	80	80	400	400
					<u>793</u>	<u>700</u>

The Company acquired an additional 15% interest in PTC-Chien Li Transportation Pte Ltd for a cash consideration of \$93,000. The share of the net tangible assets of the subsidiary acquired was \$98,000 at the acquisition date. A discount on acquisition of \$5,000 was taken to income statement.

### 18. Deferred expenditure

Deferred expenditure comprise borrowing cost relating to the 5-year loan facility set out in Note 21. The deferred expenditure will be amortised over the remaining period of the facility of 4 years (2000: 5 years).

Deferred expenditure amortised of \$48,000 (2000:\$4,000) was taken to construction-in-progress under fixed assets as borrowing costs capitalised.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 19. Fixed assets

#### (a) Group

	Construction in-progress \$'000	Leasehold properties \$'000	Freehold property \$'000	Commercial vehicles \$'000	Machinery and equipment \$'000	Computer and accessories \$'000	Motor vehicles \$'000	Office equipment, furniture and fittings \$'000	Total \$'000
Cost									
At 1 January 2001	6,942	10,320	-	24,559	2,210	719	1,389	436	46,575
Transfer in from construction-in- progress	(29,348)	20,559	-	1,669	6,291	555	-	274	-
Additions	22,406	692	715	1,678	58	97	23	15	25,684
Disposals	-	-	-	(728)	(27)	(99)	(445)	(26)	(1,325)
At 31 December 2001	-	31,571	715	27,178	8,532	1,272	967	699	70,934
Depreciation									
At 1 January 2001	-	2,075	-	14,705	1,580	445	657	230	19,692
Charge for the year	-	1,076	1	2,813	276	172	120	47	4,505
Disposals	-	-	-	(264)	(28)	(98)	(419)	(24)	(833)
At 31 December 2001	-	3,151	1	17,254	1,828	519	358	253	23,364
Net book value at 31 December 2001	-	28,420	714	9,924	6,704	753	609	446	47,570
Net book value at 31 December 2000	6,942	8,245	-	9,854	630	274	732	206	26,883

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 19. Fixed assets (continued)

#### (b) Company

	Construction in-progress \$'000	Leasehold properties \$'000	Freehold property \$'000	Commercial vehicles \$'000	Machinery and equipment \$'000	Computer and accessories \$'000	Motor vehicles \$'000	Office equipment, furniture and fittings \$'000	Total \$'000
<b>Cost</b>									
At 1 January 2001	6,942	10,320	-	19,755	2,182	709	1,389	407	41,704
Transfer in from construction-in- progress	(29,348)	20,559	-	1,669	6,291	555	-	274	-
Additions	22,406	692	715	882	56	96	23	4	24,874
Disposals	-	-	-	(565)	(27)	(99)	(445)	(26)	(1,162)
At 31 December 2001	-	31,571	715	21,741	8,502	1,261	967	659	65,416
<b>Depreciation</b>									
At 1 January 2001	-	2,075	-	13,144	1,576	442	657	225	18,119
Charge for the year	-	1,076	1	1,762	273	169	120	41	3,442
Disposals	-	-	-	(181)	(27)	(99)	(419)	(24)	(750)
At 31 December 2001	-	3,151	1	14,725	1,822	512	358	242	20,811
Net book value at 31 December 2001	-	28,420	714	7,016	6,680	749	609	417	44,605
Net book value at 31 December 2000	6,942	8,245	-	6,611	606	267	732	182	23,585

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 19. Fixed assets (continued)

- (c) At the balance sheet date, the net book value of fixed assets of the Company and of the Group under hire purchase agreements are as follows:

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Commercial vehicles	3,348	2,977	1,903	1,939
Machinery and equipment	16	181	16	181
Motor vehicles	534	617	534	617
	<u>3,898</u>	<u>3,775</u>	<u>2,453</u>	<u>2,737</u>

- (d) In addition, at the balance sheet date, there was a fixed charge over the net book value of the commercial vehicles of the Group amounting to \$1,056,000 (2000: \$1,686,000) for the long-term loans.

- (e) The Group's freehold and leasehold properties are as follows:

<u>Location</u>	<u>Description</u>	<u>Tenure</u>
21, Ayer Merbau Road Jurong Island Singapore	PTC Chemical Logistics Complex	Leasehold with 30 years lease expiring on 15 April 2030 and an option for a further term of 30 years (Note 26)
42 Pandan Road Singapore	Warehouse and office	Leasehold with 25 years lease expiring on 18 October 2009
48 Pandan Road Singapore	Warehouse and office	Leasehold with 30 years lease expiring on 30 June 2009
#11-02 Realty Centre 15 Enggor Street Singapore	Office	Freehold property

### 20. Other creditors

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Accrued operating expenses	2,987	2,577	2,524	2,177
Rental deposits	23	52	23	52
Sundry creditors	3,096	1,974	3,074	1,709
	<u>6,106</u>	<u>4,603</u>	<u>5,621</u>	<u>3,938</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 21. Borrowings

#### (a) Hire purchase creditors

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Minimum lease payments payable				
Within one year	1,043	1,116	619	819
Between one and five years	2,126	2,161	1,126	1,402
	<u>3,169</u>	<u>3,277</u>	<u>1,745</u>	<u>2,221</u>
Finance charges allocated to future periods	(411)	(428)	(225)	(290)
	<u>2,758</u>	<u>2,849</u>	<u>1,520</u>	<u>1,931</u>
Included in:				
Current liabilities	906	969	537	708
Non-current liabilities	1,852	1,880	983	1,223
	<u>2,758</u>	<u>2,849</u>	<u>1,520</u>	<u>1,931</u>

#### (b) Long-term loans

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
(i) 5-year unsecured loan comprising a Transferable Loan Facility ("TLF") of up to \$25,000,000 and Revolving Credit Facility ("RCF") of up to \$15,000,000. The TLF is repayable in 6 semi-annual instalments of \$1,250,000 commencing 29 November 2002 with a final instalment of up to \$17,500,000 due on 29 November 2005. The RCF is fully repayable on 29 November 2005. There is a total of \$20,000,000 of TLF drawdown as at 31 December 2001. There is no drawdown of RCF as at 31 December 2001.	20,000	2,000	20,000	2,000
(ii) 5.75% (2000: 6.25%) loan repayable by 48 monthly instalments of \$21,446 (2000: \$23,313) each inclusive of interest charged, commencing April 1999*	255	546	-	-
(iii) 5.75% (2000: 6.25%) loan repayable by 48 monthly instalments of \$20,766 (2000: \$20,970) each inclusive of interest charged, commencing April 1999*	284	509	-	-
	<u>20,539</u>	<u>3,055</u>	<u>20,000</u>	<u>2,000</u>
Less: Repayments due within twelve months (included in current liabilities)	(1,737)	(477)	(1,250)	-
	<u>18,802</u>	<u>2,578</u>	<u>18,750</u>	<u>2,000</u>

\* These loans are secured, amongst other things, by a fixed charge over the net book value of the subsidiaries' commercial vehicles.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 21. Borrowings (continued)

#### (c) Effective interest rates

The weighted average effective interest rates at the balance sheet date were as follows:

	<u>Group</u>		<u>Company</u>	
	2001	2000	2001	2000
Hire purchase creditors	6.0%	6.0%	5.8%	5.9%
Long-term loans	2.9%	4.1%	2.8%	2.9%

#### (d) Carrying amounts and fair values

The fair values are based on discounted cash flows using a discount rate based upon the borrowing rate which the directors expect would be available to the Group at the balance sheet date. The carrying amounts of long-term loans approximate their fair value.

#### (e) The carrying amounts and fair values of the hire purchase creditors are as follows:

##### *Group*

	<u>Carrying amounts</u>		<u>Fair values</u>	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Current	906	969	1,012	1,082
Non-current	1,852	1,880	1,839	1,847

##### *Company*

	<u>Carrying amounts</u>		<u>Fair values</u>	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Current	537	708	600	794
Non-current	983	1,223	984	1,212

#### (f) Maturity of long-term loans

Maturity of non-current borrowings (excluding hire purchase creditors) is as follows:

	<u>Group</u>		<u>Company</u>	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Between one and two years	2,552	1,758	2,500	1,250
Between two and five years	16,250	820	16,250	750
	<u>18,802</u>	<u>2,578</u>	<u>18,750</u>	<u>2,000</u>

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 22. Share capital of Poh Tiong Choon Logistics Limited

#### (a) Authorised ordinary share capital

The total authorised number of ordinary shares is 500 million shares (2000: 500 million shares) with a par value of 10 cents per share (2000: 10 cents per share).

#### (b) Issued ordinary share capital

	2001 Shares '000	2000 Shares '000	2001 \$'000	2000 \$'000
Balance at the beginning and at the end of the financial year	200,000	200,000	20,000	20,000

### 23. Prior year adjustment

The accrual of unused annual leave entitlements in accordance with SAS 17 (Revised 2000) Employee Benefits arising from the change in accounting policy has been dealt with as follows:

	<u>Group</u> \$'000	<u>Company</u> \$'000
Included as a restatement of the results for the financial year ended 31 December 2000	69	69
Restatement of retained profits at 1 January 2000	394	394
Restatement of retained profits at 1 January 2001	463	463
Included in the results for the financial year ended 31 December 2001	166	137

### 24. Proposed dividends

#### (i) Movements in provision for proposed dividend are as follows:

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance at the beginning of the financial year				
- As previously stated	755	745	755	745
- Effect of adopting SAS 10	(755)	(745)	(755)	(745)
- As restated	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 24. Proposed dividends (continued)

#### (ii) Ordinary dividends paid

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
First and final dividend of 5% (2000: 5%) less tax at 24.5% (2000: 25.5%)	755	745	755	745

Following the adoption of SAS 10 with effect from 1 January 2001, dividends are only recorded in the financial year in which the dividends are declared. Prior to 1 January 2001, dividends are recognised as a liability when proposed, approved or paid subsequent to the financial year-end.

The change has been accounted for retrospectively and comparative figures have been restated to conform to the changed policy. The change in accounting policy has no impact on the results and the impact on the retained profits is shown on the statement of changes in equity.

For the year ended 31 December 2001, the directors recommend that a proposed first and final dividend of 5%, net of tax at 24.5%, based on the number of shares on issue at the balance sheet date, amounting to \$755,000 be paid. These financial statements do not reflect the dividends payable, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2002. This is in accordance with SAS 10 (Revised 2000).

### 25. Contingent liabilities

	<u>Company</u>	
	2001 \$'000	2000 \$'000
Unsecured guarantees given to financial institutions in connection with:-		
(i) term loans provided to subsidiary companies	538	1,056
(ii) hire purchase facilities provided to subsidiary companies	968	731
	<u>1,506</u>	<u>1,787</u>



## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 26. Commitments

#### (a) Capital commitments

Capital commitments not provided for in the financial statements are as follows:

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Expenditure contracted for	1,329	20,601	1,329	20,601

#### (b) Lease commitments

Commitments in relation to non-cancellable operating leases contracted for at the balance sheet date but not recognised as liabilities, are payable as follows:

	<u>Group</u>		<u>Company</u>	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Not later than one financial year	1,416	1,068	1,416	1,068
Later than one financial year but not later than five financial years	3,789	1,849	3,789	1,849
Later than five financial years	1,510	1,713	1,510	1,713
	<u>6,715</u>	<u>4,630</u>	<u>6,715</u>	<u>4,630</u>

Apart from the above, the Company accepted an offer from the Jurong Town Corporation ("JTC") to lease a 2.6 hectare plot of land on Jurong Island for 30 years for the purpose of developing a third party PTC Chemical Logistics Complex with effect from 16 April 2000. Based on the lease agreement with JTC, the annual rent due in a year amounts to \$352,000 (2000: \$408,000) after rebates, and is subject to revision every year with the increase not exceeding 5.5% of the yearly rent for each preceding year. The initial lease period of 30 years with effect from 16 April 2000 and an option for a further term of 30 years is subject to the Company meeting the stipulated minimum investment amount, the development plot ratio and other terms and conditions set out in its offer letters, within 2 years from 16 April 2000. The Complex obtained full temporary occupancy permit ("TOP") on 13 December 2001 from the Building Control Unit.

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 27. Interested party transactions

The following significant interested party transactions took place during the financial year on terms agreed by the parties concerned:

	<u>Group</u>		<u>Company</u>	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
<u>Income</u>				
Sale of diesel and maintenance services provided to:				
- subsidiary companies	-	-	758	700
- a related party	4	4	4	4
Hiring of commercial vehicles and transport services provided to:				
- subsidiary company	-	-	4	8
- associated company	248	274	248	274
- related parties	492	491	492	491
Management fee income from a related party	20	68	20	68
Rental income from:				
- subsidiary companies	-	-	55	55
- related parties	12	12	12	12
Dividend income from :				
- a subsidiary company	-	-	80	52
- an associated company	-	-	245	204
<u>Expenditure</u>				
Hiring of commercial vehicles and transport services charged by subsidiary companies	-	-	7,436	6,678
Freight charges by related parties	27	20	27	20
Rental charged by a related party	30	34	30	34
Purchase from related parties	28	14	28	14
Purchase of freehold property from a related party	700	-	700	-

## NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2001

### 28. Segment information

The Group's operations are located principally in Singapore. As such, no geographical segmental information is provided. The Group's business segmental information is provided as follows:

Year ended 31 December 2001	Transportation and bulk cargo \$'000	Warehousing \$'000	Consolidated \$'000
Sales to customers outside the Group	33,499	7,066	40,565
Segment result	1,728	1,749	3,477
Interest income			31
Interest expense			(242)
Share of profit of associated company			(211)
Consolidated profit before tax			140
			3,406
Segment assets	25,849	34,384	60,233
Investment in associated company			562
Unallocated assets			4,655
Consolidated total assets			65,450
Segment liabilities	3,123	3,082	6,205
Unallocated liabilities			28,128
Consolidated total liabilities			34,333
Capital expenditure	6,360	19,324	25,684
Depreciation and amortisation	3,563	942	4,505
Year ended 31 December 2000	Transportation and bulk cargo \$'000	Warehousing \$'000	Consolidated \$'000
Sales to customers outside the Group	32,190	6,665	38,855
Segment result	1,418	1,759	3,177
Interest income			131
Interest expense			(239)
Share of profit of associated company			(108)
Consolidated profit before tax			252
			3,321
Segment assets	22,020	8,830	30,850
Investment in associated company			682
Unallocated assets			12,692
Consolidated total assets			44,224
Segment liabilities	3,105	312	3,417
Unallocated liabilities			11,167
Consolidated total liabilities			14,584
Capital expenditure	3,808	1,063	4,871
Depreciation and amortisation	3,145	898	4,043

## NOTES TO THE FINANCIAL STATEMENTS

*For the financial year ended 31 December 2001*

### 28. Segment information (continued)

The Group is organised into 2 main business segments:

- Transportation and bulk cargo – provision of services relating to land transportation, stevedoring and equipment renting
- Warehousing – warehousing and drumming services

There are no sales or other transactions between the business segments. Segment assets consist primarily of leasehold properties, commercial vehicles, machinery and equipment, computer and accessories, motor vehicles, office equipment, receivables and operating cash, and mainly exclude construction in-progress. Segment liabilities comprise operating liabilities and exclude items such as taxation and corporate borrowings. Capital expenditure comprises additions to fixed assets.

### 29. Event occurring after balance sheet date

The Company incorporated a wholly-owned subsidiary in Singapore known as Bitubulk Pte Ltd ("Bitubulk"). The principal activity of Bitubulk is that of trading in bitumen and other chemical products.

### 30. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the directors on 3 April 2002.

## C O R P O R A T E   G O V E R N A N C E

Poh Tiong Choon Logistics Limited is committed to maintaining a high standard of corporate governance and transparency to protect the interest of its shareholders.

### 1. BOARD OF DIRECTORS

The Board comprises eight directors, of whom six are executive directors and two are non-executive directors.

The Board supervises the management of the business and affairs of the Group. It approves key strategic initiatives, monitors the performance of the Group and determines the remuneration of senior management. These functions are carried either directly by the Board or through various committees.

### 2. AUDIT COMMITTEE

The Audit Committee comprises three board members, two of whom are independent non-executive directors. It held two meetings in the financial year ended 31 December 2001.

The functions of the Audit Committee are detailed in the Directors' Report.

The Company has adopted the principles of corporate governance under the Best Practices Guide issued by the Singapore Exchange with respect to Audit Committees.

### 3. SECURITIES DEALINGS

The Board has adopted the recommendations of the Best Practices Guide issued by the Singapore Exchange on dealings in securities.

## SHAREHOLDING STATISTICS

as at 9 April 2002

Authorised Share Capital	-	\$50,000,000
Issued and Fully Paid-up Capital	-	\$20,000,000
Class of Shares	-	Ordinary shares of \$0.10 each
Voting Rights	-	1 vote per share

Size of Shareholdings	No. of Shareholders	% of Shareholders	No. of Shares	% of Issued Share Capital
1 - 1,000	1,070	23.35	1,070,000	0.54
1,001 - 10,000	2,749	60.00	15,809,000	7.90
10,001 - 1,000,000	751	16.39	30,325,000	15.16
1,000,001 and above	12	0.26	152,796,000	76.40
<b>Total</b>	<b>4,582</b>	<b>100.00</b>	<b>200,000,000</b>	<b>100.00</b>

### Twenty Largest Shareholders (as shown in the Register of Members)

Shareholders	No. of Shares	% of Issued Share Capital
1 Overseas Union Bank Nominees Pte Ltd	63,682,000	31.84
2 Mayban Nominees (S) Pte Ltd	17,850,000	8.93
3 Poh Sin Choon (Pte) Ltd	15,150,000	7.58
4 Hong Leong Finance Nominees Pte Ltd	12,919,000	6.46
5 Poh Choon Her Investment Pte Ltd	11,784,000	5.89
6 DBS Nominees Pte Ltd	10,009,000	5.00
7 Citibank Noms S'pore Pte Ltd	7,767,000	3.88
8 SBS Nominees Pte Ltd	5,025,000	2.51
9 KB Nominees Pte Ltd	4,800,000	2.40
10 Poh Tiong Choon Holdings (Pte) Ltd	1,541,000	0.77
11 Kok Kim Chong	1,149,000	0.58
12 HSBC (Singapore) Noms Pte Ltd	1,120,000	0.56
13 United Overseas Bank Nominees Pte Ltd	981,000	0.49
14 Oversea Chinese Bank Nominees Pte Ltd	733,000	0.37
15 Teo Peter @ Zhang Qingying	700,000	0.35
16 Poh Eng Hock	675,000	0.34
17 UOB Kay Hian Pte Ltd	635,000	0.32
18 Kim Eng Ong Asia Secs Pte Ltd	611,000	0.30
19 Kong Choo Mee	582,000	0.29
20 Citibank Consumer Noms Pte Ltd	570,000	0.28
<b>Total</b>	<b>158,283,000</b>	<b>79.14</b>

Substantial Shareholders (as shown in the Company's Register of Substantial Shareholders)

Shareholders	Beneficial Shareholdings	Deemed Shareholdings
Poh Choon Ann (Pte) Ltd	65,243,000	1,541,000
Poh Sin Choon (Pte) Ltd	33,750,000	1,541,000
Poh Choon Her Investment Pte Ltd	26,284,000	-
Poh Choon Ann	-	66,784,000
Poh Kay Ping	-	66,784,000
Poh Khim Hong	5,000,000	66,784,000
Poh Sin Choon @ Poh Seng Choon	-	35,291,000
Poh Kay Giap	-	26,284,000

## NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Third Annual General Meeting of the Company will be held at Albizia Room, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Friday, 17 May 2002 at 11.00 a.m. to transact the following business:-

### AS ORDINARY BUSINESS

1. To receive and adopt the Directors' Report and Audited Financial Statements for the year ended 31 December 2001. (Resolution No. 1)
2. To declare a first and final dividend of 5% less 24.5% income tax for the year ended 31 December 2001. (Resolution No. 2)
3. To re-elect the following Directors each of whom will retire pursuant to the Articles of Association of the Company and who, being eligible, will offer themselves for re-election:
 

Mr Poh Choon Ann - pursuant to Article 91	(Resolution No. 3)
Mr Poh Key Boon - pursuant to Article 91	(Resolution No. 4)
*Ms Poh Khim Hong - pursuant to Article 91	(Resolution No. 5)

*\*Ms Poh Khim Hong will, upon re-election as a Director of the Company, remain as a member of the Audit Committee and will be considered to be non-independent for the purposes of Clause 902(4)(a) of the Listing Manual of the Singapore Exchange Limited.*

Mr Koh Kim Huat - pursuant to Article 97	(Resolution No. 6)
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4. To approve proposed Directors' fees of S\$190,000 for the year ended 31 December 2001 (2000: S\$190,000). (Resolution No. 7)
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors and to authorise the Directors to fix their remuneration. (Resolution No. 8)
6. To transact any other business that may be transacted at an Annual General Meeting.

### AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution: (Resolution No. 9)
 

That pursuant to Section 161 of the Companies Act, Cap. 50 and subject to the prevailing listing rules of the Singapore Exchange Limited, approval be and is hereby given to the Directors to issue shares in the Company at any time, upon such terms and conditions, for such purposes and to such persons as the Directors may in their absolute discretion deem fit, provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed fifty per cent (50%) of the issued share capital of the Company for the time being, of which the aggregate number of shares issued other than on a pro rata basis to existing shareholders shall not exceed twenty per cent (20%) of the company's issued share capital for the time being and that such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company.



#### Explanatory Note on Special Business to be transacted

Ordinary Resolution 9 is to empower the Directors to issue shares in the Company of up to an amount not exceeding in total 50% of the issued share capital of the Company for the time being and for such purposes as they consider would be in the interests of the Company. For issues of shares other than on a pro rata basis to all shareholders, the aggregate number of shares to be issued shall not exceed 20% of the existing issued share capital of the Company. This authority will expire at the next Annual General Meeting unless previously revoked or varied at a general meeting.

By Order of the Board

Lee Seng Hua  
Company Secretary

Singapore  
26 April 2002

#### Notes

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. Such proxy need not be a Member of the Company and where there are two proxies, the number of shares to be represented by each proxy must be stated.
2. The instrument or form appointing a proxy, duly executed, must be deposited at the office of the Company's Share Registrar, Barbinder & Co Pte Ltd at 8 Cross Street #11-00, PWC Building, Singapore 048424, not less than 48 hours before the time fixed for holding the above Annual General Meeting.

#### Notice of Books Closure

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed from 29 May 2002 to 30 May 2002, both dates inclusive, for the preparation of dividend warrants. Duly completed transfers received by the Company's Registrar, Barbinder & Co Pte Ltd at 8 Cross Street #11-00, PWC Building, Singapore 048424 up to 5.00 p.m. on 28 May 2002 will be registered before entitlements to the dividend are determined. Members whose Securities Accounts with Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 28 May 2002 will be entitled to the proposed dividend. The dividend, if approved by members at the Annual General Meeting, will be paid on 7 June 2002.

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**IMPORTANT:**

1. For Investors who have used their CPF moneys to buy shares of Poh Tiong Choon Logistics Limited, the Annual Report 2001 is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to vote should contact their CPF Approved Nominees.

## PROXY FORM

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a member/members of Poh Tiong Choon Logistics Limited (the "Company"), hereby appoint

	Name	Address	NRIC/ Passport No.	Proportion of Shareholdings (%)
(a)				
or, failing him/her				
(b)				
and/or (delete as appropriate)				
(c)				

as my/our proxy/proxies to attend and to vote for me/us and on my/our behalf and, if necessary, to demand a poll, at the 33rd Annual General Meeting of the Company to be held at Albizia Room, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Friday, 17 May 2002 at 11.00 a.m. and at any adjournment thereof.

(Please indicate with an "X" in the spaces provided whether you wish your vote(s) to be cast for or against the Resolutions to be proposed at the Meeting as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain from voting at his/their discretion.

No	RESOLUTION RELATING TO:	FOR	AGAINST
1	Directors' Report and Accounts for the year ended 31 December 2001		
2	Declaration of a first and final dividend of 5% less 24.5% tax		
3	Re-election of Mr Poh Choon Ann as Director		
4	Re-election of Mr Poh Key Boon as Director		
5	Re-election of Ms Poh Khim Hong as Director		
6	Re-election of Mr Koh Kim Huat as Director		
7	Approval of Directors' fees		
8	Re-appointment of PricewaterhouseCoopers as Auditors		
9	Approval under Section 161 of the Companies Act Cap 50 - Authority to allot and issue new shares		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2002

Total Number of Shares Held	
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\_\_\_\_\_  
Signature of Individual Shareholder/  
Common Seal of Corporate Shareholder



Notes:

1. A member of the Company entitled to attend and vote at the above meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and where there are two proxies, the number of Shares to be represented by each proxy must be stated.
2. This Proxy Form must be signed by the appointor or his/her duly authorised attorney or, if the appointor is a body corporate, signed by a duly authorised officer or his attorney and affixed with its common seal thereto.
3. This instrument appointing a proxy [together with the power of attorney (if any) under which it is signed or a certified copy thereof], must be deposited at the office of the Company's Share Registrar, Barbinder & Co Pte Ltd at 8 Cross Street, #11-00, PWC Building, Singapore 048424 not less than 48 hours before the time fixed for holding the Annual General Meeting.
4. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
5. The Company shall be entitled to reject this instrument of proxy if it is incomplete, not properly completed or illegible or where the true intention of the appointor are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in case of members whose Shares are deposited with The Central Depository (Pte) Limited ("CDP"), the Company may reject any instrument of proxy lodged if such member is not shown to have Shares entered against his name in the Depository Register 48 hours before the time fixed for holding the Annual General Meeting as certified by CDP to the Company.

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Please  
affix  
postage  
stamp

**Poh Tiong Choon Logistics Limited**  
c/o Barbinder & Co Pte Ltd  
8 Cross Street #11-00  
PWC Building  
Singapore 048424

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