FINANCIAL STATEMENTS

For the financial year ended 31 December 2007

Directors' Report

For the financial year ended 31 December 2007

The directors present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2007 and the balance sheet of the Company as at 31 December 2007.

Directors

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

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 the 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 shares or debentures of the Company or its related corporations, except as follows:

	Holdings registered in name of director or nominee		Holdings in which director is deemed to have an interest	
	At 31.12.2007	At 1.1.2007 or date of appointment, if later	At 31.12.2007	At 1.1.2007 or date of appointment, if later
The Company				
(Number of ordinary shares)				
Poh Choon Ann	–	-	48,000,000	48,000,000
Poh Kay Ping	–	-	48,000,000	48,000,000
Poh Khim Hong	–	-	48,000,000	48,000,000
Poh Key Boon	261,000	261,000	-	-

Directors' Report

For the financial year ended 31 December 2007

Directors' interests in shares or debentures (continued)

(b) Mr Poh Choon Ann, Mr Poh Kay Ping and Ms Poh Khim Hong, who by virtue of their interests of not less than 20% of the issued capital of the Company, are deemed to have interests in the whole of the share capital of the Company's wholly-owned subsidiaries and in the shares held by the Company in the following subsidiaries that are not wholly-owned by the Group:

	At 31.12.2007	At 1.1.2007
PTC-Chien Li Transportation Pte Ltd		
- No. of ordinary shares	375,000	375,000
PTC-Xin Hua Transportation Pte Ltd		
- No. of ordinary shares	400,000	400,000
PTC Development Pte Ltd		
- No. of ordinary shares	82,000	-

(c) The directors' interests in the ordinary shares of the Company at 21 January 2008 were the same at 31 December 2007.

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 accompanying financial statements and in this report, and except that certain directors have employment relationships with the Company, and have received remuneration in those capacities.

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 of the Company under option at the end of the financial year.

Independent auditor

The independent auditor, PricewaterhouseCoopers, has expressed its willingness to accept re-appointment.

On behalf of the directors

POH KAY YONG
Director
27 March 2008

POH KHIM HONG
Director

Statement by Directors

For the financial year ended 31 December 2007

In the opinion of the directors,

(a) the balance sheet of the Company and the consolidated financial statements of the Group as set out on pages 22 to 76 are drawn up 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 2007 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
27 March 2008

POH KHIM HONG
Director

Independent Auditor's Report

to the Members of Poh Tiong Choon Logistics Limited

We have audited the accompanying financial statements of Poh Tiong Choon Logistics Limited (the "Company") and its subsidiaries (the "Group") set out on pages 22 to 76, which comprise the balance sheets of the Company and of the Group as at 31 December 2007, and the consolidated income statement, consolidated statement of changes in equity and consolidated cash flow statement of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

(a) devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;

(b) selecting and applying appropriate accounting policies; and

(c) making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

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 comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion,

(a) the balance sheet of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of 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 2007, 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 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.

PricewaterhouseCoopers
Public Accountants and
Certified Public Accountants

Singapore, 27 March 2008

Consolidated Income Statement

for the financial year ended 31 December 2007

	Note	2007 $'000	2006 $'000
Revenue	4	90,563	78,910
Other gains - net	5	2,457	975
Expenses			
- Cost of inventories		(12,759)	(16,921)
- Depreciation of property, plant and equipment		(5,651)	(5,331)
- Depreciation of investment property		(314)	(279)
- Employee compensation	6	(28,156)	(24,532)
- Insurance		(1,315)	(1,173)
- Rental on operating leases		(1,782)	(1,652)
- Sub-contracting costs		(14,911)	(9,309)
- Travelling and transportation		(807)	(827)
- Upkeep of commercial vehicles		(11,904)	(10,862)
- Finance	7	(1,145)	(1,311)
- Other		(5,726)	(4,603)
Total expenses		(84,470)	(76,800)
Share of results of joint ventures	16	98	166
Profit before income tax		8,648	3,251
Income tax expense	8	(982)	(661)
Net profit		7,666	2,590
Attributable to:			
Equity holders of the Company		7,151	2,348
Minority interests		515	242
		7,666	2,590
Earnings per share attributable to the equity holders of the Company			
- Basic	9	3.31 cents	1.09 cents
- Diluted	9	3.31 cents	1.09 cents

The accompanying notes form an integral part of these financial statements.

Balance Sheets

as at 31 December 2007

	Note	Group 2007 $'000	Group 2006 $'000	Company 2007 $'000	Company 2006 $'000
ASSETS					
Current assets					
Cash and cash equivalents	10	8,843	6,103	4,603	3,279
Trade and other receivables	11	17,762	15,156	17,893	14,296
Inventories	12	81	115	-	-
Other current assets	13	2,166	1,734	1,302	1,157
		28,852	23,108	23,798	18,732
Non-current assets					
Available-for-sale financial assets	14	85	98	85	98
Investment in associated companies	15	293	-	293	-
Investment in joint ventures	16	347	444	793	788
Investments in subsidiaries	17	-	-	3,721	3,639
Property, plant and equipment	18	56,317	50,386	45,790	44,923
Investment properties	19	6,663	6,571	6,663	6,571
Intangible assets	20	456	656	-	-
Other non-current assets	21	59	59	16	16
		64,220	58,214	57,361	56,035
Total assets		93,072	81,322	81,159	74,767
LIABILITIES					
Current liabilities					
Trade and other payables	22	14,322	9,221	10,337	8,626
Current income tax liabilities	8	963	214	397	-
Borrowings	23	10,631	5,514	10,575	5,412
		25,916	14,949	21,309	14,038
Non-current liabilities					
Borrowings	23	16,626	19,458	16,552	19,327
Trade and other payables	22	1,572	1,187	1,572	1,187
Deferred income tax liabilities	25	4,898	4,794	4,324	4,122
		23,096	25,439	22,448	24,636
Total liabilities		49,012	40,388	43,757	38,674
NET ASSETS		44,060	40,934	37,402	36,093
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	26	30,244	30,244	30,244	30,244
Other reserves	27	(16)	(38)	23	12
Retained earnings	28	12,293	9,566	7,135	5,837
		42,521	39,772	37,402	36,093
Minority interests		1,539	1,162	-	-
Total equity		44,060	40,934	37,402	36,093

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

for the financial year ended 31 December 2007

	Note	Share capital	Other reserves	Retained earnings	Total	Minority interests	Total equity
		← Attributable to equity holders of the Company			→		
		$'000	$'000	$'000	$'000	$'000	$'000
2007							
Beginning of financial year		30,244	(38)	9,566	39,772	1,162	40,934
Financial assets, available-for-sale							
- Fair value gain	27	-	11	-	11	-	11
Currency translation differences		-	11	-	11	-	11
Capital injection from minority shareholders		-	-	-	-	87	87
Net income recognised directly in equity		-	22	-	22	87	109
Net profit		-	-	7,151	7,151	515	7,666
Total recognised gains		-	22	7,151	7,173	602	7,775
Dividends paid	29	-	-	(4,424)	(4,424)	(225)	(4,649)
End of financial year		30,244	(16)	12,293	42,521	1,539	44,060
2006							
Beginning of financial year		30,244	13	9,808	40,065	1,122	41,187
Financial assets, available-for-sale							
- Fair value loss	27	-	(1)	-	(1)	-	(1)
Currency translation differences		-	(50)	-	(50)	-	(50)
Net income recognised directly in equity		-	(51)	-	(51)	-	(51)
Net profit		-	-	2,348	2,348	242	2,590
Total recognised gains		-	(51)	2,348	2,297	242	2,539
Dividends paid	29	-	-	(2,590)	(2,590)	(202)	(2,792)
End of financial year		30,244	(38)	9,566	39,772	1,162	40,934

The accompanying notes form an integral part of these financial statements.

Consolidated Cash Flow Statement

for the financial year ended 31 December 2007

	Note	2007 $'000	2006 $'000
Cash flows from operating activities			
Net profit		7,666	2,590
Adjustments for:			
- Depreciation		5,965	5,610
- Impairment loss of goodwill		200	-
- Gain on disposal of property, plant and equipment		(2,306)	(943)
- Income tax expense		982	661
- Interest expense		1,145	1,311
- Interest income		(58)	(75)
- Gain on disposal of available-for-sale financial assets		(16)	-
- Share of results of joint ventures		(98)	(166)
		13,480	8,988
Changes in working capital, net of effects from acquisition of subsidiaries			
- Inventories		34	(59)
- Other current assets		(432)	(342)
- Trade and other payables		5,486	774
- Trade and other receivables		(2,611)	(1,195)
Cash generated from operations		15,957	8,166
Income tax paid		(124)	(150)
Interest paid		(1,120)	(1,286)
Net cash provided by operating activities		14,713	6,730
Cash flows from investing activities			
Dividends received from a joint venture company		200	200
Acquisition of a joint venture		(5)	-
Acquisition of an associated company		(293)	-
Interest received		58	75
Proceeds from disposal of property, plant and equipment		7,759	1,599
Proceeds from disposal of available-for-sale financial assets		40	-
Purchases of property, plant and equipment		(17,441)	(6,252)
Net cash used in investing activities		(9,682)	(4,378)
Cash flows from financing activities			
Dividends paid to equity holders of the Company		(4,424)	(2,590)
Dividends paid to minority interests		(225)	(202)
Proceeds from issue of shares to minority shareholders		87	-
Proceeds from borrowings		7,500	2,600
Repayments of borrowings		(5,100)	(2,933)
Repayments of lease liabilities		(140)	(470)
Net cash used in financing activities		(2,302)	(3,595)
Net increase/(decrease) in cash and cash equivalents		2,729	(1,243)
Cash and cash equivalents at beginning of financial year		6,103	7,396
Effect of currency translation on cash and cash equivalents		11	(50)
Cash and cash equivalents at end of financial year	10	8,843	6,103

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

For the financial year ended 31 December 2007

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

1. General information

Poh Tiong Choon Logistics Limited (the "Company") is listed on the Singapore Exchange and incorporated and domiciled in Singapore. The address of its registered office is 48 Pandan Road, Singapore 609289.

The principal activities of the Company consist of the provision of services relating to land transportation, warehousing, stevedoring, container services, hiring out of equipment, leasing and general contracting. The principal activities of the subsidiaries consist of the provision of services relating to land transportation, container services, hiring out of equipment, general contracting, and trading in liquefied petroleum gas, diesel, bitumen, other chemical products and property development.

2. Significant accounting policies

2.1 Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared under the historical cost convention, except as disclosed in the accounting policies below.

The preparation of financial statements in conformity with FRS requires management to exercise its judgement in the process of applying the Group's accounting policies. It also requires the use of certain critical accounting estimates and assumptions. The areas involving a higher degree of judgement or complexity, or areas where estimates and assumptions are significant to the financial statements are disclosed in Note 3.

Interpretations and amendments to published standards effective in 2007

On 1 January 2007, the Group adopted the new or amended FRS and Interpretations to FRS ("INT FRS") that are mandatory for application from that date. Changes to the Group's accounting policies have been made as required, in accordance with the transitional provisions in the respective FRS and INT FRS.

The following are the new or amended FRS and INT FRS that are relevant to the Group:

Amendment to FRS 1	Presentation of Financial Statements - Capital disclosures
FRS 40	Investment Property
FRS 107	Financial Instruments: Disclosures
INT FRS 110	Interim Financial Reporting and Impairment

The adoption of the above FRS or INT FRS has not resulted in any substantial changes to the Group's accounting policies nor any significant impact on these financial statements, except for the adoption of FRS 40, of which the effects are disclosed in Note 34. FRS 107 and the complementary amended FRS 1 introduce new disclosures relating to financial instruments and capital respectively.

2. Significant accounting policies (continued)

2.2 Revenue recognition

Revenue comprises the fair value of the consideration received or receivable for the sale of goods and rendering of services in the ordinary course of the Group's activities. Revenue is presented, net of value-added tax, rebates and discounts, and after eliminating sales within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured, it is probable that future economic benefits will flow to the entity and when the specific criteria for each of the Group's activities are met as follows:

(a) Rendering of services

Revenue from rendering of services is recognised in the period in which the services are rendered, by reference to completion of the specific transaction assessed on the basis of the actual service provided as a proportion of the total services to be performed.

(b) Sale of goods

Revenue from sale of goods is recognised when a Group entity has delivered the products to the customer; the customer has accepted the products and collectibility of the related receivables is reasonably assured.

(c) Rental income from investment property

Rental income from investment property, which is leased out under an operating lease, is recognised on a straight-line basis over the lease term.

(d) Interest income

Interest income, including income arising from other financial instruments, is recognised on a time proportion basis using the effective interest method.

(e) Dividend income

Dividend income is recognised when the right to receive payment is established.

2.3 Group accounting

(a) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanied by a shareholding giving rise to the majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

2. Significant accounting policies (continued)

2.3 Group Accounting (continued)

(a) *Subsidiaries* (continued)

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, equity instruments issued or liabilities incurred or assumed at the dates of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition, irrespective of the extent of minority interest. Please refer to the paragraph "Intangible assets – Goodwill" for the accounting policy on goodwill on acquisition of subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, transactions, balances and unrealised gains on transactions between group entities are eliminated. Unrealised losses are also eliminated but are considered an impairment indicator of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

Minority interests are that part of the net results of operations and of net assets of a subsidiary attributable to the interests which are not owned directly or indirectly by the Group. They are measured at the minorities' share of fair value of the subsidiaries' identifiable assets and liabilities at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the minorities' share of losses in a subsidiary exceeds its interest in the equity of that subsidiary. In such cases, the excess and further losses applicable to the minorities are attributed to the equity holders of the Company, unless the minorities have a binding obligation to, and are able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority interests are attributed to the equity holders of the Company until the minorities' share of losses previously absorbed by the equity holders of the Company are fully recovered.

Please refer to the paragraph "Investments in subsidiaries, associated and joint venture companies" for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(b) *Transactions with minority interests*

The Group applies a policy of treating transactions with minority interests as transactions with parties external to the Group. Disposals to minority interests result in gains and losses for the Group that are recognised in the income statement. Purchases from minority interests result in goodwill, being the difference between any consideration paid and the Group's incremental share of the carrying value of identifiable net assets of the subsidiary.

2. Significant accounting policies (continued)

2.3 Group Accounting (continued)

(c) Associated and joint venture companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Joint venture are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties. Investments in associated companies and joint venture companies are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies and joint venture companies in the consolidated balance sheet includes goodwill (net of any accumulated impairment loss) identified on acquisition. Please refer to the paragraph "Intangible assets – Goodwill" for the Group's accounting policy on goodwill.

Investments in associated companies and joint venture companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies and joint venture companies' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company or joint venture company equals or exceeds its interest in the associated company or joint venture company, including any other unsecured receivables, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company and joint venture company.

Unrealised gains on transactions between the Group and its associated companies and joint venture companies are eliminated to the extent of the Group's interest in the associated companies and joint venture companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associated companies and joint venture companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Please refer to the paragraph "Investment in subsidiaries, joint venture companies and associated companies" for the Company's accounting policy on investments in associated companies and joint venture companies in the separate financial statements of the Company.

When the company sells assets to a joint venture, the Group recognises only the portion of unrealised gains or losses on the sale of assets that is attributable to the interest of the other venturers. The Group recognises the full amount of any loss when the sale provides evidence of a reduction in the net realisable value of current assets or an impairment loss.

2. Significant accounting policies (continued)

2.4 Property, plant and equipment

(a) Measurement

(i) Properties under development

Properties under development are properties being constructed or developed for future rental. They are carried at cost less accumulated impairment losses until construction or development is completed, at which time they are transferred and accounted for as investment properties.

(ii) Other property, plant and equipment

All other property, plant and equipment are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses.

(iii) Component of costs

The cost of an item of property, plant and equipment initially recognised includes its purchase price and any cost that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management, including borrowing costs incurred for the property under development. The projected cost of dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset.

(b) Depreciation

Property under development is not depreciated.

Depreciation on other items of property, plant and equipment is calculated using the straight-line method to allocate their depreciable amounts over their estimated useful lives as follows.

	Useful lives
Freehold office unit	100 years
Commercial vehicles	8 - 12 years
Machinery and equipment	5 - 20 years
Computer and accessories	3 - 5 years
Motor vehicles	8 years
Office equipment, furniture and fittings	5 - 10 years

Leasehold land and properties are depreciated over the shorter of their useful lives of 50 years or the remaining term of the lease.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

Notes to the Financial Statements

For the financial year ended 31 December 2007

2. Significant accounting policies (continued)

2.4 Property, plant and equipment (continued)

(c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits with the item will flow to the Group and the cost of the item can be measured reliably. All other repair and maintenance expense is recognised in the income statement when incurred.

(d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognised in the income statement.

2.5 Intangible assets

Goodwill on acquisitions

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable net assets and contingent liabilities of the acquired subsidiaries, joint ventures and associated companies at the date of acquisition.

Goodwill on subsidiaries and joint ventures is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

Gains and losses on the disposal of subsidiaries, joint ventures and associated companies include the carrying amount of goodwill relating to the entity sold, except for goodwill arising from acquisitions prior to 1 January 2001. Such goodwill was adjusted against retained earnings in the year of acquisition and not recognised in the income statement on disposal.

2.6 Borrowing costs

Borrowing costs are recognised in the income statement using the effective interest method except for those costs that are directly attributable to borrowings acquired specifically for the construction or development of properties. The actual borrowing costs incurred during the period up to the issuance of the temporary occupation permit less any investment income on temporary investments of these borrowings, are capitalised in the cost of the property under development.

2. Significant accounting policies (continued)

2.7 Investment properties

Investment properties include those portions of premises that are held for long-term rental yields and/or capital appreciation and are not occupied by the Group. Investment properties are treated as non-current investments and are initially recognised at cost and subsequently carried at cost less accumulated depreciation and impairment losses. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives of 20 to 30 years. The residual values, useful lives and deprecation method of investment properties are reviewed, and adjusted as appropriate at each balance sheet date. The effects of any revision are recognised in the income statement when the changes arise.

If an investment property becomes owner-occupied, it is reclassified as property, plant and equipment and its carrying value at the date of reclassification becomes its cost for accounting purposes. Property that is being constructed or developed for future use as investment property is classified as property under developed in property, plant and equipment until construction or development is completed, at which time it is reclassified and accounted for as investment property.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is taken to the income statement.

2.8 Investments in subsidiaries, associated and joint venture companies

Investments in subsidiaries, associated and joint venture companies are carried at cost less accumulated impairment losses in the Company's balance sheet. On disposal of investment in subsidiaries, associated and joint venture companies, the difference between disposal proceeds and the carrying amount of the investments are recognised in the income statement.

2.9 Impairment of non-financial assets

(a) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

2. Significant accounting policies (continued)

2.9 Impairment of non-financial assets (continued)

(b) Property, plant and equipment
Investment properties
Investments in subsidiaries, associated and joint venture companies

Property, plant and equipment, investment property and investments in subsidiaries, associated and joint venture companies are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

If the recoverable amount of the asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount.

The difference between the carrying amount and recoverable amount is recognised as an impairment loss in the income statement.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years.

A reversal of impairment loss for an asset other than goodwill is recognised in the income statement.

2.10 Financial assets

(a) Classification

The Group classifies its financial assets in the following categories: loans and receivables, and available-for-sale. The classification depends on the purpose for which the assets were acquired. Management determines the classification of its financial assets at initial recognition.

(i) Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are presented as current assets, except those maturing later than 12 months after the balance sheet date which are presented as non-current assets. Loans and receivables are presented as "trade and other receivables" and "cash and cash equivalents" on the balance sheet.

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(a) *Classification* (continued)

(ii) Financial assets, available-for-sale

Financial assets, available-for-sale are non-derivatives that are intended to be held for an indefinite period of time, which may be sold in response to needs for liquidity or changes in interest rates, exchange rates or equity prices.

(b) *Recognition and derecognition*

Regular way purchases and sales of financial assets are recognised on trade-date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership. On sale of a financial asset, the difference between the carrying amount and the sale proceeds is recognised in the income statement. Any amount in the fair value reserve relating to that asset is transferred to the income statement.

(c) *Initial measurement*

Financial assets are initially recognised at fair value plus transaction costs.

(d) *Subsequent measurement*

Financial assets, available-for-sale are subsequently carried at fair value. Loans and receivables are subsequently carried at amortised cost using the effective interest method.

Interest and dividend income on financial assets, available-for-sale are recognised separately in the income statement.

(e) *Impairment*

The Group assesses at each balance sheet date whether there is objective evidence that a financial asset or a group of financial assets is impaired and recognises an allowance for impairment when such evidence exists.

(i) Loans and receivables

Significant financial difficulties of the debtor, probability that the debtor will enter bankruptcy, and default or significant delay in payments are objective evidence that these financial assets are impaired.

2. Significant accounting policies (continued)

2.10 Financial assets (continued)

(e) Impairment (continued)

(i) Loans and receivables (continued)

The carrying amount of these assets is reduced through the use of an impairment allowance account which is calculated as the difference between the carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. When the asset becomes uncollectible, it is written off against the allowance account. Subsequent recoveries of amounts previously written off are recognised against the same line item in the income statement.

The allowance for impairment loss account is reduced through the income statement in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(ii) Financial assets, available-for-sale

Significant or prolonged declines in the fair value of the security below its cost and the disappearance of an active trading market for the security are objective evidence that the security is impaired.

The cumulative loss that was recognised in the fair value reserve is transferred to the income statement. The cumulative loss is measured as the difference between the acquisition cost (net of any principal repayments and amortisation) and the current fair value, less any impairment loss previously recognised in the income statement on debt securities. The impairment losses recognised in the income statement on equity securities are not reversed through the income statement.

2.11 Financial guarantees

The Company has issued corporate guarantees to banks for bank borrowings of its subsidiaries. These guarantees are financial guarantee as they require the Company to reimburse the banks if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs in the Company's balance sheet.

Financial guarantees are subsequently amortised to the income statement over the period of the subsidiaries' borrowings, unless it is probable that the Company will reimburse the bank for an amount higher than the unamortised amount. In this case, the financial guarantees shall be carried at the expected amount payable to the bank in the Company's balance sheet.

Intragroup transactions are eliminated on consolidation.

2. Significant accounting policies (continued)

2.12 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the income statement over the period of the borrowings using the effective interest method.

2.13 Trade and other payables

Trade and other payables are initially recognised at fair value, and subsequently carried at amortised cost of financial assets and liabilities using the effective interest method.

2.14 Fair value estimation of financial assets and liabilities

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

2.15 Leases

(a) When the Group is the lessee:

The Group leases commercial vehicles under finance leases and certain property, plant and equipment and warehouses under operating leases from non-related parties.

(i) Lessee - Finance leases

Leases where the Group assumes substantially all risks and rewards incidental to ownership of the leased assets are classified as finance leases.

The leased assets and the corresponding lease liabilities (net of finance charges) under finance leases are recognised on the balance sheet as commercial vehicles and borrowings respectively, at the inception of the leases based on the lower of the fair value of the leased assets and the present value of the minimum lease payments.

Each lease payment is apportioned between the finance expense and the reduction of the outstanding lease liability. The finance expense is recognised in the income statement on a basis that reflects a constant periodic rate of interest on the finance lease liability.

2. Significant accounting policies (continued)

2.15 Leases (continued)

(a) When the Group is the lessee: (continued)

(ii) Lessee - Operating leases

Leases of certain property, plant and equipment and warehouses where substantially all risks and rewards incidental to ownership are retained by the lessors are classified as operating leases. Payments made under operating leases (net of any incentives received from the lessors) are recognised in the income statement on a straight-line basis over the period of the lease.

Contingent rents are recognised as an expense in the income statement when incurred.

(b) When the Group is the lessor:

(i) Lessor - Operating leases

Leases of investment properties where the Group retains substantially all risks and rewards incidental to ownership are classified as operating leases. Rental income from operating leases (net of any incentives given to the lessees) is recognised in the income statement on a straight-line basis over the lease term.

Initial direct costs incurred by the Group in negotiating and arranging operating leases are added to the carrying amount of the leased assets and recognised as an expense in the income statement over the lease term on the same basis as the lease income.

Contingent rents are recognised as income in the income statement when earned.

2.16 Inventories

Inventories are carried at the lower of cost and net realisable value. Cost is determined using first-in, first-out basis. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

2.17 Income taxes

Current income tax for current and prior periods is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is recognised for all temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

2. Significant accounting policies (continued)

2.17 Income taxes (continued)

A deferred income tax liability is recognised on temporary differences arising on investments in subsidiaries, associated companies and joint ventures, except where the Group is able to control the timing of the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

A deferred income tax asset is recognised to the extent that it is probable that future taxable profit will be available against which the deductible temporary differences and tax losses can be utilised.

Deferred income tax is measured:

(i) at the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and

(ii) based on the tax consequence that will follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Current and deferred income taxes are recognised as income or expense in the income statement, except to the extent that the tax arises from a business combination or a transaction which is recognised directly in equity. Deferred tax arising from a business combination is adjusted against goodwill on acquisition.

2.18 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events, it is more likely than not that an outflow of resources will be required to settle the obligation and the amount has been reliably estimated.

Provisions are measured at the present value of the expenditure expected to be required to settle the obligation using a pre-tax discount rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised in the income statement as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in the income statement when the changes arise.

2.19 Employee compensation

(a) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as the Central Provident Fund on a mandatory, contractual or voluntary basis.

2. Significant accounting policies (continued)

2.19 Employee compensation (continued)

(a) Defined contribution plans (continued)

The Group has no further payment obligations once the contributions have been paid. The Group's contributions are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(b) Employee leave entitlement

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

2.20 Currency translation

(a) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Singapore Dollar.

(b) Transactions and balances

Transactions in a currency other than the functional currency ("foreign currency") are translated into the functional currency using the exchange rates at the dates of the transactions. Currency translation differences from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at the closing rates at the balance sheet date are recognised in the income statement.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(c) Translation of Group entities' financial statements

The results and financial position of all the Group entities (none of which has the currency of a hyperinflationary economy) that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

(i) Assets and liabilities are translated at the closing exchange rates at the date of the balance sheet;

(ii) Income and expenses are translated at average exchange rates (unless the average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated using the exchange rates at the dates of the transactions); and

(iii) All resulting currency translation differences are recognised in the currency translation reserve.

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For the financial year ended 31 December 2007

2. Significant accounting policies (continued)

2.21 Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

2.22 Cash and cash equivalents

For the purpose of presentation in the consolidated cash flow statement, cash and cash equivalents include cash on hand and short-term bank deposits with financial institutions.

2.23 Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

2.24 Dividends

Dividends to Company's shareholders are recognised when the dividends are approved for payments.

3. Critical accounting estimates, assumptions and judgements

Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Estimated impairment of non-financial assets

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Intangible assets, property, plant and equipment and investments in subsidiaries, associates and joint ventures are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates (Note 20).

(b) Impairment of property, plant and equipment

Property, plant and equipment are reviewed for impairment whenever there is an indication that these assets may be impaired. The Group considers the guidance of FRS 36 in assessing whether there is any indication that an item of the above assets may be impaired. This assessment requires significant judgement.

If any such indication exists, the recoverable amount of the assets is estimated to ascertain the amount of impairment loss. The recoverable amount is defined as the higher of the fair value less cost to sell and value in use.

3. Critical accounting estimates, assumptions and judgements (continued)

(b) Impairment of property, plant and equipment (continued)

In determining the value in use of assets, the Group applies a discounted cash flow model where the future cash flows derived from such assets are discounted at an appropriate rate. Forecasts of future cash flow are estimated based on financial budgets and forecasts approved by the management.

(c) Useful lives and residual values of property, plant and equipment

The Group reviews the appropriateness of the useful lives and residual values of property, plant and equipment at each balance sheet date. Changes in the expected level of usage and technological advancements could impact the economic useful lives and residual values of these assets. Where there is a material change in the useful lives and residual values of property, plant and equipment, such a change will impact the future depreciation charges in the financial period in which the change arises.

(d) Impairment of trade receivables

The collectibility of the trade receivables are assessed on an ongoing basis. An allowance for impairment is established when there is objective evidence that the trade receivables have been impaired.

Impairment loss is determined based on the review of current status of the existing receivables and historical collections experience.

4. Revenue

	Group	
	2007	2006
	$'000	$'000
Rendering of services	75,040	58,887
Sale of goods	14,405	19,167
Rental income from investment properties	1,118	856
Total revenue	90,563	78,910

5. Other gains - net

	Group	
	2007	2006
	$'000	$'000
Currency exchange losses	(22)	(58)
Interest income	58	75
Gain on disposal of property, plant and equipment	2,306	943
Gain on disposal of available-for-sale financial assets	16	-
Others	99	15
	2,457	975

6. Employee compensation

	Group	
	2007	2006
	$'000	$'000
Wages and salaries	25,421	22,134
Employer's contribution to defined contribution plans including Central Provident Fund	2,735	2,398
	28,156	24,532

7. Finance expense

	Group	
	2007	2006
	$'000	$'000
Interest expense		
- Bank borrowings	1,125	1,246
- Finance lease liabilities	20	65
	1,145	1,311

8. Income taxes

(a) Income tax expense

	Group	
	2007	2006
	$'000	$'000
Tax expense attributable to profit is made up of:		
- Current income tax	876	236
- Deferred income tax (Note 25)	204	526
	1,080	762
Under/(over) provision in preceding financial year		
- Current income tax	2	10
- Deferred income tax (Note 25)	(100)	(111)
	982	661

Notes to the Financial Statements

For the financial year ended 31 December 2007

8. Income taxes (continued)

(a) *Income tax expense* (continued)

The tax expense on profit differs from the amount that would arise using the Singapore standard rate of income tax is as explained below:

	Group	
	2007	2006
	$'000	$'000
Profit before income tax	8,648	3,251
Tax calculated at a tax rate of 18% (2006: 20%)	1,557	650
Effect of		
- Changes in Singapore tax rate (Note 25)	(479)	-
- Difference tax rates in other countries	(17)	-
- Expenses not deductible for tax purposes	164	52
- Income not subject to tax	(18)	(18)
- Statutory stepped income exemption	(138)	(43)
- Utilisation of previously unrecognised tax losses	29	153
- Tax calculated on share of results of joint ventures	(18)	(32)
Tax charge	1,080	762

(b) *Movements in provision for current income tax liabilities/(tax recoverable)*

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Beginning of financial year				
- Current income tax liabilities	214	220	-	-
- Tax recoverable	(5)	(107)	(5)	(107)
	209	113	(5)	(107)
Income tax (paid)/refunded	(124)	(150)	85	68
Tax expense	876	236	315	24
Under provision in preceding financial year	2	10	2	10
End of financial year	963	209	397	(5)
Comprising:				
- Current income tax liabilities	963	214	397	-
- Tax recoverable (Note 13)	-	(5)	-	(5)
	963	209	397	(5)

9. Earnings per share

Basic earnings per share is calculated by dividing the net profit attributable to equity holders of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2007	2006
Net profit attributable to equity holders of the Company ($'000)	7,151	2,348
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	215,787	215,787
Basic and diluted earnings per share (cents per share)	3.31 cents	1.09 cents

Diluted earnings per share is the same as basic earnings per share as there are no dilutive potential ordinary shares.

The adoption of the new or revised FRS and Interpretations to FRS (INT FRS) as disclosed in Note 2.1 did not materially affect the basic and diluted earnings per share for the current and prior period.

10. Cash and cash equivalents

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Cash at bank and on hand	4,443	6,103	2,603	3,279
Short-term bank deposits	4,400	-	2,000	-
	8,843	6,103	4,603	3,279

At the balance sheet date, the carrying amounts of cash and cash equivalents approximated their fair values.

Cash and cash equivalents at the balance sheet date that are denominated in foreign currencies are as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Singapore Dollar	7,935	3,982	4,520	2,940
United States Dollar	90	350	83	339
Chinese Renminbi	818	1,771	-	-
	8,843	6,103	4,603	3,279

Short-term bank deposits at the balance sheet date have an average maturity of 1 month (2006: Nil) from that date and have a weighted average effective interest rate of 1.78% (2006: Nil) per annum.

11. Trade and other receivables

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Trade receivables:				
- Third parties	17,709	14,876	13,972	11,947
- Joint venture	143	18	143	18
- Related parties	202	454	202	408
Less: Allowance for impairment of receivables - third parties	(379)	(217)	(5)	(5)
Trade receivables - net	17,675	15,131	14,312	12,368
Non-trade receivables:				
- Subsidiaries	-	-	4,251	2,393
Less: Allowance for impairment of receivables - subsidiaries	-	-	(704)	(490)
- Staff loans	87	25	34	25
	17,762	15,156	17,893	14,296

At the balance sheet date, the carrying amounts of trade and other receivables approximated their fair values. Related parties are companies in which the directors or major shareholders of the Company have significant influence or interests.

Trade and other receivables at the balance sheet date that are denominated in foreign currencies are as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Singapore Dollar	16,443	14,484	17,726	14,288
United States Dollar	235	6	167	8
Chinese Renminbi	1,084	666	-	-
	17,762	15,156	17,893	14,296

Included in non-trade receivables from subsidiaries are $2,010,000 (2006: $1,988,000) which are interest-bearing at 3.565% (2006: 5.025%) per annum as at balance sheet date, unsecured and repayable on demand.

Impairment loss on trade receivables amounting to $182,000 (2006: $152,000) was recognised as an expense and included in other expenses in the consolidated income statement.

During the financial year, the Company recognised an impairment loss on non-trade receivables from subsidiaries amounting to $214,000 (2006: $490,000).

12. Inventories

	Group	
	2007	2006
	$'000	$'000
Finished goods	81	115

The cost of inventories recognised as an expense amounted to $12,759,000 (2006: $16,921,000).

13. Other current assets

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Deposits	214	247	136	114
Prepayments	1,536	1,059	879	747
Tax recoverable [Note 8(b)]	-	5	-	5
Other receivables	416	423	287	291
	2,166	1,734	1,302	1,157

The carrying amounts of deposits and other receivables approximated their fair values.

14. Available-for-sale financial assets

	Group and Company	
	2007	2006
	$'000	$'000
Beginning of financial year	98	99
Fair value gains/(loss) recognised in fair value reserve [Note 27(b)(ii)]	11	(1)
Disposals	(24)	-
End of financial year	85	98

Available-for-sale financial assets are analysed as follows:

	Group and Company	
	2007	2006
	$'000	$'000
Listed securities:		
- Equity securities - Singapore	27	16
Unlisted securities:		
- Equity securities - Singapore	58	82
	85	98

15. Investment in associated companies

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Equity investment at cost			293	61
Less: Accumulated impairment loss			-	(61)
			293	-
Balance at beginning of financial year	-	-		
Acquisition of an associate	293	-		
Balance at end of financial year	293	-		
The summarised financial information of the associated company is as follows:				
- Assets	1,183	60		
- Liabilities	-	63		
- Revenue	-	-		
- Net loss	-	-		

Details of the associated companies are as follows:

Name of companies	Principal activities	Country of incorporation/business	Equity holding	
			2007	2006
			%	%
Landbridge Express Sdn. Bhd.#	Dormant	Malaysia	-	25
Wujiang Zhongxin Logistics Consortium Co., Ltd *	Dormant	People's Republic of China	25	-

This associated company has been liquidated in 2007.

* This associated company was incorporated during the current financial year and has not commenced operations since its incorporation.

16. Investment in joint ventures

	Company	
	2007	2006
	$'000	$'000
Equity investment at cost	878	878
Less: Dividends received from pre-acquisition reserves	(90)	(90)
	788	788
Acquisition of a new joint venture	5	-
	793	788

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16. Investment in joint ventures (continued)

	Group	
	2007	2006
	$'000	$'000
Beginning of financial year	444	478
Acquisition of a new joint venture	5	-
Share of results	98	166
Dividends received, net of tax	(200)	(200)
End of financial year	347	444

The following amounts represent the Group's 50% share of the assets and liabilities and income and expenses of the joint ventures. The Group's interests in the joint ventures are accounted for in the consolidated financial statements using the equity method of accounting.

	Group	
	2007	2006
	$'000	$'000
Assets		
- Current assets	528	507
- Non-current assets	101	67
	629	574
Liabilities		
- Current liabilities	281	130
- Non-current liabilities	1	-
	282	130
Net assets	347	444
Sales	2,009	1,488
Expenses	(1,904)	(1,290)
Profit before tax	105	198
Income tax	(7)	(32)
Profit after tax	98	166
Operating cash inflows	61	143
Investing cash inflows	76	5
Financing cash outflows	(130)	(200)
Total cash inflows/(outflows)	7	(52)

16. Investment in joint ventures (continued)

Details of the joint ventures are as follows:

Name of companies	Principal activities	Country of incorporation/business	Equity holding 2007 %	Equity holding 2006 %
Stolt-PTC Bitubulk Pte Ltd *	Distribution of bitumen	Singapore	50	-
Hai Poh Terminals Pte Ltd **	Stevedoring and terminal operations	Singapore	50	50

* Audited by PricewaterhouseCoopers, Singapore
** Audited by Lee Seng Chan & Co

17. Investments in subsidiaries

	Company 2007 $'000	Company 2006 $'000
Unquoted equity shares, at cost	4,154	4,072
Less: Accumulated impairment loss	(433)	(433)
	3,721	3,639

Details of the subsidiaries are as follows:

Name of companies	Principal activities	Country of incorporation/business	Equity holding 2007 %	Equity holding 2006 %
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, diesel and other chemical products	Singapore	100	100

17. Investments in subsidiaries (continued)

Name of companies	Principal activities	Country of incorporation/business	Equity holding 2007 %	Equity holding 2006 %
PTC Development Pte. Ltd (formerly known as PTC Express Pte Ltd) *	Property developer	Singapore	82	100
Delivery2home Pte Ltd *	Grocery distribution services	Singapore	100	100
Poh Tiong Choon Logistics (Shanghai) Ltd **	Cargo handling, warehousing and transportation services	People's Republic of China	100	100
PTC Express Pte Ltd * (1)	Freight forwarding	Singapore	100	-
Held by Poh Tiong Choon Logistics (Shanghai) Ltd				
PTC Yukuan Logistics (Shanghai) Co., Ltd **(2)	Warehouse and transportation services	People's Republic of China	65	-

* Audited by PricewaterhouseCoopers, Singapore.

** Audited by Lee Seng Chan & Co.

(1) This wholly-owned subsidiary was incorporated on 20 June 2007. The subsidiary has been dormant since incorporation.

(2) This 65% owned subsidiary was incorporated on 23 August 2007.

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For the financial year ended 31 December 2007

18. Property, plant and equipment

Group

2007	Property under development $'000	Leasehold land $'000	Leasehold properties $'000	Freehold office unit $'000	Commercial vehicles $'000	Machinery and equipment $'000	Computer and accessories $'000	Motor vehicles $'000	Office equipment, furniture and fittings $'000	Total $'000
Cost										
Beginning of financial year	-	-	35,710	715	40,900	10,638	1,636	708	1,063	91,370
Effects of adopting new standards (Note 34)	-	-	(1,248)	-	-	-	-	-	-	(1,248)
	-	-	34,462	715	40,900	10,638	1,636	708	1,063	90,122
Additions	4,787	4,946	138	-	6,195	1,089	199	-	87	17,441
Reclassification	-	-	-	-	-	-	25	-	(25)	-
Disposals	-	(4,946)	-	-	(1,543)	(109)	(207)	-	(95)	(6,900)
End of financial year	4,787	-	34,600	715	45,552	11,618	1,653	708	1,030	100,663
Accumulated depreciation and accumulated impairment losses										
Beginning of financial year	-	-	9,989	37	25,350	3,551	1,357	153	547	40,984
Effects of adopting new standards (Note 34)	-	-	(842)	-	-	-	-	-	-	(842)
	-	-	9,147	37	25,350	3,551	1,357	153	547	40,142
Reclassification	-	-	-	-	-	-	2	-	(2)	-
Depreciation charge	-	-	790	7	3,600	871	196	82	105	5,651
Disposals	-	-	-	-	(1,084)	(98)	(173)	-	(92)	(1,447)
End of financial year	-	-	9,937	44	27,866	4,324	1,382	235	558	44,346
Net book value										
End of financial year	4,787	-	24,663	671	17,686	7,294	271	473	472	56,317

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For the financial year ended 31 December 2007

18. Property, plant and equipment (continued)

Group

2006	Property under development $'000	Leasehold land $'000	Leasehold properties $'000	Freehold office unit $'000	Commercial vehicles $'000	Machinery and equipment $'000	Computer and accessories $'000	Motor vehicles $'000	Office equipment, furniture and fittings $'000	Total $'000
Cost										
Beginning of financial year	1,427	-	33,288	715	40,073	10,727	1,613	787	934	89,564
Additions	947	-	48	-	3,929	379	206	585	158	6,252
Reclassification	(2,374)	-	2,374	-	-	-	-	-	-	-
Disposals	-	-	-	-	(3,102)	(468)	(183)	(664)	(29)	(4,446)
End of financial year	-	-	35,710	715	40,900	10,638	1,636	708	1,063	91,370
Accumulated depreciation and accumulated impairment losses										
Beginning of financial year	-	-	9,251	30	24,805	3,062	1,287	537	471	39,443
Depreciation charge	-	-	738	7	3,356	792	253	80	105	5,331
Disposals	-	-	-	-	(2,811)	(303)	(183)	(464)	(29)	(3,790)
End of financial year	-	-	9,989	37	25,350	3,551	1,357	153	547	40,984
Net book value										
End of financial year	-	-	25,721	678	15,550	7,087	279	555	516	50,386

18. Property, plant and equipment (continued)

Company

2007	Leasehold properties $'000	Freehold office unit $'000	Commercial vehicles $'000	Machinery and equipment $'000	Computer and accessories $'000	Motor vehicles $'000	Office equipment, furniture and fittings $'000	Total $'000
Cost								
Beginning of financial year	35,710	715	30,065	9,470	1,549	711	865	79,085
Effects of adopting new standards (Note 34)	(1,248)	-	-	-	-	-	-	(1,248)
	34,462	715	30,065	9,470	1,549	711	865	77,837
Additions	138	-	3,829	1,513	136	-	34	5,650
Reclassification	-	-	-	-	-	(3)	3	-
Disposals	-	-	(630)	(82)	(162)	-	(91)	(965)
End of financial year	34,600	715	33,264	10,901	1,523	708	811	82,522
Accumulated depreciation and accumulated impairment losses								
Beginning of financial year	9,989	37	19,036	3,217	1,296	153	434	34,162
Effects of adopting new standards (Note 34)	(842)	-	-	-	-	-	-	(842)
	9,147	37	19,036	3,217	1,296	153	434	33,320
Depreciation charge	790	7	2,510	732	166	82	77	4,364
Disposals	-	-	(617)	(82)	(162)	-	(91)	(952)
End of financial year	9,937	44	20,929	3,867	1,300	235	420	36,732
Net book value								
End of financial year	24,663	671	12,335	7,034	223	473	391	45,790

18. Property, plant and equipment (continued)

Company

	Property under development	Leasehold properties	Freehold office unit	Commercial vehicles	Machinery and equipment	Computer and accessories	Motor vehicles	Office equipment, furniture and fittings	Total
2006	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
Cost									
Beginning of financial year	1,427	33,288	715	30,037	9,787	1,540	790	771	78,355
Additions	947	48	-	2,789	149	192	585	123	4,833
Reclassification	(2,374)	2,374	-	-	-	-	-	-	-
Disposals	-	-	-	(2,761)	(466)	(183)	(664)	(29)	(4,103)
End of financial year	-	35,710	715	30,065	9,470	1,549	711	865	79,085
Accumulated depreciation and accumulated impairment losses									
Beginning of financial year	-	9,251	30	19,222	2,926	1,244	537	384	33,594
Depreciation charge	-	738	7	2,310	592	235	80	79	4,041
Disposals	-	-	-	(2,496)	(301)	(183)	(464)	(29)	(3,473)
End of financial year	-	9,989	37	19,036	3,217	1,296	153	434	34,162
Net book value									
End of financial year	-	25,721	678	11,029	6,253	253	558	431	44,923

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

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Commercial vehicles	220	1,055	-	236

Notes to the Financial Statements

For the financial year ended 31 December 2007

18. Property, plant and equipment (continued)

(b) Details of the Group's freehold office unit and leasehold land and buildings are as follows:

Location	Description/Existing use	Tenure
42 Pandan Road Singapore	Warehouse and office	Leasehold with 25 years lease and further extension of lease expiring on 18 October 2019
48 Pandan Road Singapore	Warehouse and office	Leasehold with 30 years lease and further extension of lease expiring on 30 June 2019
#11-02 Realty Centre 15 Enggor Street Singapore	Office	Freehold
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
23 Ayer Merbau Road Jurong Island Singapore	Open storage yard	Leasehold with approximately 26 years lease expiring on 15 April 2030
Lot A0409802 Ayer Merbau Road Jurong Island Singapore	Open storage yard	Leasehold with approximately 25 years lease expiring on 15 April 2030
Lot A0409803 Ayer Merbau Road Jurong Island Singapore	Open storage yard	Leasehold with approximately 24 years lease expiring on 15 April 2030
Jalan Buroh, Annexe 5B Singapore	Open storage yard	Leasehold with 3 years lease expiring on 31 January 2009
Tuas Bay Drive/Tuas South Ave 3 Lot MK7 - 4101 N Singapore	Factory building with office space (under construction)	Leasehold with 60 years lease expiring on 2 May 2067

(c) Borrowing costs of $60,000 (2006: Nil), which arise on the financing specifically entered into for the development of property for future rental, are capitalised during the financial year.

19. Investment properties

	Group and Company	
	2007	2006
	$'000	$'000
Beginning of financial year	6,571	6,917
Effects of adopting new standards (Note 34)		
- Cost	1,248	-
- Accumulated depreciation	(842)	-
	6,977	6,917
Disposal	-	(67)
Depreciation charge	(314)	(279)
End of financial year	6,663	6,571

The Group's investment properties are as follows:

Location	Description/Existing use	Tenure
23 Ayer Merbau Road Jurong Island Singapore	Tank cleaning terminal	Leasehold with 26 years lease expiring on 15 April 2030
42 Pandan Road Singapore	Warehouse and office	Leasehold with 25 years lease and further extension of lease expiring on 18 October 2019
48 Pandan Road Singapore	Warehouse and office	Leasehold with 30 years lease and further extension of lease expiring on 30 June 2019

The investment properties are valued annually at balance sheet date by an independent professional valuer on the basis of open market value for existing use as follows:

	Group and Company	
	2007	2006
	$'000	$'000
At valuation	9,906	8,000

It is the intention of the directors to hold the investment properties for the long term. The investment properties are leased to third parties under operating leases [Note 30(c)].

19. Investment properties (continued)

The following amounts are recognised in the income statement:

	Group and Company	
	2007	2006
	$'000	$'000
Rental income (Note 4)	1,118	856
Direct operating expenses arising from investment properties that generated rental income	(384)	(380)
Property tax and other direct operating expenses arising from an investment properties that did not generate rental income	(696)	(688)

20. Intangible assets

	Group	
	2007	2006
	$'000	$'000
Goodwill arising on consolidation		
Net book value		
Beginning of financial year	656	656
Impairment charge	(200)	-
End of financial year	456	656

Impairment tests for goodwill

Goodwill is allocated to the Group's cash-generating unit (CGU) in its trading segment (i.e. trading of bitumen, chemical products, diesel and liquefied petroleum gas) with operations carried out in Singapore.

The recoverable amount of a CGU is determined based on value-in-use calculations. These calculations use cash flow projections based on financial budgets approved by management covering a five-year period.

Key assumptions used for value-in-use calculations:

Gross margin [1]	13%
Growth rate [2]	0%
Discount rate [3]	10%

[1] Weighted average budgeted gross margin
[2] Weighted average growth rate used to extrapolate cash flows within the five-year budget period
[3] Pre-tax discount rate applied to the cash flow projections

These assumptions have been used for the analysis of the CGU within the trading segment. Management determined the weighted average budgeted gross margin and growth rate based on past performance and its expectations of the market development. The discount rate used is pre-tax and reflect specific risks relating to the trading segment.

20. Intangible assets (continued)

Management does not foresee any reasonable possible changes in the key assumptions used for the value-in-use calculations that will cause the carrying amount of the CGU to be significantly in excess of its recoverable amount.

An impairment charge of $200,000 (2006: Nil) is included within "Other expenses" in the income statement. The impairment charge arises from the CGU in the Group's trading segment (i.e. trading of liquefied petroleum gas) as a result of reducing customer demand. The Group has also reassessed the useful lives of its property, plant and equipment and determined that no change in the useful lives was required.

21. Other non-current assets

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Club membership, at cost	102	102	51	51
Less: Accumulated impairment loss	(43)	(43)	(35)	(35)
	59	59	16	16

22. Trade and other payables

(a) Current

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Trade payables:				
- Third parties	4,925	4,008	2,893	2,324
- Subsidiaries	-	-	2,473	2,188
- Related parties	21	36	21	36
	4,946	4,044	5,387	4,548
Rental deposits	2,725	113	169	113
Accrued operating expenses	5,231	3,903	4,040	2,829
Sundry creditors	1,420	1,161	741	1,136
	14,322	9,221	10,337	8,626

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

(b) Non-current

	Group and Company	
	2007	2006
	$'000	$'000
Trade payables - third party	1,572	1,187

22. Trade and other payables (continued)

The carrying amounts of current and non-current trade and other payables approximated their fair values at the balance sheet date.

Trade and other payables at the balance sheet date that are denominated in foreign currency are as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Singapore Dollar	15,648	10,297	11,901	9,810
United States Dollar	45	24	7	-
Chinese Renminbi	200	84	-	-
Others	1	3	1	3
	15,894	10,408	11,909	9,813

23. Borrowings

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Current				
Bank borrowings	10,575	5,375	10,575	5,375
Finance lease liabilities (Note 24)	56	139	-	37
	10,631	5,514	10,575	5,412
Non-current				
Bank borrowings	16,552	19,327	16,552	19,327
Finance lease liabilities (Note 24)	74	131	-	-
	16,626	19,458	16,552	19,327
Total borrowings	27,257	24,972	27,127	24,739

(a) *Security granted*

At the balance sheet date, finance lease liabilities of the Group and the Company amounting to $130,000 (2006: $270,000) and $Nil (2006: $37,000) respectively are secured by the rights to the leased commercial vehicles and motor vehicles [Note 18(a)], which would revert to the lessor in the event of default by the Group and the Company.

All other bank borrowings are unsecured.

(b) *Maturity of borrowings*

The current borrowings (excluding finance lease liabilities) have an average maturity of 2.71 months (2006: 5.25 months) from the end of the financial year. The non-current borrowings [excluding finance lease liabilities (Note 24)] had the following maturity:

23. Borrowings (continued)

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Between two and five years	16,552	19,327	16,552	19,327

(c) *Currency and interest rate risks*

All borrowings are denominated in Singapore Dollar. The weighted average effective per annum interest rates of total borrowings at the balance sheet date are as follows:

	The Group		The Company	
	2007	2006	2007	2006
	%	%	%	%
Finance lease liabilities	6.1	6.6	-	4.3
Bank borrowings	4.3	5.0	4.3	5.0

The exposure of current and non-current borrowings to interest rate risks is disclosed in Note 31(a).

(d) *Carrying amounts and fair value*

The carrying amounts of bank borrowings approximated their fair values. The carrying amounts and fair values of finance lease liabilities were as follows:

Group

	Carrying amounts		Fair values	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Current (Note 24)	56	139	56	161
Non-current (Note 24)	74	131	74	125

Company

	Carrying amounts		Fair values	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Current (Note 24)	-	37	-	42

The fair values were determined from discounted cash flow analyses, using a discount rate based upon the borrowing rates which the directors expected to be available to the Group at the balance sheet date.

24. Finance lease liabilities

The Group leases certain commercial vehicles from non-related parties under finance leases.

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Minimum lease payments due:				
- Not later than one year	63	159	-	43
- Between two and five years	85	149	-	-
	148	308	-	43
Less: Future finance charges	(18)	(38)	-	(6)
Present value of finance lease liabilities	130	270	-	37

The present value of finance lease liabilities is analysed as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
- Not later than one year (Note 23)	56	139	-	37
- Between two and five years (Note 23)	74	131	-	-
Total	130	270	-	37

25. Deferred income taxes

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current income tax assets against current income tax liabilities and when the deferred income taxes relate to the same fiscal authority. The amounts, determined after appropriate offsetting, are shown on the balance sheets as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Deferred income tax liabilities:				
- To be settled after one year	4,898	4,794	4,324	4,122

Movement in deferred income tax account is as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Beginning of financial year	4,794	4,379	4,122	3,800
Tax charge to income statement [Note 8(a)]	104	415	202	322
End of financial year	4,898	4,794	4,324	4,122

25. Deferred income taxes (continued)

The movement in deferred income tax liabilities during the financial year is as follows:

Group
Deferred income tax liabilities

	Accelerated tax depreciation
	$'000
2007	
Beginning of financial year	4,794
Effect of change in Singapore tax rate [Note 8(a)]	(479)
Charged to income statement	583
End of financial year	4,898
2006	
Beginning of financial year	4,379
Charged to income statement	415
End of financial year	4,794

Company
Deferred income tax liabilities

2007	
Beginning of financial year	4,122
Effect of change in Singapore tax rate	(412)
Charged to income statement	614
End of financial year	4,324
2006	
Beginning of financial year	3,800
Charged to income statement	322
End of financial year	4,122

26. Share capital

The Company's share capital comprises fully paid-up 215,787,000 (2006: 215,787,000) ordinary shares with no par value, amounting to a total of $30,244,000 (2006: $30,244,000).

27. Other reserves

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
(a) *Composition:*				
Currency translation reserve	(39)	(50)	-	-
Fair value reserve	23	12	23	12
	(16)	(38)	23	12

(b) *Movements:*

(i) Currency translation reserves

	Group	
	2007	2006
	$'000	$'000
Beginning of financial year	(50)	-
Currency translation difference of financial statements of foreign subsidiaries	11	(50)
End of the financial year	(39)	(50)

(ii) Fair value reserve

	Group and Company	
	2007	2006
	$'000	$'000
Beginning of financial year	12	13
Fair value gain/(loss) on available-for-sale financial assets (Note 14)	11	(1)
End of the financial year	23	12

28. Retained earnings

(a) Retained earnings of the Group are distributable except for retained earnings of a joint venture company amounting to $Nil (2006: $17,000). Retained earnings of the Company are distributable.

(b) Movement in retained profits for the Company is as follows:

	Company	
	2007	2006
	$'000	$'000
Beginning of financial year	5,837	6,592
Net profit	5,722	1,835
Dividends paid (Note 29)	(4,424)	(2,590)
End of financial year	7,135	5,837

29. Dividends

	Group and Company	
	2007	2006
	$'000	$'000
Ordinary dividends paid or proposed		
Final dividend of 1 cent (2006: 0.5 cents) net of tax at 18% (2006: 20%)	1,770	863
Special dividend of 1.25 cents (2006: 0.75 cents) net of tax at 18% (2006: 20%)	2,212	1,295
Interim dividend of 0.25 cents (2006: 0.25 cents) net of tax at 18% (2006: 20%)	442	432
	4,424	2,590

At the Annual General Meeting on 30 April 2008, a final proposed dividend of 1.25 cents amounting to a total of $2,697,000, tax exempt (one-tier) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings in the financial year ending 31 December 2008.

30. Commitments

(a) *Guarantees*

	Company	
	2007	2006
	$'000	$'000
Unsecured guarantees given to financial institutions in connection with:		
- Performance guarantee	1,449	2,441
- Letter of credit	442	-
- Finance lease facilities granted to a subsidiary	104	186
	1,995	2,627

(b) *Operating lease commitments – where the group is a lessee*

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

	Group and Company	
	2007	2006
	$'000	$'000
Not later than one year	752	543
Between two and five years	461	671
	1,213	1,214

30. Commitments (continued)

(b) Operating lease commitments – where the group is a lessee (continued)

In addition to the above, the Company has entered into agreements for lease of land from the Jurong Town Corporation ("JTC") as follows:

(i) Lease of a 27,000-square metre plot of land at 48 Pandan Road for 30 years and further extension of 10 years expiring on 30 June 2019. The annual rent paid in 2007 amounted to $108,980 (2006: $108,008).

(ii) Lease of a 20,147-square metre plot of land at 42 Pandan Road for 25 years and further extension of 10 years expiring on 18 October 2019. Based on the lease agreement with JTC, the annual rent due each year is subject to revision every year with the increase not exceeding 5.5% of the yearly rent for each preceding year. The annual rent paid in 2007 amounted to $241,760 (2006: $238,745).

(iii) Lease of a 2.6-hectare plot of land at 21 Ayer Merbau Road, Jurong Island for 30 years expiring on 15 April 2030 with an option to extend for a further term of 30 years subject to meeting certain conditions set out by JTC. Based on the lease agreement with JTC, the annual rent due each year is subject to revision every year with the increase not exceeding 5.5% of the yearly rent for each preceding year. The annual rent paid in 2007 amounted to $256,462 (2006: $281,397).

(iv) Lease of a 3-hectare plot of land at 23 Ayer Merbau Road, Jurong Island for approximately 26 years expiring on 15 April 2030. Based on the lease agreement with JTC, the annual rent due each year is subject to revision every year with the increase not exceeding 5.5% of the yearly rent for each preceding year. The rent paid in 2007 amounted to $294,300 (2006: $322,913).

(v) Lease of a 4,914-square metre plot of land at Lot A0409802, Jurong Island for approximately 25 years expiring on 15 April 2030. Based on the lease agreement with JTC, the annual rent due each year is subject to revision every year with the increase not exceeding 5.5% of the yearly rent for each preceding year. The rent paid in 2007 amounted to $48,206 (2006: $52,893).

(vi) Lease of a 18,650-square metre plot of a Lot A0409803, Jurong Island for approximately 24 years expiring on 15 April 2030. Based on the lease agreement with JTC, the annual rent due each year is subject to revision every year with the increase not exceeding 5.5% of the year rent for each preceding year. The rent paid in 2007 amounted to $182,848 (2006: $145,001).

30. Commitments (continued)

(c) Sub-lease receivables – where the group is a lessor

The Group leases storage space in warehouses under both cancellable and non-cancellable operating lease agreements. The lessees have varying terms, escalation clauses and renewal rights.

The future minimum lease payments receivable under non-cancellable operating leases contracted for at the balance sheet date but not recognised as receivables, are analysed as follows:

	Group and Company	
	2007	2006
	$'000	$'000
Not later than one year	319	547
Between two and five years	74	274
	393	821

In addition to the above, the Company has entered into an agreement to construct and lease a tank cleaning terminal (Note 19) to a third party for approximately 10 years expiring on 30 June 2014 ("initial lease term") with an option to the lessee to extend for a further term of 10 years ("extended lease term"). Based on the lease agreement, annual rent during the initial lease term increases at a rate of approximately 3% per year. Rent during the extended lease term is charged at a flat rate. Rental income is recognised on a straight-line basis over the lease term.

(d) Capital commitments

Capital commitments contracted for the balance sheet date but not recognised in the financial statements are as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Commitments for capital expenditure not provided for in the financial statements in respect of contracts placed for property, plant and equipment	14,968	-	-	-
Commitments in respect of additional equity investment in an associated company	682	-	682	-
	15,650	-	682	-

31. Financial risk management

Financial risk factors

The Group's activities expose it to a variety of financial risks, including interest rate, currency, market, credit, liquidity and capital risks. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. Risk management is carried out under policies approved by the Board of Directors. The policies for managing each of these risks are summarised below.

(a) Market risk

(i) Currency risk

Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to foreign currency risk on sales and purchases of certain trading products that are denominated in United States Dollar ("USD") and Renminbi ("RMB"). The Group seeks to match its liabilities or costs in the same currency as the assets or revenue when there are currency exposures in the transactions whenever practicable.

The Group's currency exposure is as follows:

	SGD	USD	RMB	Other	Total
	$'000	$'000	$'000	$'000	$'000
At 31 December 2007					
Financial assets					
Cash and cash equivalents	7,935	90	818	-	8,843
Available-for-sale financial assets	85	-	-	-	85
Trade and other receivables	16,443	235	1,084	-	17,762
Other financial assets	568	-	62	-	630
	25,031	325	1,964	-	27,320
Financial liabilities					
Trade and other payables	(15,648)	(45)	(200)	(1)	(15,894)
Borrowings	(27,257)	-	-	-	(27,257)
	(42,905)	(45)	(200)	(1)	(43,151)
Net financial (liabilities)/assets	(17,874)	280	1,764	(1)	(15,831)
Currency exposure	(17,874)	280	1,764	(1)	
At 31 December 2006					
Financial assets					
Cash and cash equivalents	3,982	350	1,771	-	6,103
Available-for-sale financial assets	98	-	-	-	98
Trade and other receivables	14,484	6	666	-	15,156
Other financial assets	555	-	115	-	670
	19,119	356	2,552	-	22,027

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31. Financial risk management (continued)

(a) *Market risk* (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	RMB $'000	Other $'000	Total $'000
Financial liabilities					
Trade and other payables	(10,297)	(24)	(84)	(3)	(10,408)
Borrowings	(24,972)	-	-	-	(24,972)
	(35,269)	(24)	(84)	(3)	(35,380)
Net financial (liabilities)/assets	(16,150)	332	2,468	(3)	(13,353)
Currency exposure	(16,150)	332	2,468	(3)	

The Company's currency exposure is as follows:

	SGD $'000	USD $'000	Other $'000	Total $'000
At 31 December 2007				
Financial assets				
Cash and cash equivalents	4,520	83	-	4,603
Available-for-sale financial assets	85	-	-	85
Trade and other receivables	17,726	167	-	17,893
Other financial assets	423	-	-	423
	22,754	250	-	23,004
Financial liabilities				
Trade and other payables	(11,901)	(7)	(1)	(11,909)
Borrowings	(27,127)	-	-	(27,127)
	(39,028)	(7)	(1)	(39,036)
Net financial (liabilities)/assets	(16,274)	243	(1)	(16,032)
Currency exposure	(16,274)	243	(1)	
At 31 December 2006				
Financial assets				
Cash and cash equivalents	2,940	339	-	3,279
Available-for-sale financial assets	98	-	-	98
Trade and other receivables	14,288	8	-	14,296
Other financial assets	405	-	-	405
	17,731	347	-	18,078
Financial liabilities				
Trade and other payables	(9,810)	-	(3)	(9,813)
Borrowings	(24,739)	-	-	(24,739)
	(34,549)	-	(3)	(34,552)

31. Financial risk management (continued)

(a) *Market risk* (continued)

(i) *Currency risk* (continued)

	SGD $'000	USD $'000	Other $'000	Total $'000
Net financial (liabilities)/assets	(16,818)	347	(3)	(16,474)
Currency exposure	(16,818)	347	(3)	

If the USD and RMB change against the SGD by 5% (2006: 5%) and 2% (2006: 2%) respectively with all other variables including tax rates being held constant, the effects arising from the net financial liability/asset position will not be material.

(ii) *Price risk*

The Group is exposed to equity securities price risk because of the investments held by the Group which are classified on the consolidated balance sheet as available-for-sale financial assets. This securities are listed in Singapore and the Group do not expect the changes in price risk would have significant impact to the Group. The Group is not exposed to commodity price risk.

(iii) *Cash flow and fair value interest rate risks*

The Group's and the Company's interest rate risk arise mainly from borrowings. Bank borrowings with variable interest rates expose the Group and the Company to cash flow interest rate risk, while finance lease liabilities with fixed interest rates expose the Group and the Company to fair value interest rate risk.

The Group's and Company's borrowings at variable rates on which effective hedges have not been entered into, are denominated mainly in SGD. If the SGD interest rates increase/decrease by 0.5% (2006: 0.5%) with all other variables including tax rates being held constant, the profit after tax will be lower/higher by $112,000 (2006: $99,000) and $112,000 (2006: $99,000) respectively as a result of higher/lower interest expense on these borrowings.

(b) *Credit risk*

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's and Company's major classes of financial assets are bank deposits and trade receivables.

31. Financial risk management (continued)

(b) *Credit risk* (continued)

The credit risk for trade receivables is as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
By business segment				
Transportation and bulk cargo	13,874	11,921	12,767	11,198
Warehousing	1,528	1,153	1,528	1,153
Trading	1,910	2,040	-	-
Leasing	363	17	17	17
	17,675	15,131	14,312	12,368

(i) *Financial assets that are neither past due nor impaired*

Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit-ratings assigned by international credit-rating agencies. Trade receivables that are neither past due nor impaired are substantially companies with a good collection track record with the Group.

(ii) *Financial assets that are past due and/or impaired*

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Past due 0 to 1 months	6,271	5,289	5,460	4,365
Past due 1 to 3 months	1,836	2,307	1,448	1,775
Past due over 3 months	474	602	314	444
	8,581	8,198	7,222	6,584

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Gross amount	379	217	5	5
Less: Allowance for impairment	(379)	(217)	(5)	(5)
	-	-	-	-

31. Financial risk management (continued)

(b) Credit risk (continued)

(ii) *Financial assets that are past due and/or impaired* (continued)

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Beginning of financial year	217	78	5	18
Allowance made	182	153	-	1
Allowance utilised	(20)	(14)	-	(14)
End of financial year	379	217	5	5

The impaired trade receivables arise mainly from potential uncollectible balances.

(c) Liquidity risk

The table below analyses the maturity profile of the Group's and Company's financial liabilities based on contractual undiscounted cash flows.

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Group				
At 31 December 2007				
Trade and other payables	14,322	-	-	1,572
Borrowings	10,631	2,831	13,795	-
	24,953	2,831	13,795	1,572
At 31 December 2006				
Trade and other payables	9,221	-	-	1,187
Borrowings	5,514	2,831	16,627	-
	14,735	2,831	16,627	1,187
Company				
At 31 December 2007				
Trade and other payables	10,337	-	-	1,572
Borrowings	10,575	2,775	13,777	-
	20,912	2,775	13,777	1,572

31. Financial risk management (continued)

(c) Liquidity risk (continued)

	Less than 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years
	$'000	$'000	$'000	$'000
Company (continued)				
At 31 December 2006				
Trade and other payables	8,626	-	-	1,187
Borrowings	5,412	2,775	16,552	-
	14,038	2,775	16,552	1,187

The Group and Company manage the liquidity risk by maintaining sufficient cash and having an adequate amount of committed credit facilities to finance the Group's operations.

(d) Capital risk

The Group's objectives when managing capital are to safeguard the Group's ability to continue as a going concern and to maintain an optimal capital structure so as to maximise shareholder value.

Management monitors capital based on a gearing ratio. The Group and the Company are also required by the banks to maintain a gearing ratio of not exceeding 200% (2006: 200%). The Group's and Company's strategies, which were unchanged from 2006, are to maintain gearing ratios of less than 100%.

The gearing ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and cash equivalents. Total capital is calculated as equity plus net debt.

	Group		Company	
	2007	2006	2007	2006
	$'000	$'000	$'000	$'000
Net debt	34,308	29,277	34,433	31,273
Total equity	44,060	40,934	37,402	36,093
Total capital	78,368	70,211	71,835	67,366
Gearing ratio	44%	42%	48%	46%

The Group and the Company are in compliance with all externally imposed capital requirements for the financial years ended 31 December 2006 and 2007.

32. Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

32. Related party transactions (continued)

(a) *Sales and purchases of goods and services*

	Group	
	2007	2006
	$'000	$'000
Sale of diesel and maintenance services provided to a related party	9	6
Hiring of commercial vehicles, machinery and equipment and transport services provided to:		
- Joint ventures	229	113
- Related parties	445	522
Rental income from a related party	12	12
Payments made to related parties		
- Freight charges	78	110
- Rental charged	-	8

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

Outstanding balances at 31 December 2007, arising from sale/purchase of goods and services, are set out in Notes 11 and 22 respectively.

(b) *Key management personnel compensation*

	Group	
	2007	2006
	$'000	$'000
Directors' fees	244	190
Salaries and other short-term employee benefits	2,898	1,987
Post-employment benefits – contribution to CPF	132	101
	3,274	2,278

Included in the above total compensation to directors of the Company amounting to $2,224,000 (2006: $1,431,000).

The banding of directors' remuneration is disclosed as follows:

	2007	2006
Number of directors of the Company in remuneration bands:		
- $500,000 and above	1	-
- $250,000 to below $500,000	4	1
- below $250,000	2	6
Total	7	7

Notes to the Financial Statements

For the financial year ended 31 December 2007

33. Segment information

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

	Transportation and bulk cargo $'000	Warehousing $'000	Trading $'000	Leasing $'000	Group $'000
Group					
Financial year ended 31 December 2007					
Sales					
- External sales	67,311	8,132	14,486	634	90,563
- Inter-segment sales	53	40	3,511	-	3,604
	67,364	8,172	17,997	634	94,167
Elimination					(3,604)
					90,563
Segment result	5,288	1,918	(242)	274	7,238
Other gains					2,457
Finance expense					(1,145)
Share of results of joint ventures					98
Profit before income tax					8,648
Income tax expense					(982)
Total profit					7,666
Other segment items					
Capital expenditure					
- Property, plant and equipment	7,524	98	86	9,733	17,441
Depreciation	4,328	1,165	190	282	5,965
Impairment loss on goodwill	-	-	200	-	200
Segment assets	42,956	25,306	4,029	14,363	86,654
Investments in associated and joint venture companies					640
Unallocated assets					5,778
Consolidated total assets					93,072
Segment liabilities	5,249	391	1,205	5,170	12,015
Unallocated liabilities					36,997
Consolidated total liabilities					49,012

33. Segment information (continued)

	Transportation and bulk cargo $'000	Warehousing $'000	Trading $'000	Leasing $'000	Group $'000
Group					
Financial year ended 31 December 2006					
Sales					
- External sales	51,272	7,840	19,167	631	78,910
- Inter-segment sales	118	44	2,784	-	2,946
	51,390	7,884	21,951	631	81,856
Elimination					(2,946)
					78,910
Segment result	1,090	1,877	163	291	3,421
Other gains					975
Finance expense					(1,311)
Share of results of a joint venture					166
Profit before income tax					3,251
Income tax expense					(661)
Total profit					2,590
Other segment items					
Capital expenditure					
- Property, plant and equipment	5,651	106	495	-	6,252
Depreciation	3,877	1,188	266	279	5,610
Segment assets	37,885	25,790	5,078	6,588	75,341
Investments in associated and joint venture companies					444
Unallocated assets					5,537
Consolidated total assets					81,322
Segment liabilities	4,797	291	1,714	1,187	7,989
Unallocated liabilities					32,399
Consolidated total liabilities					40,388

At 31 December 2007, the Group is organised into 4 main business segments:

- Transportation and bulk cargo - Provision of land transportation and stevedoring services and hiring out of equipment.
- Warehousing - Provision of warehousing and drumming services.
- Trading - Trading of bitumen, chemical products, diesel and liquefied petroleum gas and grocery distribution.
- Leasing - Lease of investment property to third parties.

Inter-segment transactions are recorded at their transacted price which is generally at fair value. Segment assets consist primarily of property, plant and equipment, intangible assets, receivables and other current assets and exclude items such as tax recoverable and cash. Segment liabilities comprise operating liabilities and exclude items such as tax liabilities and borrowings. Capital expenditure comprises additions to property, plant and equipment.

34. Effects of financial statements on adoption of new FRS

The Group has adopted FRS 40 Investment Property on 1 January 2007, which is the effective date of the Standard. The effects on adoption are set out below.

The Group occupies leasehold properties and leased out a portion of these properties to non-related parties. In the prior financial year, the entire amount of these properties was accounted for as an item of property, plant and equipment.

Under FRS 40, when a portion of properties is leased out and another portion is held for own-use, the portions are required to be accounted for separately if they can be sold or leased out separately. Consequently, the portion of leasehold properties that is leased out to non-related parties has been reclassified to investment properties on transition to FRS 40 on 1 January 2007 (Note 19).

The Group elected to account for the effects of the above adoption in the financial statements for the financial year ended 31 December 2007, in accordance with the transitional provisions of FRS 40.

The effects to the balance sheet and income statement items are as follows:

	Increase/(decrease)	
	31.12.2007	1.1.2007 *
	$'000	$'000
Consolidated balance sheet:		
Investment properties	406	406
Property, plant and equipment	(406)	(406)

* Adjustments are made to the opening balance sheet at 1 January 2007.

The change does not materially affect the reported basic and diluted earnings per share for the financial year ended 31 December 2007.

35. New accounting standards and FRS interpretations

Certain new accounting standards, amendments and interpretations to existing standards, have been published and are mandatory for the Group's accounting periods beginning on or after 1 January 2008 or later periods which the Group has not early adopted. The Group does not expect that adoption of these accounting standards and interpretations will have a material impact on the Group's financial statements.

36. 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 27 March 2008.

CORPORATE GOVERNANCE REPORT

For the financial year ended 31 December 2007

The Company continues to be committed to achieving high standards of corporate governance and conduct. It recognises the importance of having in place a set of well-defined corporate governance processes to enhance corporate performance and accountability as well as to protect and enhance shareholder value.

This Report describes the Company's corporate governance practices and activities that were in place during the financial year ended 31 December 2007, with reference to the principles and guidelines set out in the Code of Corporate Governance 2005 ("Code") as well as the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

"GL" refers to Guidelines in the Code.

Board of Directors

Principle 1 – The Board's Conduct of its Affairs

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 & CFO	Member		
Poh Kay Yong	Executive Director (Corporate Services)			
Poh Key Boon	Executive Director (Transportation & Warehousing)			
Lew Syn Pau	Director (Independent & Non-executive)	Chairman	Member	Member
Hong Hai	Director (Independent & Non-executive)	Member	Chairman	Chairman

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

The Board meets regularly at least twice a year. In addition, the Board meets as and when warranted by particular circumstances between the scheduled meetings. The Company's Articles of Association provide for meetings to be held via telephone and video conferencing whereby all directors participating in the meeting are able to communicate as a group, without requiring the directors' physical presence at the meeting. All relevant information on material events and transactions are circulated to Directors as and when they arise.

Typically, any transactions that are significant relative to the financial position of the Company and its subsidiaries (the "Group") would require Board approval.

The attendance of each Director at Board meetings and Board Committee meetings during the financial year ended 31 December 2007 is as follows:

Directors	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	No. of meetings	Attendance	No. of meetings	Attendance	No. of meetings	Attendance	No. of meetings	Attendance
Poh Choon Ann	2	2			1	1	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	1	1	1	1
Hong Hai	2	2	2	2	1	1	1	1

The attendance rate for the Board and Board Committee meetings is 100% and this demonstrates the commitment of the Board Members.

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.

A formal letter of appointment is provided to a Director upon his appointment, setting out his role, duties and obligations as a member of the Board.

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

Principle 2 – Board Composition and Balance

The Company's Articles of Association provide for the Board of Directors to comprise 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 objectives.

Presently, the two Independent Directors comprise 29% of the Board and therefore fall short of the requirement of GL 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 ("CEO"). The Board is of the opinion that the present Group structure and business scope does not warrant a meaningful split of the role. The Group believes the combined responsibilities facilitate faster decision-making and the alignment of the 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 GL 3.2.

Principle 4 – Board Membership

The members of the Nominating Committee ("NC") are Dr Hong Hai (Committee Chairman), Mr Lew Syn Pau and Mr Poh Choon Ann. All members are Independent Non-executive Directors except Mr Poh Choon Ann. The Chairman of the NC is neither a substantial shareholder of the Company nor directly associated with a substantial shareholder of the Company.

The main role of the NC is to ensure that the process of Board appointments and re-appointments is transparent and to assess the effectiveness of the Board as a whole and the contribution of individual directors to the effectiveness of the Board.

Under the Company's Articles of Association, not less than one third of the directors for the time being (being those who have been longest in the office since their appointment or re-election) are required to retire from office by rotation at the Annual General Meeting ("AGM"). Also, all newly appointed directors during the year will hold office until the next AGM and will be eligible for re-election. Such directors are not taken into account in determining the number of directors who are to retire by rotation.

Principle 5 – Board Performance

The Board and the NC have strived to ensure that directors appointed to the Board possess the experience, knowledge and skills critical to the Group's business to enable the Board to make sound and well-considered decisions.

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 believes 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	27 April 2007
Poh Kay Ping	Deputy CEO	1 November 1994	28 April 2006
Poh Khim Hong	Finance Director & CFO	23 July 1986	29 April 2005
Poh Kay Yong	Executive Director (Corporate Services)	12 January 1999	27 April 2007
Poh Key Boon	Executive Director (Transportation & Warehousing)	12 January 1999	28 April 2006
Lew Syn Pau	Director (Independent & Non-executive)	15 April 1999	27 April 2007
Hong Hai	Director (Independent & Non-executive)	26 June 2000	28 April 2006

Principle 6 – Access to information

All directors receive a set of Board papers prior to a Board meeting. This is generally issued to them at least five working days prior to the meeting in sufficient time to enable the directors to obtain further explanations, if required.

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.

Principle 7 – Procedures for developing remuneration policies

Principle 8 – Level and mix of remuneration

The members of the Remuneration Committee ("RC") are Dr Hong Hai (Committee Chairman), Mr Lew Syn Pau and Mr Poh Choon Ann. All members are Independent Non-executive Directors except Mr Poh Choon Ann.

The functions of the RC include review and approval of an appropriate executive compensation package 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 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 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 Non-executive Directors do not receive any remuneration from the Company.

Other than the Chairman/CEO, all Executive Directors have no fixed appointment period and their employment can be terminated by giving three months' notice by either party. In the case of the Chairman, there is a service contract of five years duration.

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

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.

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 AC comprises three members. Mr Lew Syn Pau (Committee Chairman) and Dr Hong Hai are Independent Non-executive Directors while the third member, Ms Poh Khim Hong is the Finance Director & CFO who is an Executive Director.

As the Board comprises only two Independent Non-executive Directors, the Company is unable to comply with GL 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 2007, given the nature and scope of the Group's business, the AC and the Board are satisfied that there are adequate internal controls in place 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.

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.

Whistle-Blowing Policy

The Company and its subsidiaries have adopted a whistle-blowing policy and procedure, providing a confidential channel for reporting incidents of misconduct within the Group. The objective for such arrangements is to ensure independent investigation of such matters for appropriate follow-up action.

Internal Audit

Principle 13 – Internal Audit

The internal audit function has been outsourced to a consultancy firm who adopts a risk-based methodology to review the material internal controls of the Group. The consultancy firm reports to the AC 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 FY 2007 is as follows:

Directors

Remuneration Band	Fee * (%)	Salary (%)	Bonus (%)	Other Benefits (%)	Total (%)
$500,000 and above					
Poh Choon Ann	5	33	56	6	100
$250,000 to below $500,000					
Poh Kay Ping	9	68	20	3	100
Poh Khim Hong	10	60	28	2	100
Poh Kay Yong	9	62	28	1	100
Poh Key Boon	9	62	28	1	100
Below $250,000					
Lew Syn Pau	100	-	-	-	100
Hong Hai	100	-	-	-	100

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

Key Executives

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

Executives who are immediate family members of a Director or CEO

There are three executives whose remuneration falls between S$150,000 to S$250,000 for FY 2007 who are brothers of Executive Director as well as directors and shareholders of companies which are substantial shareholders of the Company.

The Board has not included an annual remuneration report for 2007 (as suggested by GL 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 shareholders at AGM to approve any significant remuneration policy.

Communication with shareholders

Principle 14 and 15 – Communication with shareholders

The Company is committed to conveying accurate and timely information to the shareholders and the public. In disseminating material information, the Company takes care to ensure that the information is made publicly available on a timely and non-selective basis to all shareholders in compliance with the Corporate Disclosure Policy set out by the SGX-ST.

The Company fully supports the Code's principle to encourage shareholders' participation at general meetings. The Board and management are present at the meetings to address shareholders' queries concerning the Group. The external auditor is also present to address shareholders' queries on the conduct of the audit and the preparation and content of the auditor's report.

The Company's Articles of Association allow a member entitled to attend and vote to appoint one or two proxies to attend and vote instead of the member and a proxy needs not be a member of the Company.

The Company has not amended its Articles of Association to allow shareholders to appoint any number of proxies. Nevertheless, CPF investors who have duly submitted their requests to attend the Company's general meetings as observers can do so.

Voting in absentia by mail or electronic means has yet to be introduced because such voting methods will need to be carefully reviewed for feasibility to ensure no compromise to either the integrity of the information or proper authentication of the identity of the shareholders.

The minutes of general meetings prepared by the Company include substantial comments or queries from shareholders and responses from the Chairman, Board Members and Management.

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 2007, there were no interested person transactions ("IPTs") as defined under Chapter 9 of the SGX-ST Listing Manual.

The related party transactions as disclosed in Note 32 on pages 72 and 73 of the Annual Report are not IPTs within the ambit of Chapter 9 of the Listing Manual.

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

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.

Dealings in Securities

The Group has an internal code of conduct for Directors and employees on securities transactions when they are in possession of unpublished material or price-sensitive information in relation to the Company's securities. In accordance with the Group's internal code of conduct, Directors and employees are advised not to deal in the Company's securities during the period commencing one month before the date of announcement of the half-year and full year financial results and ending on the date of announcement of the relevant results.

Risk management policies and processes

The risk management policies and processes of the Company may be summarized 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 lowering 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 a 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 provides logistics services substantially to the petrochemical industry in Singapore. For FY 2007, the petrochemical industry contributed about 34% 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 being overly dependent on a single customer, the Group tries, wherever possible, to deal with reputable or multi-national companies and minimize its exposure to each customer to not more than 10% of revenue.

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

Dependence on key personnel

The success of the Group depends to a large extent on its executive directors and other key management personnel. More details on the executive directors and key management staff are set out on pages 8 to 10 of the Annual Report. Any loss of their services could negatively impact our business and operating results.

The Group manages this potential risk 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 the largest commercial fleets of prime movers and lorries in Singapore. Therefore, any significant adverse changes in diesel prices would impair our earnings.

The Group manages this risk to some extent by proper planning of transportation routes to minimize diesel usage.

Financial Risks

These are set out in Note 31 on pages 67 to 72 of the Annual Report.

SHAREHOLDING STATISTICS

As at 17 March 2008

No. of Issued and Fully Paid-Up Shares	-	215,787,000
Issued and Fully Paid-up Capital	-	$30,243,700
Class of Shares	-	Ordinary shares
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	2,894	65.58	13,734,000	6.37
10,001 – 1,000,000	1,502	34.04	81,915,000	37.96
1,000,001 and above	17	0.38	120,138,000	55.67
Total	4,413	100.00	215,787,000	100.00

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

	Name	No. of Shares	%
1	POH SIN CHOON (PTE) LTD	24,332,000	11.28
2	HONG LEONG FINANCE NOMINEES PTE LTD	21,130,000	9.79
3	UOB NOMINEES (2006) PTE LTD	15,600,000	7.23
4	POH CHOON HER INVESTMENT PTE LTD	13,746,000	6.37
5	MAYBAN NOMINEES (S) PTE LTD	13,557,000	6.28
6	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	6,504,000	3.01
7	KB NOMINEES PTE LTD	4,800,000	2.22
8	TAY THO BOK	3,826,000	1.77
9	UNITED OVERSEAS BANK NOMINEES PTE LTD	3,108,000	1.44
10	KOK KIM CHONG OR KOK XIU HUA	2,500,000	1.16
11	ANG JWEE HERNG	2,290,000	1.06
12	DBS NOMINEES PTE LTD	1,995,000	0.92
13	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	1,486,000	0.69
14	OCBC NOMINEES SINGAPORE PRIVATE LTD	1,399,000	0.65
15	UOB KAY HIAN PTE LTD	1,383,000	0.64
16	KIM ENG SECURITIES PTE. LTD.	1,333,000	0.62
17	PHILLIP SECURITIES PTE LTD	1,149,000	0.53
18	SIMON SEAH SEOW KEE	839,000	0.39
19	OCBC SECURITIES PRIVATE LTD	824,000	0.38
20	CIMB-GK SECURITIES PTE. LTD.	757,000	0.35
	Total:	122,558,000	56.78

Substantial Shareholders (as shown in the 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	96,000	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 holdings of 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 Pte. Ltd. ("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 17 March 2008, approximately 56.74% of the issued ordinary shares of the Company are held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited has been complied with.

POH TIONG CHOON LOGISTICS LIMITED
(Incorporated in the Republic of Singapore)
Company Reg. No. 196900049H

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Thirty-Ninth Annual General Meeting of the Company will be held at Ficus 1, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Wednesday, 30 April 2008 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 financial year ended 31 December 2007 together with the Auditor's Report thereon. Resolution 1

2. To declare a final tax exempt (one-tier) dividend of 1.25 cents per ordinary share for the financial year ended 31 December 2007. Resolution 2

3. To re-elect the following Directors who will retire by rotation pursuant to Article 91 of the Articles of Association of the Company and who, being eligible, will offer themselves for re-election:

   (a) Ms Poh Khim Hong Resolution 3
   (b) Dr Hong Hai @ Huang Hai Resolution 4

   • *Dr Hong Hai @ Huang Hai will, upon re-election as Director, remain as Chairman of the Nominating and Remuneration Committees and a member of the Audit Committee and will be considered independent pursuant to Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.*

4. To pass the following resolution under Section 153(6) of the Companies Act, Cap. 50:- Resolution 5

   That pursuant to Section 153(6) of the Companies Act, Cap. 50, Mr Poh Choon Ann be and is hereby re-appointed as a Director of the Company to hold office until the next Annual General Meeting of the Company.

5. To approve Directors' fees of S$244,000 for the financial year ended 31 December 2007 (2006: S$190,000). Resolution 6

6. To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration. Resolution 7

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution: Resolution 8

   (1) That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited, authority be and is hereby given to the Directors of the Company to:

(i) issue shares in the capital of the Company whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares;

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit; and

(2) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(a) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed fifty per cent (50%) of the total number of issued shares excluding treasury shares in the 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 (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed twenty per cent (20%) of the total number of issued shares excluding treasury shares in the capital of the Company;

(b) for the purpose of determining the aggregate number of shares that may be issued under this Resolution, the total number of issued shares excluding treasury shares shall be based on the total number of issued shares excluding treasury shares in the capital of the Company at the time this Resolution is passed, after adjusting for:

(i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards outstanding or subsisting at the time this Resolution is passed; and

(ii) any subsequent bonus issue, consolidation or sub-division of shares; and

(c) 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.

8. To consider and, if thought fit, to pass with or without modifications the following resolution as an Ordinary Resolution: **Resolution 9**

That:

(1) for the purposes of Sections 76C and 76E of the Companies Act, Cap. 50 of Singapore, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of :

(a) market purchase(s) (each a "**Market Purchase**") on the Singapore Exchange Securities Trading Limited ("**SGX-ST**"); and/or

(b) off-market purchase(s) (each an **"Off-Market Purchase"**) in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act;

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Purchase Mandate"**);

(2) unless varied or revoked by the members of the Company in a general meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors of the Company at any time and from time to time during the period commencing from the date of the passing of this Ordinary Resolution and expiring on the earlier of:

(a) the date on which the next Annual General Meeting of the Company is held or required by the law to be held; or

(b) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Purchase Mandate are carried out to the full extent mandated.

(3) in this Ordinary Resolution:

"Maximum Limit" means that number of issued Shares representing 10 per cent of the number of issued ordinary shares of the Company as at the date of the passing of this Ordinary Resolution (excluding any Shares which are held as treasury shares as at that date); and

"Maximum Price", in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) which shall not exceed:

(a) in the case of a Market Purchase, 105 per cent. of the Average Closing Price of the Shares; and

(b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120 per cent of the Average Closing Price of the Shares,

Where:
"Average Closing Price" means the average of the closing market price of a Share over the last five (5) Market Days (a **"Market Day"** being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, before the day on which the purchase or acquisition of Shares was made and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five (5) Market Days; and

(4) the Directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he may consider necessary, expedient, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this Ordinary Resolution.

ANY OTHER BUSINESS

9. To transact any other business that may be transacted at an Annual General Meeting.

By Order of the Board

Koh Geok Hoon Judy (Ms)
Koh Ee Koon (Ms)
Company Secretaries

Singapore
14 April 2008

EXPLANATORY NOTES ON SPECIAL BUSINESS TO BE TRANSACTED

1. The proposed Ordinary Resolution 8, if passed, will empower the Directors, from the date of this Annual General Meeting until the next Annual General Meeting, to allot and issue new shares and/or convertible securities in the Company including a rights or bonus issue without seeking further approval from shareholders in general meeting, for such purposes as the Directors consider would be in the best interests of the Company. The maximum number of shares which the Directors may issue pursuant to this Resolution shall not exceed the quantum set out in the Resolution.

2. The proposed Ordinary Resolution 9, if passed, will renew the authority given to the Directors at the Annual General Meeting of the Company held on 27 April 2007 and will empower the Directors to purchase or acquire, from the date of this Annual General Meeting to the date of the next Annual General Meeting, an aggregate number of shares not exceeding ten per cent of the issued shares in the capital of the Company as at the date of this Resolution. More details of the Share Purchase Mandate are set out in the Letter to Shareholders enclosed with this Notice.

NOTES

(a) Subject to note (b) below, a member entitled to attend and vote at the Annual General Meeting is entitled to appoint not more than two proxies to attend and vote in his/her stead. 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.

(b) A member may not appoint the Poh Group or their concert parties (as defined in the Company's letter to shareholders in relation to the proposed renewal of the share purchase mandate dated 4 April 2008) as his proxy.

(c) The instrument or form appointing a proxy or proxies, duly executed, must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services 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 AND DIVIDEND PAYMENT DATES

Notice is hereby given that the Transfer Books and Register of Members of the Company will be closed on 13 May 2008 for the preparation of dividend warrants. Duly completed transfers received by the Company's Registrar, Tricor Barbinder Share Registration Services at 8 Cross Street #11-00, PwC Building, Singapore 048424 up to 5.00 p.m. on 12 May 2008 will be registered before entitlements to the proposed final dividend are determined. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 12 May 2008 will be entitled to the proposed dividend. The proposed final dividend, if approved by members at the Annual General Meeting, will be paid on 26 May 2008.

POH TIONG CHOON LOGISTICS LIMITED

(Incorporated in the Republic of Singapore)
Company Reg. No. 196900049H

PROXY FORM

IMPORTANT:
1. *For Investors who have used their CPF moneys to buy shares of Poh Tiong Choon Logistics Limited, the Annual Report 2007 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.*

I/We, ______________________ NRIC/Passport No. ______________ of

______________________________ (Address)

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

	Name	Address	NRIC/Passport No.	Proportion of Shareholdings (Number of Shares)
(a)				
and/or (delete as appropriate)				
(b)				

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 39th Annual General Meeting of the Company to be held at Ficus 1, Level 2, Jurong Country Club, 9 Science Centre Road, Singapore 609078 on Wednesday, 30 April 2008 at 11.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Resolutions to be proposed at the Annual General 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 Annual General Meeting.

		To be used on a Show of Hands [a]		To be used in the event of a Poll [b]	
No.	ORDINARY RESOLUTIONS	For	Against	No. of Votes For	No. of Votes Against
	ORDINARY BUSINESS				
1	Adoption of Directors' Report and Audited Financial Statements				
2	Declaration of Final Dividend				
3	Re-election of Ms Poh Khim Hong as Director				
4	Re-election of Dr Hong Hai @ Huang Hai as Director				
5	Re-appointment of Mr Poh Choon Ann as Director				
6	Approval of Directors' fees				
7	Re-appointment of PricewaterhouseCoopers as Auditors				
	SPECIAL BUSINESS				
8	Approval for Directors to issue shares and/or convertible securities				
9	Approval of the Renewal of Share Purchase Mandate				

(a) Please indicate your vote "For" or "Against" with a ✓ within the box provided.
(b) Please indicate the number of votes as appropriate.

Dated this ________ day of ____________ 2008

Total Number of Shares Held	

____
Signature of Individual Shareholder/
Common Seal of Corporate Shareholder

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

NOTES:

1. Subject to note 2 below, 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. A member may not appoint the Poh Group or their concert parties (as defined in the Company's letter to shareholders in relation to the proposed renewal of the share purchase mandate dated 4 April 2008) as his proxy.

3. 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.

4. This instrument appointing a proxy must be deposited at the office of the Company's Share Registrar, Tricor Barbinder Share Registration Services 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.

5. 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.

6. 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 Tricor Barbinder Share Registration Services
8 Cross Street #11-00
PwC Building
Singapore 048424

fold along this line (1)

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