

FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

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DIRECTORS' REPORT

For the financial year ended 31 December 2003

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2003 and the balance sheet of the Company at 31 December 2003.

Directors

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

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

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) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital of the Company and related companies, except as follows:

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	<u>At</u> <u>31.12.2003</u>	<u>At</u> <u>1.1.2003</u>	<u>At</u> <u>31.12.2003</u>	<u>At</u> <u>1.1.2003</u>
<u>The Company</u>				
(Ordinary shares of \$0.10 each)				
Poh Choon Ann	-	-	48,000,000	61,000,000
Poh Kay Ping	-	-	48,000,000	61,000,000
Poh Khim Hong	-	-	48,000,000	61,000,000
Poh Key Boon	261,000	-	-	-

	Holdings registered in name of director or nominee		Holdings in which a director is deemed to have an interest	
	At	At	At	At
	<u>31.12.2003</u>	<u>1.1.2003</u>	<u>31.12.2003</u>	<u>1.1.2003</u>
<u>PTC-Chien Li Transportation Pte Ltd</u> (Ordinary shares of \$1 each)				
Poh Choon Ann	-	-	375,000	375,000
Poh Kay Ping	-	-	375,000	375,000
Poh Khim Hong	-	-	375,000	375,000
<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

(b) The directors' interests in the shares of the Company as at 21 January 2004 were the same as at 31 December 2003.

Directors' contractual benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit 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, except as disclosed in the financial statements.

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.

Auditors

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

On behalf of the directors

POH KAY YONG
Director

POH KHIM HONG
Director

15 March 2004

STATEMENT BY DIRECTORS

In the opinion of the directors,

- (a) the balance sheet of the Company and financial statements of the Group as set out on pages 28 to 60 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 2003 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended; and
- (b) 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

POH KAY YONG
Director

POH KHIM HONG
Director

15 March 2004

AUDITORS' REPORT

TO THE MEMBERS OF POH TIONG CHOON LOGISTICS LIMITED

We have audited the balance sheet of Poh Tiong Choon Logistics Limited and the consolidated financial statements of the Group for the financial year ended 31 December 2003 set out on pages 28 to 60. 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 balance sheet of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 31 December 2003 and the results, changes in equity and cash flows of the Group for the financial year ended on that date, and
- (b) the accounting and other records, (excluding 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, 15 March 2004

CONSOLIDATED INCOME STATEMENT

For the financial year ended 31 December 2003

	Notes	2003 \$'000	2002 \$'000
Revenue	3	48,432	46,597
Other operating income		976	350
Staff costs	4	(19,198)	(17,932)
Depreciation and amortisation		(5,156)	(5,418)
Other operating expenses		(20,365)	(20,171)
Profit from operations	5	4,689	3,426
Finance income/(cost) – net	7	(688)	(539)
Share of results of associated companies		369	59
Profit before tax		4,370	2,946
Taxation	8	(167)	(505)
Profit from ordinary activities after tax		4,203	2,441
Minority interests		(283)	(177)
Net profit		3,920	2,264
Earnings per share	9	2.04 cents	1.15 cents

BALANCE SHEETS

As at 31 December 2003

	Notes	Group		Company	
		2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	10	9,044	3,035	8,620	2,797
Receivables	11	10,388	10,089	10,173	9,840
Other current assets	12	1,441	1,064	1,405	836
		20,873	14,188	20,198	13,473
Non-current assets					
Other investments	13	170	111	119	60
Investments in associated companies	14	617	543	828	871
Investments in subsidiaries	15	–	–	793	793
Property, plant and equipment	16	49,393	50,304	45,651	47,141
Deferred expenditure	17	199	145	199	145
Goodwill	18	469	–	–	–
		50,848	51,103	47,590	49,010
Total assets		71,721	65,291	67,788	62,483
LIABILITIES					
Current liabilities					
Trade and other payables	19	6,092	6,123	6,253	6,310
Current tax liabilities	8(b)	–	181	–	–
Borrowings	20	3,587	3,482	2,980	2,988
		9,679	9,786	9,233	9,298
Non-current liabilities					
Borrowings	20	18,961	22,062	18,223	21,204
Deferred tax liabilities	22	3,333	3,057	3,023	2,891
		22,294	25,119	21,246	24,095
Total liabilities		31,973	34,905	30,479	33,393
Net assets		39,748	30,386	37,309	29,090
SHAREHOLDERS' EQUITY					
Share capital	23	21,579	18,614	21,579	18,614
Share premium		7,244	3,501	7,244	3,501
Capital redemption reserve	24	1,421	1,386	1,421	1,386
Retained earnings	25	8,780	6,362	7,065	5,589
Total shareholders' equity		39,024	29,863	37,309	29,090
Minority interests		724	523	–	–
		39,748	30,386	37,309	29,090

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 31 December 2003

	Notes	Share capital \$'000	Share premium \$'000	Capital redemption reserve \$'000	Retained earnings \$'000	Total \$'000
Balance at 1 January 2003		18,614	3,501	1,386	6,362	29,863
Total recognised gains for the financial year – Net profit		–	–	–	3,920	3,920
Arising from buy-back of shares	23, 24	(35)	–	35	(53)	(53)
Issue of share capital	23	3,000	3,900	–	–	6,900
Expenses of share issue		–	(157)	–	–	(157)
Dividends	26	–	–	–	(1,449)	(1,449)
Balance at 31 December 2003		<u>21,579</u>	<u>7,244</u>	<u>1,421</u>	<u>8,780</u>	<u>39,024</u>
Balance at 1 January 2002		20,000	3,501	–	7,212	30,713
Arising from buy-back of shares	23, 24	(1,386)	–	1,386	(2,334)	(2,334)
Total recognised gains for the financial year – Net profit		–	–	–	2,264	2,264
Dividends	26	–	–	–	(780)	(780)
Balance at 31 December 2002		<u>18,614</u>	<u>3,501</u>	<u>1,386</u>	<u>6,362</u>	<u>29,863</u>

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 31 December 2003

	Notes	2003 \$'000	2002 \$'000
Cash flows from operating activities			
Net profit before tax and after share of profit of associated companies		4,370	2,946
Adjustments for:			
Share of profit of associated companies		(369)	(59)
Provision for diminution in value of investment		–	18
Depreciation of property, plant and equipment		5,125	5,418
Amortisation of goodwill		31	–
Deferred expenditure written off		71	34
Impairment loss on leasehold property		237	–
Gain on disposal of property, plant and equipment		(953)	(280)
Interest income		(6)	(5)
Interest expense		694	544
Operating cash flow before working capital changes		9,200	8,616
Receivables		(470)	1,510
Payables		(31)	(1,970)
Cash generated from operations		8,699	8,156
Income tax paid		(195)	(196)
Interest paid		(694)	(544)
Net cash inflow from operating activities		7,810	7,416
Cash flows from investing activities			
Proceeds from sale of property, plant and equipment		1,242	668
Purchase of property, plant and equipment		(4,740)	(8,523)
Purchase of investments		(59)	(136)
Purchase of business		(500)	–
Share buy-back		(53)	(2,334)
Dividends received from associated company		212	125
Interest received		6	5
Net cash outflow from investing activities		(3,892)	(10,195)
Cash flows from financing activities			
Proceeds from issue of shares		6,743	–
Payment of deferred expenditure		(125)	–
(Repayment)/drawdown of loans		(2,540)	2,251
Repayment of finance lease liabilities		(456)	(4)
Dividends paid		(1,449)	(780)
Dividends paid to minority shareholders of subsidiary companies		(82)	(58)
Net cash inflow from financing activities		2,091	1,409
Net increase/(decrease) in cash and cash equivalents		6,009	(1,370)
Cash and cash equivalents at beginning of year		3,035	4,405
Cash and cash equivalents at end of year		9,044	3,035

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

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

1. General

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

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, general contracting, and trading in liquefied petroleum gas, bitumen and other chemical products.

2. Significant accounting policies

(a) Effect of changes in Singapore Companies Legislation

Pursuant to the Singapore Companies (Amendment) Act 2002, with effect from financial year commencing on or after 1 January 2003, Singapore-incorporated companies are required to prepare and present their statutory accounts in accordance with the Singapore Financial Reporting Standards ("FRS"). Hence, these financial statements, including the comparative figures, have been prepared in accordance with FRS.

Previously, the Company and the Group prepared their statutory accounts in accordance with Singapore Statements of Accounting Standard. The adoption of FRS does not have material impact on the accounting policies and figures represented in the statutory accounts for financial year ended 31 December 2002.

(b) Basis of preparation

These financial statements have been prepared under the historical cost convention.

The preparation of financial statements in conformity with Singapore Financial Reporting Standards requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from those estimates.

(c) Revenue recognition

Revenue comprises the invoiced value for revenue from land transportation, warehousing, stevedoring, container services, equipment renting and general contracting, trading in liquefied petroleum gas, bitumen and other chemical products, net of goods and services tax, rebates and discounts, and after eliminating sales within the Group. Revenue from rendering of services is recognised upon the completion of services rendered. Revenue from trading is recognised when significant risks and rewards of ownership of the goods are transferred to the buyer.

2. Significant accounting policies (continued)

(c) Revenue recognition (continued)

Interest income is recognised on a time proportion basis, taking account of the principal outstanding and the effective rate over the period of maturity, when it is determined such income will accrue to the Group. Dividends are recognised when the right to receive payment is established.

(d) Group accounting

(1) *Subsidiaries*

Subsidiaries are those entities in which the Group has an interest of more than one half of the voting rights or otherwise has power to govern the financial and operating policies.

Subsidiaries are consolidated from the date on which control is transferred to the Group and are no longer consolidated from the date that control ceases. The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given up, shares issued or liabilities undertaken at the date of acquisition plus costs directly attributable to the acquisition. The excess of the cost of acquisition over the fair value of the net assets of the subsidiary acquired is recorded as goodwill. Please refer to note (f) for the accounting policy on goodwill.

Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated; unrealised losses are also eliminated unless cost cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

(2) *Associated companies*

Associated companies are entities over which the Group generally has between 20% and 50% of the voting rights, and over which the Group has significant influence, but which it does not control. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting.

Equity accounting involves recognising the Group's share of the results of associated companies in the consolidated income statement and the Group's share of post-acquisition movements in reserves in consolidated reserves. The cumulative post-acquisition movements are adjusted against the cost of investment. Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies; unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, in applying the equity method, adjustments are made to the financial statements of associated companies to ensure consistency of accounting policies with those of the Group.

The Group's investments in associated companies are stated in the balance sheet at an amount that reflects its share of the net assets of the associated companies and includes goodwill (net of accumulated amortisation) on acquisition. Equity accounting is discontinued when the carrying amount of the investment in an associated company reaches zero, unless the Group has incurred obligations or guaranteed obligations in respect of the associated company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

2. Significant accounting policies (continued)

(d) Group accounting (continued)

(3) *Transaction costs*

External costs directly attributable to an acquisition is included as part of the cost of acquisition.

(e) Property, plant and equipment

Property, plant and equipment are stated at historical cost less accumulated depreciation and impairment losses. Leasehold land and buildings are amortised evenly over the remaining term of the lease except for the PTC Chemical Logistics Complex, which is amortised evenly over 50 years commencing from the date the Complex was ready for its intended use.

Depreciation is calculated on a straight line basis to write off the cost of other property, plant and equipment on a straight-line basis over their expected useful lives. The estimated useful lives are as follows:

	Years
Commercial vehicles	8 – 20 (2002: 5 – 20)
Machinery & equipment	6 – 20
Computer & accessories	3 – 5
Motor vehicles	8
Office equipment, furniture & fittings	5 – 10
Freehold office unit	100

Repairs and maintenance are taken to the income statement during the financial period in which they are incurred. The cost of major renovations and restorations is included in the carrying amount of the asset when it is probable that future economic benefits in excess of the originally assessed standard of performance of the existing asset will flow to the Group, and depreciated over the remaining useful life of the asset.

Interest on borrowings to finance the construction of property, plant and equipment is capitalised during the period of time that is required to complete and prepare each asset for its intended use. All other borrowing costs are expensed.

Where an indication of impairment exists, the carrying amount of the asset is assessed and written down immediately to its recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount and are included in profit/(loss) from operations.

2. Significant accounting policies (continued)

(f) Goodwill

Goodwill represents the excess of the cost of an acquisition of subsidiaries, associated companies and businesses over the fair value of the Group's share of their identifiable net assets at the date of acquisition.

Goodwill on acquisitions of subsidiaries and businesses occurring on or after 1 January 2001 is included as goodwill. Goodwill on acquisition of associated companies occurring on or after 1 January 2001 is included in investments in associated companies. Goodwill on acquisition that occurred prior to 1 January 2001 has been taken in full to retained earnings in shareholders' equity; such goodwill has not been retroactively capitalised and amortised.

Goodwill is amortised using the straight-line basis, over its estimated useful life of goodwill based on its evaluation of the respective companies/business at the time of the acquisition, considering factors such as existing market value share, potential growth and other factors inherent in the acquired companies/business. Goodwill is amortised over 8 years.

At each balance sheet date, the Group assesses whether there is any indication of impairment. If such indications exist, an analysis is performed to assess whether the carrying amount of goodwill is fully recoverable. A write down is made if the carrying amount exceeds the recoverable amount.

The gain or loss on disposal of an entity includes the unamortised balance of goodwill relating to the entity disposed of.

(g) Investments

Investments in subsidiaries, and associated companies are stated at cost less impairment losses in the Company's balance sheet. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount.

Investments in other non-current investments, are stated at cost and an allowance for diminution is made where, in the opinion of the Directors, there is a decline other than temporary in the value of such investments. Where there has been a decline other than temporary in the value of an investment, such a decline is recognised as an expense in the period in which the decline is identified.

Marketable securities are stated at the lower of cost and market value, determined on an aggregate portfolio basis by category of investment. Cost is derived at on the weighted average basis. Market value is calculated by reference to stock exchange quoted bid prices at the close of business on the balance sheet date. Increases/decreases in the carrying amount of marketable securities are taken to the income statement.

On disposal of an investment, including subsidiaries, and associated companies, the difference between net disposal proceeds and its carrying amount is taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

2. Significant accounting policies (continued)

(h) Impairment of long lived assets

Property, plant and equipment and other non-current assets, including goodwill are reviewed for impairment losses whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the carrying amount of the asset exceeds its recoverable amount which is the higher of an asset's net selling price and value in use. For the purposes of assessing impairment, assets are grouped at the lowest level for which there are separately identifiable cash flows.

(i) Trade receivables

Trade receivables are stated at original invoice amount less allowance made for doubtful receivables based on a review of all outstanding amounts at the year end.

An allowance for doubtful receivables is made when there is objective evidence that the Group will not be able to collect all amounts due according to the original terms of receivables. Bad debts are written off when identified.

(j) Leases

Finance leases

Leases of property, plant and equipment where the Group assumes substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalised at the inception of the lease at the lower of the fair value of the leased property or the present value of the minimum lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in other long-term payables. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest over the remaining balance of the liability for each period. The property, plant and equipment acquired under finance leases are depreciated over the shorter of the useful life of the asset or the lease term.

Operating leases

Leases where a significant portion of the risks and rewards of ownership are retained by the lessor are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessor) are charged to the income statement on a straight-line basis over the period of the lease.

When an operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

2. Significant accounting policies (continued)

(k) Deferred income taxes

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Currently enacted tax rates are used in the determination of deferred income tax.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

(l) Provisions

Provisions are recognised when the Group has a 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.

(m) Employee benefits

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.

(n) Foreign currency translation

(1) *Measurement currency*

Items included in the financial statements of each entity in the Group are measured using the currency that best reflects the economic substance of the underlying events and circumstances relevant to that entity ("the measurement currency"). The consolidated financial statements and balance sheet of the Company are presented in Singapore Dollars, which is the measurement currency of the Company.

(2) *Transactions and balances*

Foreign currency transactions are translated into the measurement currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Exchange differences arising are taken to the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

2. Significant accounting policies (continued)

(n) Foreign currency translation (continued)

(3) *Group companies*

In respect of associated companies, the balance sheets are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date, and the results are translated using the average monthly exchange rates for the financial year. The Group's share of exchange differences arising from the translation of foreign associated companies are taken directly to the foreign currency translation reserve. On disposal, accumulated translation differences are recognised in the consolidated income statement as part of the gain or loss on sale.

(o) Segment reporting

Business segments provide products and services that are subjected to risks and returns that are different from those of other business segments. Geographical segments provide product or services within a particular economic environment that is subject to risks and returns that are different from those of components operating in other economic environment.

(p) Cash and cash equivalents

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

(q) Share capital

Incremental external costs directly attributable to the issue of new shares, other than on a business combination, are shown in equity as a deduction, net of tax, from the proceeds. Share issue costs incurred directly in connection with a business combination are included in the cost of acquisition.

(r) Dividend

Dividends are recorded in the Group's financial statements in the period in which they are declared payable.

3. Revenue

	2003	2002
	\$'000	\$'000
Transportation and bulk cargo	39,802	37,295
Warehousing	6,862	7,987
Trading	1,768	1,315
	<u>48,432</u>	<u>46,597</u>

4. Staff costs

	2003	<u>The Group</u>	2002
	\$'000		\$'000
Wages and salaries	15,819		14,834
Bonus	1,203		1,003
Central Provident Fund and foreign levy	2,176		2,095
	<u>19,198</u>		<u>17,932</u>
 Average monthly number of persons employed during the year:			
Full time	<u>655</u>		<u>590</u>

5. Profit from operations

The following items have been included in arriving at profit from operations:

	2003	<u>The Group</u>	2002
	\$'000		\$'000
<i>Charging:</i>			
Directors' remuneration			
- Directors of the Company	1,547		1,603
- Other directors	236		235
Auditors of the Company's remuneration			
- Current year	74		74
- Overprovision of prior year	(2)		(2)
	72		72
Other fees paid to auditors of the Company	-		1
Depreciation of property, plant and equipment:			
- Leasehold land and buildings	1,545		1,402
- Freehold office unit	7		7
- Commercial vehicles	2,474		3,044
- Machinery & equipment	615		496
- Computer & accessories	288		263
- Motor vehicles	98		122
- Office equipment, furniture & fittings	98		84
	5,125		5,418
Allowance for doubtful trade receivables	24		18
Foreign exchange loss	6		8
Deferred expenditure	71		34
Goodwill amortisation	31		-
Rental expense – operating lease	60		43
Loss on disposal of property, plant and equipment	36		83
Impairment loss on leasehold land and buildings	237		-
 <i>And after crediting:</i>			
Gains on disposal of property, plant and equipment	989		363
Allowance for doubtful trade receivables written back	17		72

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

6. Remuneration bands of directors of the Company

The following information relates to remuneration of directors of the Company.

	2003	2002
Number of directors of the Company in remuneration bands:		
\$500,000 and above	1	–
\$250,000 to \$499,999	–	1
Below \$250,000	7	7
Total	<u>8</u>	<u>8</u>

7. Finance income/(cost) - net

	The Group	
	2003 \$'000	2002 \$'000
Interest income on fixed deposits	<u>6</u>	<u>5</u>
Interest expense on balances with:		
- bank loans	(548)	(395)
- hire purchases	(146)	(149)
	<u>(694)</u>	<u>(544)</u>
	<u>(688)</u>	<u>(539)</u>

8. Taxation

(a) Tax expense

	The Group	
	2003 \$'000	2002 \$'000
Tax expense attributable to profit is made up of:		
Current income tax	82	107
Deferred tax	<u>802</u>	<u>417</u>
	<u>884</u>	<u>524</u>
Share of tax of associated companies	<u>83</u>	<u>14</u>
	<u>967</u>	<u>538</u>
Over provision in preceding financial years		
- Current income tax	(274)	–
- Deferred tax	<u>(526)</u>	<u>(33)</u>
	<u>167</u>	<u>505</u>

The overprovisions in preceding financial years, written back in 2003, arose from the revision by the Economic Development Board of the Investment Allowance Scheme granted to the Company.

8. Taxation (continued)

(a) Tax expense (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax due to the following:

	<u>The Group</u>	
	2003	2002
	\$'000	\$'000
Profit before tax	4,370	2,946
Tax calculated at a tax rate of 22% (2002: 22%)	961	648
Effect of changes in tax rate	-	(271)
Utilisation of previously unrecognised tax losses	(24)	-
Deferred tax assets not recognised	9	-
Income not subject to tax	(129)	(43)
Singapore statutory stepped income	(24)	(22)
Expenses not deductible for tax purposes	174	226
Overprovision in preceding years	(800)	(33)
Tax charge	167	505

(b) Movements in current tax liabilities

	<u>The Group</u>		<u>The Company</u>	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
At the beginning of the financial year	181	270	-	172
Income tax paid	(195)	(196)	-	(76)
Tax deducted at source	-	-	(131)	(96)
Current financial year's tax expense on profit	82	107	-	-
Over provision in preceding financial years	(274)	-	(274)	-
At the end of the financial year	(206)	181	(405)	-

Tax recoverable amounts at year end are included in Sundry debtors in note 12.

9. Earnings per share

Basis earnings per share is calculated by dividing the net profit attributable to members of Poh Tiong Choon Logistics Limited by the weighted average number of ordinary shares in issue during the financial year.

	<u>The Group</u>	
	2003	2002
Net profit attributable to the members of the Company	(\$'000) 3,920	2,264
Weighted average number of ordinary shares in issue for basic earnings per share	('000) 192,225	196,883
Basic earnings per share	2.04 cents	1.15 cents

Fully diluted earnings per share has not been presented as there is no dilution.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

10. Cash and cash equivalents

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Cash at bank and on hand	3,542	3,035	3,118	2,797
Fixed deposits with financial institutions	5,502	–	5,502	–
	9,044	3,035	8,620	2,797

The fixed deposits with financial institutions mature on varying dates within 1 month (2002: Nil) from the financial year end. The weighted average effective interest rate of these deposits at 31 December 2003 was 0.5% (2002: Nil) per annum.

11. Receivables

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Trade receivables:				
- third parties	10,001	9,806	9,750	9,521
- associated company	50	45	50	45
- related parties	370	264	370	264
Less: Allowance for doubtful receivables	(33)	(26)	(33)	(26)
Trade receivables – net	10,388	10,089	10,137	9,804
Non-trade receivables:				
- subsidiary	–	–	36	36
	10,388	10,089	10,173	9,840

Related parties are companies in which the directors or major shareholders of the Company have significant influence or interests.

The balances due from an associated company, related parties and from a subsidiary are unsecured, interest free and repayable on demand.

12. Other current assets

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Deposits	127	230	126	191
Staff loans	67	83	49	58
Prepayments	932	613	713	468
Sundry debtors	315	138	517	119
	<u>1,441</u>	<u>1,064</u>	<u>1,405</u>	<u>836</u>

13. Other investments

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
(a) Quoted, at cost				
- Equity shares in a corporation	<u>4</u>	<u>4</u>	<u>4</u>	<u>4</u>
(b) Unquoted, at cost				
- Equity shares in corporations	172	113	172	113
Less: Allowance for diminution	(90)	(90)	(90)	(90)
	<u>82</u>	<u>23</u>	<u>82</u>	<u>23</u>
(c) Club membership, at cost	102	102	51	51
Less: Allowance for diminution	(18)	(18)	(18)	(18)
	<u>84</u>	<u>84</u>	<u>33</u>	<u>33</u>
Total investment	<u>170</u>	<u>111</u>	<u>119</u>	<u>60</u>
(d) Fair values:				
Quoted, at market value				
- Equity shares in a corporation	<u>5</u>	<u>4</u>	<u>5</u>	<u>4</u>

Market value of quoted investments is determined by reference to Stock Exchange quoted bid prices. Unquoted investments comprise equity interest in unlisted companies in Singapore. There is no active market for these equity interest. As such it is not practicable to determine with sufficient reliability the fair value of the unquoted investments.

- (e) Investments are classified as non-current assets, unless they are expected to be realised within 12 months of the balance sheet date or unless they need to be sold to raise operating capital.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

14. Investments in associated companies

	<u>The Group</u>		<u>The Company</u>	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Unquoted equity shares, at cost			939	939
Less:				
Dividends received from pre-acquisition reserves			(68)	(68)
			871	871
Allowance for diminution			(43)	-
			828	871
At the beginning of financial year	543	562		
Share of results before tax	369	59		
Share of tax	(83)	(14)		
Share of results after tax	286	45		
Dividend received, net of tax	(212)	(125)		
Additional investments	-	61		
At the end of financial year	617	543		

Details of associated companies are as follows:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	
			2003 %	2002 %
Hai Poh Terminals Pte Ltd*	Stevedoring and terminal operations	Singapore	50	50
Landbridge Express Sdn. Bhd. **	Land transportation	Malaysia	25	25

* Audited by Lee Seng Chan & Co

** Audited by Khoo Teng Keat & Co

15. Investments in subsidiaries

	The Company	
	2003	2002
	\$'000	\$'000
Unquoted equity shares, at cost	893	893
Less: Allowance for diminution	(100)	(100)
	793	793

Details of the subsidiaries are as follows:

<u>Name of company</u>	<u>Principal activities</u>	<u>Country of incorporation</u>	<u>Equity holding</u>	
			2003	2002
			%	%
PTC-Chien Li Transportation Pte Ltd *	Land transportation, container services, equipment renting and general contracting	Singapore	75	75
PTC-Xin Hua Transportation Pte Ltd *	Land transportation, container services, equipment renting, general contracting and trading in liquefied petroleum gas	Singapore	80	80
Bitubulk Pte Ltd *	Trading in bitumen and other chemical products	Singapore	100	100

* Audited by PricewaterhouseCoopers, Singapore.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

16. Property, plant and equipment

(a) The Group

	Leasehold land and buildings	Freehold office unit	Commercial vehicles	Machinery and equipment	Computer and accessories	Motor vehicles	Office equipment, furniture and fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
At 1 January 2003	32,940	715	31,965	8,640	1,516	992	858	77,626
Additions	224	–	4,111	160	146	28	71	4,740
Disposals	–	–	(1,533)	(422)	(83)	(4)	(18)	(2,060)
At 31 December 2003	33,164	715	34,543	8,378	1,579	1,016	911	80,306
Depreciation								
At 1 January 2003	4,553	8	19,795	1,545	696	480	245	27,322
Charge for the year	1,545	7	2,474	615	288	98	98	5,125
Disposals	–	–	(1,263)	(408)	(81)	(1)	(18)	(1,771)
Impairment charge	237	–	–	–	–	–	–	237
At 31 December 2003	6,335	15	21,006	1,752	903	577	325	30,913
Net book value at 31 December 2003	26,829	700	13,537	6,626	676	439	586	49,393
Net book value at 31 December 2002	28,387	707	12,170	7,095	820	512	613	50,304

16. Property, plant and equipment (continued)

(b) The Company

	Leasehold land and buildings	Freehold office unit	Commercial vehicles	Machinery and equipment	Computer and accessories	Motor vehicles	Office equipment, furniture and fittings	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cost								
At 1 January 2003	32,940	715	25,249	8,526	1,495	992	805	70,722
Additions	224	–	2,890	133	138	28	21	3,434
Disposals	–	–	(1,344)	(422)	(82)	(4)	(18)	(1,870)
At 31 December 2003	33,164	715	26,795	8,237	1,551	1,016	808	72,286
Depreciation								
At 1 January 2003	4,553	8	16,102	1,527	685	480	226	23,581
Charge for the year	1,545	7	1,842	584	282	98	81	4,439
Disposals	–	–	(1,114)	(408)	(81)	(1)	(18)	(1,622)
Impairment charge	237	–	–	–	–	–	–	237
At 31 December 2003	6,335	15	16,830	1,703	886	577	289	26,635
Net book value at 31 December 2003	26,829	700	9,965	6,534	665	439	519	45,651
Net book value at 31 December 2002	28,387	707	9,147	6,999	810	512	579	47,141

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

16. Property, plant and equipment (continued)

(c) The carrying amount of property, plant and equipment held under finance leases are as follows:

	<u>The Group</u>		<u>The Company</u>	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Commercial vehicles	3,170	3,109	1,352	1,658
Motor vehicles	369	451	369	452
	<u>3,539</u>	<u>3,560</u>	<u>1,721</u>	<u>2,110</u>

(d) With effect from 1 January 2003, the subsidiaries revised the estimated useful lives of commercial vehicles from 5 years to 8 years, to reflect more accurately their economic useful lives. The effect of this change is a decrease in depreciation charge for the Group for the year of \$817,000 and an increase in net profit after minority interest for the Group of \$498,000 for the year ended 31 December 2003.

(e) The Group's freehold office unit and leasehold land and buildings are as follows:

<u>Location</u>	<u>Description/Existing use</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 28)
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

17. Deferred expenditure

Deferred expenditure comprises borrowing cost relating to the 5-year loan facility set out in Note 20, and premium paid on interest rate cap contract set out in Note 30. The deferred expenditure is amortised over the period of the facility/contract.

	<u>The Group and The Company</u>	
	2003 \$'000	2002 \$'000
At the beginning of the financial year	145	196
Amount incurred during the year	125	–
Amount capitalised to leasehold properties	–	(17)
Amount taken to income statement	(71)	(34)
At the end of the financial year	<u>199</u>	<u>145</u>

18. Goodwill

	<u>The Group</u>	
	2003	2002
	\$'000	\$'000
Goodwill acquired, at cost	500	–
Amortisation for the financial year	(31)	–
At the end of the financial year	469	–
Goodwill acquired, at cost	500	–
Accumulated amortisation	(31)	–
Net book value	469	–

19. Trade and other payables

	<u>The Group</u>		<u>The Company</u>	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Trade creditors				
- third parties	2,024	1,587	1,752	1,399
- subsidiaries	–	–	1,071	983
- related parties	27	10	27	10
	2,051	1,597	2,850	2,392
Rental deposits	36	98	36	98
Accrued operating expenses	3,602	3,275	2,973	2,669
Sundry creditors	403	1,153	394	1,151
	6,092	6,123	6,253	6,310

Related parties are companies in which the directors or major shareholders of the Company have significant influence or interests.

The balance due to subsidiaries and related parties are unsecured, interest free and repayable on demand.

20. Borrowings

	<u>The Group</u>		<u>The Company</u>	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
<i>Current</i>				
Bank loans [note 20(a)]	2,500	2,540	2,500	2,500
Finance lease liabilities (note 21)	1,087	942	480	488
	3,587	3,482	2,980	2,988
<i>Non-current</i>				
Bank loans [note 20(a)]	17,750	20,250	17,750	20,250
Finance lease liabilities (note 21)	1,211	1,812	473	954
	18,961	22,062	18,223	21,204
Total borrowings	22,548	25,544	21,203	24,192

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

20. Borrowings (continued)

(a) Bank loans

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'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 \$20,250,000 (2002: \$22,750,000) of TLF drawdown as at 31 December 2003. There is no drawdown of RCF as at 31 December 2003 and 31 December 2002.	20,250	22,750	20,250	22,750
(ii) 5.75% secured loan repayable by 48 monthly instalments of \$21,446 each inclusive of interest charged, commencing April 1999	-	6	-	-
(iii) 5.75% secured loan repayable by 48 monthly instalments of \$20,766 each inclusive of interest charged, commencing April 1999	-	34	-	-
	20,250	22,790	20,250	22,750
Less: Repayments due within twelve months (included in current liabilities)	(2,500)	(2,540)	(2,500)	(2,500)
	17,750	20,250	17,750	20,250

(b) Effective interest rates

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

	Group	
	2003 %	2002 %
Finance lease liabilities	5.9	6.0
Bank loans	2.4	2.6

20. Borrowings (continued)

(c) 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 bank loans approximate its fair value.

The carrying amounts and fair values of the finance lease liabilities are as follows:

The Group

	<u>Carrying amounts</u>		<u>Fair values</u>	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Current	1,087	942	1,209	1,048
Non-current	1,211	1,812	1,244	1,836

The Company

	<u>Carrying amounts</u>		<u>Fair values</u>	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Current	480	488	535	542
Non-current	473	954	492	964

(d) Maturity of long-term loans

Maturity of non-current borrowings [excluding finance lease liabilities (note 21)] is as follows:

	<u>The Group</u>		<u>The Company</u>	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Between 1 and 2 years	2,500	2,500	2,500	2,500
Between 2 and 5 years	15,250	17,750	15,250	17,750
	17,750	20,250	17,750	20,250

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

21. Finance lease liabilities

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
Minimum lease payments due				
- not later than 1 year	1,245	1,081	551	559
- later than 1 year but not later than 5 years	1,382	2,086	545	1,097
	2,627	3,167	1,096	1,656
Less: Future finance charges	(329)	(413)	(143)	(214)
Present value of finance lease liabilities	2,298	2,754	953	1,442
The present value of finance lease liabilities is as follows:				
- not later than 1 year (note 20)	1,087	942	480	488
- later than 1 year but not later than 5 years (note 20)	1,211	1,812	473	954
	2,298	2,754	953	1,442

22. Deferred income taxes

Deferred income taxes are calculated in full on temporary differences under the liability method using a principal tax rate of 22% (2002: 22%).

The movement on the deferred income tax account is as follows:

	The Group		The Company	
	2003 \$'000	2002 \$'000	2003 \$'000	2002 \$'000
At the beginning of financial year	3,057	2,673	2,891	2,441
Tax charge/(credit) to income statement [note 8(a)]	276	384	132	450
	3,333	3,057	3,023	2,891

22. Deferred income taxes (continued)

The movement in the deferred tax assets and liabilities (prior to offsetting of balances within the same tax jurisdiction) during the period is as follows:

The Group

Deferred tax liabilities

	Accelerated tax depreciation \$'000	Total \$'000
At 31 December 2002	3,057	3,057
Charged to income statement	276	276
At 31 December 2003	<u>3,333</u>	<u>3,333</u>

The Company

Deferred tax liabilities

	Accelerated tax depreciation \$'000	Total \$'000
At 31 December 2002	2,891	2,891
Charged to income statement	132	132
At 31 December 2003	<u>3,023</u>	<u>3,023</u>

The Group's and Company's provision for deferred tax have been computed based on the corporate tax rate and tax laws prevailing at balance sheet date. On 27 February 2004, the Singapore Minister of Finance announced a reduction in corporate tax rate from 22% to 20% with effect from the year of assessment 2005. The Group's and Company's deferred tax expense for the current financial year have not taken into consideration the effect of the reduction in the corporate tax rate, which will be accounted for in the Group's and Company's deferred tax expense in the year ending 31 December 2004. The Group's and Company's deferred tax provisions as of 31 December 2003 would be reduced by approximately \$303,000 and \$275,000 respectively when the new corporate tax rate of 20% is applied.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

23. Share capital of Poh Tiong Choon Logistics Limited

(a) Authorised ordinary share capital

The total authorised number of ordinary shares is 500 million shares (2002: 500 million shares) with a par value of 10 cents per share (2002: 10 cents per share).

(b) Issued ordinary share capital

	2003 Shares '000	2002 Shares '000	2003 \$'000	2002 \$'000
Balance at the beginning of the financial year	186,140	200,000	18,614	20,000
Transfer to capital redemption reserve pursuant to buy-back of 353,000 (2002: 13,860,000) ordinary shares of \$0.10 each at an average price of \$0.151 (2002: \$0.168) per share, amounting to a total cost of \$53,000 (2002: \$2,334,000)	(353)	(13,860)	(35)	(1,386)
Issue of share capital during the year	30,000	–	3,000	–
Balance at the end of the financial year	<u>215,787</u>	<u>186,140</u>	<u>21,579</u>	<u>18,614</u>

All issued shares are fully paid.

Subsequent to the 353,000 share buy-back, the issued ordinary share capital was increased from \$18,579,000 to \$21,579,000 by way of a share placement of 30 million shares of \$0.10 each a premium of 13 cents per share, for cash, to provide funds for the expansion of the Group's operations. The newly issued shares rank pari passu in all respects with the previously issued shares.

The movements in the share premium account are set out in the Consolidated Statement of Changes in Equity.

24. Capital redemption reserve

	2003 Shares '000	2002 Shares '000	2003 \$'000	2002 \$'000
Balance at the beginning of the financial year	13,860	–	1,386	–
Arising from buy-back of shares	353	13,860	35	1,386
Balance at the end of the financial year	<u>14,213</u>	<u>13,860</u>	<u>1,421</u>	<u>1,386</u>

25. Retained earnings

(a) Retained earnings of the Group and the Company are distributable except for accumulated retained earnings of associated companies amounting to \$107,000 (2002: \$33,000) which are included in the Group's retained earnings.

(b) Movement in retained earning for the Company are as follows:

	<u>The Company</u>	
	2003	2002
	\$'000	\$'000
At the beginning of financial year	5,589	6,811
Arising from buy-back of shares	(53)	(2,334)
Net profit during the financial year	2,978	1,892
Dividends paid (note 26)	(1,449)	(780)
At the end of financial year	<u>7,065</u>	<u>5,589</u>

Movement in retained earning for the Group is shown in the Consolidated Statement of Equity.

26. Dividends

	<u>The Group and The Company</u>	
	2003	2002
	\$'000	\$'000
Ordinary dividends paid		
First and final dividend of 7.5% (2002: 5%) net of tax at 22% (2002: 22%)	1,087	780
Interim dividend of 2.5% (2002: Nil) net of tax at 22% (2002: Nil)	362	—
	<u>1,449</u>	<u>780</u>

At the Annual General Meeting on 30 April 2004, a final proposed dividend of 7.5% amounting to a total of \$1,295,000, net of tax at 20% is to be recommended. These financial statements do not reflect this dividend payable, which will be accounted for in the shareholders' equity as an appropriation of retained earnings in the year ending 31 December 2004.

27. Contingent liabilities

	<u>The Company</u>	
	2003	2002
	\$'000	\$'000
Unsecured guarantees given to financial institutions in connection with:		
(i) term loans provided to subsidiary companies	—	40
(ii) finance leases facilities provided to subsidiary companies	1,068	1,036
	<u>1,068</u>	<u>1,076</u>

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

28. Commitments

Operating lease commitments

The future aggregate minimum lease payment under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	<u>Group</u>		<u>Company</u>	
	2003	2002	2003	2002
	\$'000	\$'000	\$'000	\$'000
Not later than 1 year	1,039	1,053	1,039	1,053
Later than 1 financial year but not later than 5 financial years	3,223	3,984	3,223	3,984
Later than 5 financial years	509	1,250	509	1,250
	<u>4,771</u>	<u>6,287</u>	<u>4,771</u>	<u>6,287</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 \$369,000 (2002: \$369,000) 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 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.

29. Financial risk management

Financial risk factors

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

(i) *Interest rate risk*

The Group's income and operating cash flows are substantially independent of changes in market interest rates. The Group's main interest-bearing asset is in the form of fixed deposits with financial institutions. The Group's borrowings include exposure to bank loans with variable interest rates and finance lease liabilities with fixed interest rates. Where appropriate, the Group uses derivative financial instruments to hedge against the movements in the interest rates on the bank loans.

(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.

29. Financial risk management (continued)

(iv) *Foreign currency risk*

The Group is exposed to foreign currency risk on sales and purchases of bitumen. These transactions are mainly denominated in US dollars and exposure to foreign currency risk is managed by natural hedging of matching assets and liabilities.

30. Financial instruments

In order to manage the risks arising from fluctuations in interest rates, the Company and the Group makes use of the following derivative financial instrument:

Interest rate cap

The Company and the Group has entered into an interest rate cap contract that entitles it, on prescribed future dates if the prevailing interest rate, as determined by a pre-specified interest rate index, is above the pre-specified strike price, the other party will pay the Group an amount equal to the additional interest cost until the next reference date based on agreed amount of notional principal. The Group paid an upfront premium to the other party.

The notional principal amount of interest rate cap contract at 31 December 2003 of the Company and the Group was \$20,250,000 (2002: Nil).

Net fair value

The net fair value of the Company and the Group's derivative financial instruments at the balance sheet date was:

	<u>The Group and The Company</u>	
	2003	2002
	\$'000	\$'000
Favourable interest rate cap contract	212	–

The fair value of interest rate cap contract has been calculated (using rates quoted by the Group's bankers) to terminate the contract at the balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

31. Related party transactions

In addition to disclosure made elsewhere in the financial statements, the following significant related party transactions took place during the financial year on terms agreed by the parties concerned:

	2003 \$'000	<u>The Group</u>	2002 \$'000
<u>Income</u>			
Sale of diesel and maintenance services provided to a related party	4		3
Hiring of commercial vehicles, machinery and equipment and transport services provided to:			
- an associated company	253		223
- related parties	486		497
Rental income from related party	12		12
<u>Expenditure</u>			
Freight charges by related party	35		32
Purchases of air ticket from related parties	1		8
Purchase of investment from a related party	-		24
Rental charged by a related party	11		12

32. 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 2003	<u>Transportation and bulk cargo</u> \$'000	<u>Warehousing</u> \$'000	<u>Trading</u> \$'000	<u>Elimination</u> \$'000	<u>Group</u> \$'000
Sales					
- external sales	39,802	6,862	1,768		48,432
- inter-segment sales	42	-	-	(42)	-
	<u>39,844</u>	<u>6,862</u>	<u>1,768</u>	<u>(42)</u>	<u>48,432</u>
Segment result and profit from operations	3,562	980	147		4,689
Finance income/(cost) – net					(688)
Share of results of associated companies					<u>369</u>
Profit before tax					4,370
Taxation					<u>(167)</u>
Profit after tax					4,203
Minority interests					<u>(283)</u>
Net profit					<u>3,920</u>
Segment assets	31,199	29,322	1,078		61,599
Investments in associated companies					617
Unallocated assets					<u>9,505</u>
Consolidated total assets					<u>71,721</u>
Segment liabilities	3,406	178	90		3,674
Unallocated liabilities					<u>28,299</u>
Consolidated total liabilities					<u>31,973</u>
Other segment items:					
Capital expenditure	4,408	162	170		4,740
Depreciation	3,555	1,490	80		5,125
Amortisation	-	-	31		31

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 31 December 2003

32. Segment information (continued)

Year ended 31 December 2002	Transportation and bulk cargo \$'000	Warehousing \$'000	Trading \$'000	Elimination \$'000	Group \$'000
Sales					
- external sales	37,295	7,987	1,315	-	46,597
- inter-segment sales	49	-	-	(49)	-
	<u>37,344</u>	<u>7,987</u>	<u>1,315</u>	<u>(49)</u>	<u>46,597</u>
Segment result and profit from operations	2,182	1,469	(225)		3,426
Finance income/(cost) – net					(539)
Share of results of associated companies					59
Profit before tax					<u>2,946</u>
Taxation					<u>(505)</u>
Profit after tax					<u>2,441</u>
Minority interests					<u>(177)</u>
Net profit					<u>2,264</u>
Segment assets	30,050	31,040	433		61,523
Investments in associated companies					543
Unallocated assets					<u>3,225</u>
Consolidated total assets					<u>65,291</u>
Segment liabilities	3,517	347	61		3,925
Unallocated liabilities					<u>30,980</u>
Consolidated total liabilities					<u>34,905</u>
Other segment items:					
Capital expenditure	6,107	1,969	464		8,540
Depreciation	4,170	1,195	53		5,418

At 31 December 2003, the Group is organised into 3 main business segments:

- Transportation and bulk cargo – provision of services relating to land transportation, stevedoring and equipment renting
- Warehousing – warehousing and drumming services
- Trading – bitumen, chemical products and liquefied petroleum gas.

Inter-segment transactions are determined on an arm's length basis. Segment assets consist primarily of property, plant and equipment, goodwill, receivables and other current assets and exclude items such as tax recoverable. Segment liabilities comprise operating liabilities and exclude items such as taxation and borrowings. Capital expenditure comprises additions to property, plant and equipment.

33. Authorisation of financial statements

These financial statements were authorised for issue in accordance with a resolution of the Board of Directors of Poh Tiong Choon Logistics Limited on 15 March 2004.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2003

The Company is always committed to good governance standards and endeavours, as far as practicable, to complying with the Code of Corporate Governance (“Code”) issued by the Corporate Governance Committee on 21 March 2001 and the Best Practices Guide (“Best Practices Guide”) as issued by the Singapore Exchange Securities Trading Limited.

“GN” refers to Guidance Note in the Code.

Board of Directors

Principle 1 – The Board’s Conduct of its affairs

Currently, the Board consists of seven Directors of whom two are considered independent by the Board. The nature of the Directors’ appointments on the Board and details of their membership on Board Committees are set out below:

Name	Board membership	Committee Membership		
		Audit	Nominating	Remuneration
Poh Choon Ann	Chairman & CEO		Member	Member
Poh Kay Ping	Deputy CEO			
Poh Khim Hong	Finance Director	Member		
Poh Kay Yong	Executive Director, Corporate Services			
Poh Key Boon	Executive Director, Transportation & Warehousing			
Lew Syn Pau	Director (non-executive & independent)	Chairman	Member	Member
Hong Hai	Director (non-executive & independent)	Member	Chairman	Chairman

Details of the Directors are set out on Pages 8 and 9.

The Board meets regularly twice a year and as warranted by circumstances. The Company’s Articles of Association provides for telephonic and video conference meetings. All relevant information on material events and transactions are circulated to directors as and when they arise.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2003

In the financial year under review, the number of meetings of the Board and Board Committees are as follows:

Directors	Board		Audit		Remuneration Committee	
	No. of meetings	Attendance	No. of meetings	Attendance	No. of meetings	Attendance
Poh Choon Ann	2	2			2	2
Koh Kim Huat *	1	1				
Poh Kay Ping	2	2				
Poh Khim Hong	2	2	2	2		
Poh Kay Yong	2	2				
Poh Key Boon	2	2				
Lew Syn Pau	2	2	2	2	2	2
Hong Hai	2	2	2	2	2	2

* resigned on 24 March 2003

The Nominating Committee did not hold any meeting for the financial year under review.

The Board is accountable to the shareholders of the Company. Its principal functions include providing strategic directions for the Company and approving major investment and funding decisions, apart from fulfilling its statutory duties to ensure that the Group's strategies are in the interests of the Company and all its shareholders.

Certain of the functions are delegated to the Audit, Nominating and Remuneration Committees.

New directors will be briefed on the Company's business and governance policies, disclosure of interest in securities, disclosure of any conflict in a transaction involving the Company, prohibitions on dealing in Company's securities and restrictions on disclosure of price-sensitive information. The Company relies on Directors to update themselves on new laws, regulations and changing commercial risks.

Principle 2 – Board composition and balance

The Company's Articles of Association provides for the Board of Directors to comprise of a minimum of 2 and a maximum of 12 directors. Presently, the Board comprises 5 executive directors and 2 non-executive and independent directors.

The Board adopts the Code's definition of what constitutes an independent director in its review.

The Board is of the opinion that its current size and composition is appropriate given the scope and nature of the Group's operations. The Board is also of the view that the current Board comprises persons, who as a group, provide core competencies necessary to meet the Company's targets.

Presently, the two independent directors comprise 29% of the Board and therefore fall short of the requirement of GN 2.1 which states "independent directors making up at least one third of the Board". The Nominating Committee feels that the current number of independent directors is sufficient to ensure a balance of power given the scope and nature of the operations of the Company. However, the Nominating Committee will continue to assess the need for more independent directors and make recommendations to the Board when appropriate.

Principle 3 – Chairman and Chief Executive Officer

Mr Poh Choon Ann, a substantial shareholder, is the Chairman and Chief Executive Officer. The Board is of the opinion that the present Group structure and business scope does not warrant a meaningful split of the role. On the contrary, the Group believes the combined responsibilities facilitate faster decision-making and the alignment of CEO's interest with that of the shareholders.

The CEO is the most senior executive in the Company and bears executive responsibility for the Company's business while the Chairman bears responsibility for the procedural workings of the Board as laid down in GN 3.2.

Principle 4 – Board Membership

Principle 5 – Board Performance

The Nominating Committee ("NC") was established on 24 March 2003. The NC looks into matters relating to Board membership, re-nomination of Board members, assessment of the effectiveness of the Board and the contributions of each director to the effectiveness of the Board. The Nominating Committee comprises of three directors, a majority of whom, including the chairman is independent. The NC is also charged with determining annually whether or not a director is independent, taking into account all circumstances and any other salient factors. The NC is of the opinion that Mr Lew Syn Pau and Dr Hong Hai are the only two independent directors on the Board.

New directors are presently appointed by way of Board resolution. Such new directors must submit themselves for re-election at the following Annual General Meeting ("AGM") of the Company. Also, Article 91 of the Articles requires one-third of the Board (except the Managing Director) to retire by rotation at every AGM. The position of Managing Director is presently vacant.

Directors are allowed to hold directorships in companies outside the Group. The Board, based on recommendation from the NC, is of the view that the current level of multiple board representations by the directors does not hinder their ability to carry out their duties as directors of the Company. Furthermore, the Board felt that with multiple board representation, the directors are able to bring with them the experience and knowledge obtained from such board representation in other companies.

The dates of initial appointment and last re-election of the Directors are set out below:

Director	Position	Date of Initial Appointment	Date of Last Re-election
Poh Choon Ann	Chairman & CEO	21 January 1969	17 May 2002
Poh Kay Ping	Deputy CEO	1 November 1994	18 May 2001
Poh Khim Hong	Finance Director	23 July 1986	17 May 2002
Poh Kay Yong	Executive Director, Corporate Services	12 January 1999	23 May 2003
Poh Key Boon	Executive Director, Transportation & Warehousing	12 January 1999	17 May 2002
Lew Syn Pau	Director (non-executive & independent)	15 April 1999	23 May 2003
Hong Hai	Director (non-executive & independent)	26 June 2000	23 May 2003

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2003

Principle 7 – Procedures for developing remuneration policies

Principle 8 – Level and mix of remuneration

The Remuneration Committee (“RC”) was established on 24 March 2003 and replaced the previous Management Compensation Committee. The RC comprises three Directors, a majority of whom are non-executive and independent Directors and free from any business or other relationships. The RC is chaired by an independent and non-executive director, Dr Hong Hai. One of the members, Mr Lew Syn Pau is knowledgeable in the field of executive compensation. He is the Managing Director of Stanbridge International Pte Ltd, a firm specialising in human resource as well as the President of Singapore Manufacturers’ Federation.

The functions of the RC include review and approval of an appropriate executive compensation packages for executive directors and senior executives of the Group that will attract, retain and motivate them to run the Company successfully. All recommendations by the RC will be made in consultation with the Chairman of the Board and submitted for endorsement by the entire Board.

Increments and variable bonus for all executive directors (excluding Chairman which is governed by a separate service contract) and key executives are discretionary and reviewed by the RC annually.

The RC considers that the current remuneration package of the executive directors to be adequate in spite of the base pay constituting a significant proportion of the total remuneration package.

The independent and non-executive directors do not have any service agreements with the Company. Except for directors’ fees, which have to be approved by the shareholders at every AGM, the independent and non-executive directors do not receive any remuneration from the Company.

Other than the Chairman/CEO, all executive directors have no fixed appointment period but can resign by giving three months’ notice by either party. In the case of Chairman, there is a service contract of five years duration.

Currently, there are no long-term incentive schemes, including share schemes, for employees. The RC will consider the necessity of having long-term incentive scheme if the need arises.

Principle 6 – Access to information

Principle 10 – Accountability

The executive directors are provided with monthly management accounts within a reasonable time. All directors are provided with semi-annual accounts and an update briefing on performance and outlook at each Board meeting.

All directors have full access to the Company secretary, management and the auditors, either through telephone or via e-mail.

Should directors, whether as a group or individually, need independent professional advice, the Company will appoint a professional advisor selected by the group or individual, and approved by the Chairman/CEO, to render the advice. The cost of such professional advice will be borne by the Company. In addition, all relevant information on material events and transactions are circulated to directors as and when they arise.

The Company Secretary attends all Board meetings and is responsible for ensuring that Board procedures are followed. It is the Company Secretary's responsibility to ensure that the Company complies with the requirements of the Companies Act. Together with the management staff of the Company, the Company Secretary is responsible for compliance with all other rules and regulations which are applicable to the Company.

The Company adheres strictly to the requirements of the SGX-ST Listing Manual in relation to informing shareholders on a periodical basis and when circumstances warrant regarding the Group performance, positions and prospects.

Audit Committee ("AC")

Principle 11 – Audit Committee

Principle 12 – Internal Controls

The Audit Committee comprises three members. Two members are independent and non-executive while the third member is the Finance Director who is executive and non-independent.

As the Board comprises only two independent and non-executive directors, the Company is unable to comply with GN 11.1 requiring all AC members to be non-executive. The NC is of the view that as the majority of the AC is both independent and non-executive, the AC is able to exercise its independent judgement properly.

The Board is of the view that members of the AC, given their qualifications and background experience, have sufficient financial management expertise and experience to discharge the AC's functions. (See Directors' profile on Pages 8 and 9).

The AC meets periodically or via e-mail to perform the functions required pursuant to Section 201B(5) of the Companies Act, Cap 50 and the guidelines set out by the SGX-ST.

The Group has in place a system of internal controls that would help to safeguard the Company's assets. However, the system is designed to manage rather than eliminate risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss. For FY 2003, given the nature and scope of the Group's business, the AC and the Board are satisfied that there are adequate internal controls in the Company.

The AC has explicit authority to investigate any matters within its terms of reference and unfettered access to and co-operation by management. It also has the discretion to invite any director and executive officer to attend its meetings.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2003

The AC meets with the auditors, without the presence of management, at least annually, if necessary.

The AC confirms that the volume of non-audit services rendered by the external auditors is not material and, as such, is satisfied that the nature and extent of such services do not prejudice the independence and objectivity of the auditors.

The AC met twice in the year under review to consider the above matters. Full attendance was recorded in the two meetings held. The external auditors attended all the two meetings.

Internal Audit

Principle 13 – Internal Audit

The internal audit function had been outsourced to a consultancy firm who adopted a risk-based methodology to review the material internal controls of the Group. The consultancy firm reports to the Audit Committee outlining the results of the review performed and management's action plans to address process improvements.

Disclosure of remuneration

Principle 9 – Disclosure of remuneration

The breakdown of the annual remuneration of the directors for 2003 is as follows:

Directors

Remuneration Band	Fee*	Salary	Bonus	Other Benefits	Total
	(%)	(%)	(%)	(%)	(%)
<u>S\$500,000 to below S\$750,000</u>					
Poh Choon Ann	7	52	32	9	100
<u>Below S\$250,000</u>					
Koh Kim Huat#	9	91	–	–	100
Poh Kay Ping	9	77	10	4	100
Poh Khim Hong	11	76	11	2	100
Poh Kay Yong	9	78	11	2	100
Poh Key Boon	9	78	11	2	100
Lew Syn Pau	100	–	–	–	100
Hong Hai	100	–	–	–	100

* Fees are subject to approval of the shareholders at the AGM for FY2003.

From 1 January 2003 to 24 March 2003.

Key Executives

For competitive reasons, the remuneration of the top five key executives (who are not Directors) are not disclosed.

Executives who are immediate family members of a Director or CEO

There are two executives whose remuneration falls within S\$150,000 to S\$250,000 each for FY2003 and who are brothers of an Executive Director as well as directors and shareholders of a company who is a substantial shareholder of Poh Tiong Choon Logistics Ltd.

The Board has not included an annual remuneration report in its Annual Report for 2003 (as suggested by GN 9.1 of the Code) as the Board is of the view that the matters which are required to be disclosed in the annual remuneration report have already been sufficiently disclosed in this Report and in the financial statements of the Company.

In addition, there are no circumstances that have come to the attention of the Board which require the AGM to be invited to approve any significant remuneration policy.

Communications with shareholders

Principle 14 and 15 – Communications with shareholders

The results and other relevant information on the Company are disseminated to the public via SGX-ST's MASNET and the press where appropriate. The Company does not practise selective disclosure.

All shareholders of the Company receive a copy of the Annual Report and notice of AGM. The notice is also advertised in newspapers. At AGMs, shareholders are given the opportunity to air their views and ask Directors or management questions regarding the Company.

The Articles allow a shareholder of the Company to appoint one or two proxies to attend and vote at all general meetings on his/her behalf.

Interested Person Transactions

The Company has adopted an internal policy in respect of any transactions with interested persons and has set out the procedures for review and approval of the Company's interested person transactions. All interested person transactions are reviewed and approved by the Audit Committee.

For the financial year ended 31 December 2003, there are no interested person transactions ("IPT") as defined under Chapter 9 of the SGX-ST Listing Manual.

The IPT as disclosed in Note 31 on Page 58 of the Annual Report are not IPT within the ambit of Chapter 9 of the Listing Manual.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2003

Material Contracts (Rule 1207(8) of SGX-ST Listing Manual)

Except as disclosed in IPT above, the directors' report and financial statements, there were no material contracts of the Company or its subsidiaries involving the interests of the chief executive officer, each director or controlling shareholder, either still subsisting at the end of the financial year or if not then subsisting, entered into since the end of the previous financial year.

Utilisation of proceeds from placement of 30 million shares in October 2003

As at 31 December 2003, net proceeds of approximately S\$6.7 million from the placement had not been utilised and are placed in fixed deposits pending utilisation.

Dealings in Securities

The Company has adopted the Best Practices Guide issued by the SGX-ST in relation to dealings in the Company's securities by certain categories of employees of the Company. These employees, as well as directors, are not allowed to deal in the Company's shares commencing one month before the announcement of the Company's results and ending on the date of the announcement of the results.

Risk management policies and processes

The risk management policies and processes of the Company may be summarised as follows:

Highly competitive environment

The Singapore logistics market is highly competitive with the presence of many logistics companies. Competitive factors include range of services, customer service and pricing. Specifically, we are constantly affected by competitors' pricing policy which may result in downward pressure on our prices and lower our financial performance. To mitigate this risk, we rely on our track record of more than 50 years, our commitment to quality service (ISO 9001:2000 certification) and our safety track record. Further, we opt for secured contracts, if possible, maintain close contacts with customers, offer an one-stop logistics service as well as focusing on petrochemical industry where safety is an important factor besides pricing.

Dependence on the petrochemical industry

The Group mainly provides logistics services to the petrochemical industry in Singapore. For FY2003, the petrochemical industry contributed about 50% of the Group's business. To manage this risk, the Company intends to limit its exposure to the petrochemical industry to below 60%.

Dependence on major customers

To avoid overly dependence on a single customer, the Group tries, wherever possible, to deal with reputable or multi-national companies and minimises its exposure to each customer to not more than 10% of revenue.

Currently, only three customers, both in the petrochemical industry, contributed more than 10% each of the Group revenue or 36% in total in FY2003. These three customers have been with the Group for more than 20 years.

We rely on our quality service, competitive pricing, medium-term secured contracts, good relationship and close contact with these customers to ensure continued business.

Dependence on key personnel

The success of the Group depends to a large extent on its executive directors and key management staff. Further details on the executive directors and key management staff are set out on Pages 8 to 11 of the Annual Report. Any loss of their services would severely impact our business and operating results.

The Group manages this risk of loss of services of key personnel by providing remuneration packages which are competitive within the industry and offering a challenging work environment.

Fluctuations in diesel prices

The Group operates one of largest commercial fleet of prime movers, lorries and forklifts in Singapore. Therefore, any significant adverse changes in diesel prices (consequent on changes in oil prices) would affect our earnings.

The Group partially manages this risk by proper planning of transportation routes to minimise diesel usage.

Financial Risks

These are set out in Note 29 on Page 56 of the Annual Report.

SHAREHOLDING STATISTICS

as at 15 March 2004

Authorised Share Capital	-	\$50,000,000
Issued and Fully Paid-up	-	\$21,578,700
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 - 999	-	-	-	-
1,000 - 10,000	3,474	74.09	15,806,000	7.33
10,001 - 1,000,000	1,197	25.53	65,043,000	30.14
1,000,001 and above	18	0.38	134,938,000	62.53
Total	4,689	100.00	215,787,000	100.00

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	48,100,000	22.29
2 Mayban Nominees (S) Pte Ltd	13,557,000	6.28
3 Hong Leong Finance Nominees Pte Ltd	13,133,000	6.09
4 Poh Sin Choon (Pte) Ltd	9,242,000	4.28
5 Citibank Nominees Singapore Pte Ltd	8,100,000	3.75
6 Kim Eng Securities Pte Ltd	7,948,000	3.68
7 DBS Nominees Pte Ltd	5,326,000	2.47
8 UOB Kay Hian Pte Ltd	4,849,000	2.25
9 KB Nominees Pte Ltd	4,800,000	2.22
10 OCBC Securities Private Ltd	4,421,000	2.05
11 Poh Choon Her Investment Pte Ltd	3,976,000	1.84
12 United Overseas Bank Nominees Pte Ltd	2,269,000	1.05
13 G K Goh Stockbrokers Pte Ltd	2,163,000	1.00
14 Kok Kim Chong	1,850,000	0.86
15 Morgan Stanley Asia (Singapore) Securities Pte Ltd	1,463,000	0.68
16 Johan Kuok Indot	1,441,000	0.67
17 Raffles Nominees Pte Ltd	1,200,000	0.56
18 Tham Ivan	1,100,000	0.51
19 Shirley Kathreyn Yap	1,000,000	0.46
20 Oversea Chinese Bank Nominees Pte Ltd	981,000	0.46
	136,919,000	63.45

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

Shareholders	Direct Shareholdings	Deemed Shareholdings
Poh Choon Ann (Pte) Ltd	48,000,000	–
Poh Sin Choon (Pte) Ltd	27,842,000	–
Poh Choon Her Investment Pte Ltd	16,476,000	–
Poh Choon Ann	–	48,000,000 *
Poh Kay Ping	–	48,000,000 *
Poh Khim Hong	–	48,000,000 *
Poh Sin Choon @ Poh Seng Choon	–	27,842,000 **
Poh Kay Giap	396,000	16,476,000 ***

* Mr Poh Choon Ann, Mr Poh Kay Ping and Ms Poh Khim Hong are deemed to have an interest in the shares held by Poh Choon Ann (Pte) Ltd ("PCAPL") by virtue of their combined holding not less than 20% of the voting shares in PCAPL.

** Mr Poh Sin Choon is deemed to have an interest in the shares held by Poh Sin Choon (Pte) Ltd ("PSCPL") by virtue of his holding not less than 20% of the voting shares in PSCPL.

*** Mr Poh Kay Giap is deemed to have an interest in the shares held by Poh Choon Her Investment ("PCHIPL") by virtue of his holding not less than 20% of the voting shares in PCHIPL.

Compliance with Rule 723 of the Listing Manual

Based on information available to the Company as at 15 March 2004, approximately 56.6% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Fifth Annual General Meeting of the Company will be held at Albizia Room, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Friday, 30 April 2004 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 2003. **(Resolution No. 1)**
2. To declare a final dividend of 7.5% or 0.75 cents per ordinary share less 20% income tax for the year ended 31 December 2003. **(Resolution No. 2)**
3. To re-elect the following Directors retiring by rotation pursuant to Article 91 of the Company's Articles of Association:-
 - (a) Mr Poh Choon Ann **(Resolution No. 3)**
 - (b) Mr Poh Kay Ping **(Resolution No. 4)**
 - (c) Mr Poh Key Boon **(Resolution No. 5)**
4. To approve proposed Directors' fees of S\$195,000 for the year ended 31 December 2003 (2002: S\$205,000). **(Resolution No. 6)**
5. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. **(Resolution No. 7)**
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:-

That pursuant to Section 161 of the Companies Act, Cap. 50 and the listing rules of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to issue shares and/or convertible securities in the capital of the Company (whether by way of rights, bonus or otherwise) at any time to such persons and upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit, provided that:

(Resolution No. 8)

- (a) the aggregate number of shares and convertible securities to be issued pursuant to this Resolution does not exceed fifty per cent (50%) of the issued share capital of the Company, of which the aggregate number of shares and convertible securities to be issued other than on a pro-rata basis to existing shareholders of the Company does not exceed twenty per cent (20%) of the issued share capital of the Company, and for the purpose of this Resolution, the percentage of issued share capital is based on the issued share capital of the Company at the time this Resolution is passed, after adjusting for new shares arising from the conversion of convertible securities or employee share options on issue when this Resolution is passed and any subsequent consolidation or subdivision of the shares of the Company; and

- (b) the authority conferred by this Resolution shall, unless revoked or varied by the Company in general meeting, continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Explanatory Note on Special Business to be transacted

Ordinary Resolution 8 proposed in item 7 above, if passed, will renew the authority given to the Directors at the last Annual General Meeting and will empower the Directors, until the next Annual General Meeting, to issue new shares and/or convertible securities in the Company, including a rights or bonus issue. The maximum number of shares which the Directors may issue pursuant to this Resolution shall not exceed the quantum set out in the Resolution.

By Order of the Board

Lee Seng Hua
Company Secretary

Singapore
13 April 2004

Notes

1. A Member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two (2) 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. The instrument or form appointing a proxy or proxies, 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 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 on 11 May 2004, 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 10 May 2004 will be registered before entitlements to the dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 10 May 2004 will be entitled to the proposed dividend. The dividend, if approved by members at the Annual General Meeting, will be paid on 21 May 2004.

POH TIONG CHOON LOGISTICS LIMITED

(Incorporated in the Republic of Singapore)

IMPORTANT

1. For Investors who have used their CPF moneys to buy shares of Poh Tiong Choon Logistics Limited, the Annual Report 2003 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 on my/our behalf and, if necessary, to demand a poll, at the 35th Annual General Meeting of the Company to be held at Albizia Room, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Friday, 30 April 2004 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 as he/they may think fit, as he/they will on any other matter arising at the Meeting).

No	RESOLUTIONS RELATING TO:	FOR	AGAINST
1	Directors' Report and Accounts for the year ended 31 December 2003		
2	Declaration of a final dividend of 0.75 cents per ordinary share less 20% tax		
3	Re-election of Mr Poh Choon Ann as Director		
4	Re-election of Mr Poh Kay Ping as Director		
5	Re-election of Mr Poh Key Boon as Director		
6	Approval of Directors' fees		
7	Re-appointment of PricewaterhouseCoopers as Auditors		
8	Approval for Directors to issue shares and/or convertible securities		

Dated this _____ day of _____ 2004

Total Number of Shares Held

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 one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company and where there is more than one proxy, 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, Bardinder & 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 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 intentions 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.

fold along this line (1)

Please
affix
postage
stamp

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

fold along this line (2)

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