

VAN DER HORST ENERGY LIMITED

UNAUDITED HALF YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2008

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

CONSOLIDATED INCOME STATEMENT FOR THE PERIOD ENDED 30 NOVEMBER 2008

	Group		Change %
	30-Nov-08 \$'000	30-Nov-07 \$'000	
Revenue	11,318	13,420	(16)
Cost of sales	(7,622)	(8,568)	(11)
Gross profit	3,696	4,852	(24)
Financial income	166	267	(38)
Financial expense	(36)	(339)	(89)
Distribution expenses	(44)	(63)	(30)
Administrative expenses	(3,114)	(2,359)	32
Other credits / (charges)	7,290	32	NM
Profit before income tax	7,958	2,390	233
Income tax expense	(372)	(420)	(11)
Profit for the period	7,586	1,970	285
<u>Attributable to:</u>			
Equity holders of the Company	7,589	1,938	291
Minority interests	(3)	32	(109)
Profit for the period	7,586	1,970	285

1(a)(ii) Notes to the Income Statements
Profit for the period include the following

	Group		Change %
	30-Nov-08 \$'000	30-Nov-07 \$'000	
<u>Gain/(Loss). net</u>			
Foreign exchange	123	(171)	172
Interest income	43	92	(53)
Write-back on allowance for doubtful trade debts	-	7	NM
Write-back on trade payable	-	168	NM
Interest expense	(36)	(168)	(78)
Gain on disposal of plant & equipment	21	32	(34)
Gain on disposal of investment in a subsidiary company	6,837	-	NM
Depreciation	(1,091)	(1,093)	(0.2)

VAN DER HORST ENERGY LIMITED

1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	30-Nov-08 \$'000	31-May-08 \$'000	30-Nov-08 \$'000	31-May-08 \$'000
<u>ASSETS</u>				
Current Assets:				
Cash and Cash Equivalents	27,523	11,060	20,031	3,503
Trade and Other Receivables	9,670	7,197	1,252	11,398
Assets held for sale	-	10,566	-	-
Total Current Assets	37,193	28,823	21,283	14,901
Non-Current Assets:				
Investments in Subsidiaries	-	-	32,375	32,375
Investment in Associate	1,606	1,545	1,606	1,545
Property, Plant and Equipment	11,319	12,046	645	731
Long term receivables	-	-	1,100	1,252
Biological Assets	20	20	-	-
Goodwill	19,820	19,820	-	-
Total Non-Current Assets	32,765	33,431	35,726	35,903
Total Assets	69,958	62,254	57,009	50,804
<u>EQUITY AND LIABILITIES</u>				
<u>Equity</u>				
Share Capital	45,514	45,514	45,514	45,514
Other Reserves	-	254	-	-
Retained Earnings	16,590	9,001	10,932	4,163
	62,104	54,769	56,446	49,677
Minority Interest	903	906	-	-
Total Equity	63,007	55,675	56,446	49,677
Non-Current Liabilities:				
Finance Leases	602	938	71	136
Deferred Tax Liabilities	332	331	-	-
Total Non-Current Liabilities	934	1,269	71	136
Current Liabilities:				
Trade and Other Payables	4,645	3,816	351	836
Current portion of finance leases	687	641	130	130
Current Tax Payable	685	648	11	25
Liabilities held for sale	-	205	-	-
Total Current Liabilities	6,017	5,310	492	991
Total Liabilities	6,951	6,579	563	1,127
Total Equity and Liabilities	69,958	62,254	57,009	50,804

VAN DER HORST ENERGY LIMITED

1(b)(ii) Aggregate amount of group's borrowings and debt securities

Amount repayable in one year or less, or on demand

30-Nov-08		31-May-08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
687	-	641	-

Amount repayable after one year

30-Nov-08		31-May-08	
Secured	Unsecured	Secured	Unsecured
\$'000	\$'000	\$'000	\$'000
602	-	938	-

1(b) (ii) Details of any collateral

- i) Finance leases are entered into for certain plants & equipment that are secured by the lessor's charge over the leased assets.
- ii) Secured by Corporate Guarantee from Van der Horst Energy Limited

VAN DER HORST ENERGY LIMITED

1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	30-Nov-08 \$'000	30-Nov-07 \$'000
Cash flows from operating activities		
Profit before Taxation	7,958	2,390
Add / (less) adjustments for:		
Depreciation of property, plant and equipment	1,091	1,093
Gain on disposal of plant and equipment	(21)	(32)
Gain on disposal of subsidiary	(6,837)	-
Interest expense	36	168
Interest income	(43)	(92)
Operating cash flow before movements in working capital	2,184	3,527
Changes in working capital :		
Trade and other receivables	(2,473)	(239)
Trade and other payables	829	316
Cash from operations	540	3,604
Income tax paid	(335)	(218)
Net cash generated from operating activities	205	3,386
Cash flows from investing activities		
Acquisition of remaining shares in a subsidiary company	-	(5)
Net cash flow on disposal	16,943	-
Proceeds from disposal of property, plant & equipment	41	63
Increase in investment in associate	(61)	-
Purchase of property, plant and equipment	(384)	(565)
Interest received	43	92
Net cash generated from/(used in) investing activities	16,582	(415)
Cash flows from financing activities		
Repayment of bank borrowings	-	(683)
Repayment of finance lease obligations	(290)	(303)
Interest paid	(36)	(168)
Net cash (used in) financing activities	(326)	(1,154)

VAN DER HORST ENERGY LIMITED

	Group	
	30-Nov-08 \$'000	30-Nov-07 \$'000
Net effect of exchange rate changes in consolidating foreign subsidiaries	2	59
Net increase in cash and cash equivalents	16,463	1,876
Cash and cash equivalents at beginning of the year	11,060	3,107
Cash and cash equivalents at end of period	27,523	4,983

Notes to the consolidated cash flow statement :

Cash and cash equivalents :

Cash and bank balances	27,523	5,181
Bank overdrafts	-	(198)
Cash and cash equivalents at end of period	27,523	4,983

Summary of effect on disposal of interest in a subsidiary

The Group disposed GKE Tianjin, a wholly-owned subsidiary during the year.

The value of assets and liabilities of GKE Tianjin recorded in the financial statements as at disposal date, and the cash flow effect of the disposal were as follows :

	\$'000
Property, plant and equipment	10,065
Debtors, deposits and prepayment	33
Cash and cash equivalents	206
Net assets disposed	10,304
Gain on disposal of a subsidiary	6,837
Commission paid	327
Consideration received	17,468
Foreign currency difference	(63)
Equity relating to assets held for sale transferred on disposal of subsidiary	(256)
Net cash disposed with a subsidiary	(206)
Net cash flow on disposal	16,943

VAN DER HORST ENERGY LIMITED

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year

Group	Share capital \$'000	(a) Asset revaluation reserves \$'000	Equity relating to assets held for sale \$'000	Retained earnings \$'000	Foreign currency translation reserves \$'000	Attributable to equity holders of the company \$'000	Minority interest \$'000	Total equity \$'000
Balance at 1 June 2007	16,806	256	-	6,879	(94)	23,847	867	24,714
Foreign currency translation differences	-	-	-	-	(151)	(151)	(19)	(170)
Net income recognised directly in equity	-	-	-	-	(151)	(151)	(19)	(170)
Profit for the period	-	-	-	1,938	-	1,938	32	1,970
Total recognised income and expense for the year	-	-	-	1,938	(151)	1,787	13	1,800
Acquisition of remaining shares in a subsidiary company	-	-	-	-	-	-	(5)	(5)
Balance at 30 November 2007	16,806	256	-	8,817	(245)	25,634	875	26,509
Balance at 1 June 2008	45,514	-	256	9,001	(2)	54,769	906	55,675
Transfer on disposal of subsidiary	-	-	(256)	-	-	(256)	-	(256)
Foreign currency translation differences	-	-	-	-	2	2	-	2
Net income recognised directly in equity	-	-	-	-	2	(254)	-	(254)
Profit for the period	-	-	-	7,589	-	7,589	(3)	7,586
Total recognised income and expense for the period	-	-	-	7,589	2	7,335	(3)	7,588
Acquisition of remaining shares in a subsidiary company	-	-	-	-	-	-	-	-
Balance at 30 November 2008	45,514	-	-	16,590	-	62,104	903	63,007

VAN DER HORST ENERGY LIMITED

Company	Share capital \$'000	Retained earnings / (accumulated losses) \$'000	Total equity \$'000
Balance at 1 June 2007	16,806	(332)	16,474
Profit for the period	-	1,863	1,863
Balance at 30 November 2007	<u>16,806</u>	<u>1,531</u>	<u>18,337</u>
Balance at 1 June 2008	45,514	4,163	49,677
Profit for the period	-	6,769	6,769
Balance at 30 November 2008	<u>45,514</u>	<u>10,932</u>	<u>56,446</u>

VAN DER HORST ENERGY LIMITED

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

Not applicable.

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

363,363,636 shares at 31 May 2008

363,363,636 shares at 30 November 2008

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

Not applicable

- 2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

The figures have not been audited or reviewed by the Company's auditors.

- 3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

- 4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the financial statements for the current period as those for the audited financial statements for the year ended 31 May 2008, as disclosed in para 5 below.

- 5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has adopted all the new Singapore Financial Reporting Standards that are mandatory for the financial year beginning on or after 1 June 2008. The new standards did not require any material modification of the measurement method or the presentation of the financial information.

VAN DER HORST ENERGY LIMITED

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	30-Nov-08	30-Nov-07
Basic earnings per share based on the weighted average number of ordinary shares on issue (cents) (a)	2.09	1.04
On a fully diluted basis (cents)*	1.91	1.04

(a) The calculation of basic earnings per share is calculated based on the net profit attributable to equity holders of the Company for the period of \$7,589,000 (30 November 2007: \$1,938,000) divided by the weighted average number of ordinary shares in issue during the period of 363,363,636 (30 November 2007: 187,000,000).

(b) The calculation of fully diluted earnings per share is based on the profit for the year of \$7,589,000 (30 November 2007: \$1,938,000) divided by the weighted average number of ordinary shares in issue during the year of 397,113,636 (30 November 2007: 187,000,000).

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year

	Group		Company	
	30-Nov-08	31-May-08	30-Nov-08	31-May-08
Net asset value per ordinary share based on issued share capital at the end of the financial year (cents)	17.41	15.07	15.53	13.67

The net asset value per ordinary share is computed based on the issued and paid-up capital of 363,363,636 ordinary shares as at 30 November 2008 (363,363,636 ordinary shares as at 31 May 2008).

VAN DER HORST ENERGY LIMITED

- 8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

The Group posted a lower revenue of \$11.3 million in the H1 FY2009, a decrease of 16% as compared to \$13.4 million in the previous corresponding period. For this half year, the group has experienced a decrease in the freight and metal business and an increase in the warehousing business.

The Group's gross profit margin decreased from 36% to 33% due to higher operating costs and a more competitive environment. The general logistics business gross profit margin remained at 33% for the local sector mainly due to higher utilisation of warehousing storage recorded in our warehouses as well as higher utilisation rates of the equipments in the transportation divisions.

General and administrative expenses have increased from \$2.4 million to \$3.1 million. The increase is mainly due to a general increase in staff cost and the inclusion of new staff from the energy segment.

Profit increased mainly due to a one off gain from disposal of subsidiary, GKE Tianjin in H1 FY2009 amounting to \$6.8 million. The Group posted an exchange gain of \$0.1 million due to a weaker US dollar.

The Group's cash and cash equivalent holdings increased by \$16.4 million due to the proceeds from the disposal of the Tianjin subsidiary which accounted for \$17.4 million. Operating cash flow decreased due to the addition of prepayments from energy segment as well as a temporary increase in debtors for the metal logistics segment. There were cash outflows in the investment in an associate as well as purchase of fixed assets.

The decrease in non-current liabilities of \$0.2 million was attributed to the repayment of finance leases.

Total group liabilities have increased by \$0.5 million mainly due to accrual of payments in metal logistics.

- 9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

No forecast or prospect statement had been previously disclosed to shareholders.

- 10. A commentary at the date of the announcement of the competitive of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group expects market conditions to remain competitive for the next 12 months. The metal logistics segment is expected to perform better in the next 6 months due to higher storage volume in the warehouse. The general logistics segment will experience a decrease in revenue due to the global economic slow down.

The Group is in the process of injecting more capital for additional stakes up to 51% in an existing associate, Shenyang China Starzyme which is in the manufacture of enzymes. We expect marginal contribution for the fourth quarter from this acquisition.

In addition, the Group is in negotiations to acquire a fleet of prime movers and trailers to improve the service level to our existing clients.

VAN DER HORST ENERGY LIMITED

The Group will continue to strengthen and develop its core metal logistics and general logistics business and explore suitable investment platform which will provide attractive growth opportunities and result in synergy with our logistics and warehousing business.

Barring unforeseen circumstances, the logistics segment is expected to remain profitable while the energy segment is not expected to generate any revenue in the next six months.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? Yes

Name of dividend : Interim
Dividend Type : Cash
Dividend Rate : Tax exempt one-tier dividend of \$0.01 per share

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

None

(c) Date payable

16 February 2009

(d) Books closure date

3 February 2009

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

Not applicable

BY ORDER OF THE BOARD

PETER CHENG LIM KONG
Chief Executive Officer

**CONFIRMATION OF NEGATIVE ASSURANCE ON INTERIM RESULTS
BY THE BOARD OF DIRECTORS (THE "BOARD") OF VAN DER HORST
ENERGY LIMITED (THE "COMPANY") PURSUANT TO RULE 705(4) OF THE
LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING
LIMITED**

For the result announcement for the half-year ended 30 November 2008

We, Mr Cheng Lim Kong, Peter and Mr Neo Cheow Hui, being Directors of the Company, do hereby confirm, for and on behalf of the Board of the Company, that, to the best of our knowledge, nothing has come to the attention of the Board which may render the half-year financial results for the period ended 30 November 2008 to be false and misleading.

On behalf of the Board of Directors

Cheng Lim Kong, Peter
Executive Director

Neo Cheow Hui
Executive Director

Date: 14 January 2009