



**VAN DER HORST ENERGY LIMITED**  
(Company Registration No. 200001941G)

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**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2010**

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**PART 1 - INFORMATION REQUIRED FOR ANNOUNCEMENT OF QUARTERLY (Q1, Q2 & Q3), HALF AND FIRST QUARTER RESULTS**

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

	<b>The Group</b>		
	<b>Period Ended 31 August</b>		
	<b>2010</b>	<b>2009</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>Revenue</b>	6,889	5,267	30.8
Cost of sales	(4,687)	(3,500)	33.9
Gross profit	2,202	1,767	24.6
Other income	127	283	(55.1)
Marketing and distribution costs	(122)	(84)	45.2
Administrative expenses	(1,819)	(1,654)	10.0
Finance costs	(9)	(66)	(86.4)
Other expenses	(129)	-	n.m
<b>Profit before tax</b>	250	246	
Tax expense	(57)	(102)	(44.1)
<b>Profit for the period</b>	193	144	
<b>Attributable to:</b>			
Owners of the parent	367	297	n.m
Minority interests	(174)	(153)	n.m
<b>Profit for the period</b>	193	144	

**Profit for the period includes the following items :**

	<b>The Group</b>		
	<b>Period Ended 31 August</b>		
	<b>2010</b>	<b>2009</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
Loss on foreign exchange	(118)	-	n.m
Gain on disposal of available-for-sale investments	-	157	n.m
Depreciation of property, plant and equipment	(619)	(622)	(0.5)
Dividend income from available-for-sale investments	50	103	(51.1)
Interest income	40	21	90.5
Gain on disposal of property, plant and equipment	48	1	n.m
Property, plant and equipment written off	(10)	-	n.m

n.m - not meaningful



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**1(a)(i) Consolidated Statement of Comprehensive Income for the period ended 31 August 2010**

The Statement of Comprehensive Income included as part of the results of the announcement is in compliance with the revised Financial Reporting Standard (FRS) 1 (effective from 1 January 2009).

	<b>The Group</b>		
	<b>Period Ended 31 August</b>		
	<b>2010</b>	<b>2009</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>Profit for the year</b>	193	144	34.0
<b>Other comprehensive income</b>			
Foreign currency translation	(215)	(39)	n.m
Net gain on available-for-sale investments	504	1,747	(71.2)
<b>Total comprehensive income</b>	482	1,852	
Total comprehensive income attributable to:			
Owners of the parent	744	2,022	(63.2)
Minority interests	(262)	(170)	n.m
	482	1,852	

	<b>The Company</b>		
	<b>Period Ended 31 August</b>		
	<b>2010</b>	<b>2009</b>	<b>% change</b>
	<b>S\$'000</b>	<b>S\$'000</b>	<b>+ / (-)</b>
<b>Profit for the year</b>	(155)	6,448	n.m
<b>Other comprehensive income</b>			
Net gain on available-for-sale investments	504	1,747	(71.2)
<b>Total comprehensive income</b>	349	8,195	
Total comprehensive income attributable to:			
Owners of the parent	349	8,195	(95.7)
Minority interests	-	-	n.m
	349	8,195	



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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 period

	The Group		The Company	
	31.8.2010 S\$'000	31.05.2010 S\$'000	31.8.2010 S\$'000	31.05.2010 S\$'000
<b>Non-current assets</b>				
Property, plant and equipment	36,186	28,520	344	386
Investments in subsidiaries	-	-	22,641	22,641
Available-for-sale investments	13,257	12,246	13,257	12,246
Trade and other receivables	-	-	2,158	2,158
	<b>49,443</b>	<b>40,766</b>	<b>38,400</b>	<b>37,431</b>
<b>Current assets</b>				
Inventories	452	402	-	-
Trade and other receivables	8,561	7,422	1,262	1,586
Cash and bank balances	18,743	17,310	8,856	9,137
	<b>27,756</b>	<b>25,134</b>	<b>10,118</b>	<b>10,723</b>
<b>Total assets</b>	<b>77,199</b>	<b>65,900</b>	<b>48,518</b>	<b>48,154</b>
<b>Equity</b>				
Share capital	62,215	62,215	62,215	62,215
Accumulated profits/(losses)	(12,765)	(13,132)	(19,481)	(19,326)
Other reserves	5,494	5,117	4,008	3,504
	<b>54,944</b>	<b>54,200</b>	<b>46,742</b>	<b>46,393</b>
<b>Minority interests</b>	2,446	2,708	-	-
<b>Total equity</b>	<b>57,390</b>	<b>56,908</b>	<b>46,742</b>	<b>46,393</b>
<b>Non-current liabilities</b>				
Borrowings	8,494	825	-	-
Deferred tax liabilities	1,981	1,910	819	716
Finance lease liabilities	2	19	-	-
	<b>10,477</b>	<b>2,754</b>	<b>819</b>	<b>716</b>
<b>Current liabilities</b>				
Trade and other payables	7,425	4,638	661	741
Tax payable	982	982	268	269
Finance lease liabilities	206	340	28	35
Borrowings	719	278	-	-
	<b>9,332</b>	<b>6,238</b>	<b>957</b>	<b>1,045</b>
<b>Total liabilities</b>	<b>19,809</b>	<b>8,992</b>	<b>1,776</b>	<b>1,761</b>
<b>Total equity and liabilities</b>	<b>77,199</b>	<b>65,900</b>	<b>48,518</b>	<b>48,154</b>



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

(a) Amount repayable in one year or less, or on demand

	<u>The Group</u>		<u>The Group</u>	
	<u>As at 31 August 2010</u>		<u>As at 31 May 2010</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Finance lease liabilities	206	-	340	-
Borrowings	719	-	278	-

(b) Amount repayable after one year

	<u>The Group</u>		<u>The Group</u>	
	<u>As at 31 August 2010</u>		<u>As at 31 May 2010</u>	
	<u>Secured</u>	<u>Unsecured</u>	<u>Secured</u>	<u>Unsecured</u>
	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>	<u>S\$'000</u>
Finance lease liabilities	2	-	19	-
Borrowings	8,494	-	825	-

(c) Details of any collateral

Finance leases are entered into for certain plants & equipment that are secured by the lessor's charge over the leased assets and are secured by Corporate Guarantee from Van der Horst Energy Limited ("VDHE").

Borrowings comprise bank borrowings by Chaoyang China Starzyme Co. Ltd & GKE Warehousing and Logistics Pte Ltd ("GKEW") amounting to S\$1.5 million and S\$7.7 million respectively. The borrowings are secured by properties pledged from GKEW with a financial institution and corporate guarantee from VDHE amounting to S\$3.2 million and S\$15 million respectively.



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

	<b>The Group</b>	
	<b>Period Ended 31 August</b>	
	<b>2010</b>	<b>2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>
<b>Operating activities</b>		
Profit before tax	250	246
Adjustments for:		
Dividend income from available-for-sale investments	(50)	(103)
Interest income	(40)	(21)
Interest expense	9	66
Depreciation of property, plant and equipment	619	622
Property, plant and equipment written off	10	-
Gain on disposal of property, plant and equipment	(48)	(1)
Gain on disposal of available-for-sale investments	-	(157)
<b>Operating profit before working capital changes</b>	<b>750</b>	<b>652</b>
Changes in working capital:		
Trade and other receivables	(1,139)	(254)
Inventories	(50)	(125)
Trade and other payables	2,787	(2,735)
<b>Cash generated from/(used in) operations</b>	<b>2,348</b>	<b>(2,462)</b>
Interest received	40	21
Interest paid	(9)	(66)
Income tax paid	(57)	-
<b>Net cash flows from/(used in) operating activities</b>	<b>2,322</b>	<b>(2,507)</b>
<b>Investing activities</b>		
Purchase of available-for-sale investments	(405)	(3,209)
Purchase of property, plant and equipment	(8,572)	(921)
Proceeds from disposal of available-for-sale investments	-	308
Dividend received from available-for-sale investments	50	103
Disposal of property, plant and equipment	57	38
<b>Net cash flows used in investing activities</b>	<b>(8,870)</b>	<b>(3,681)</b>
<b>Financing activities</b>		
Deposits pledged	1,913	-
Increase in bank borrowings	8,110	-
Finance lease repayments	(151)	(109)
<b>Net cash from/(used in) financing activities</b>	<b>9,872</b>	<b>(109)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>3,324</b>	<b>(6,297)</b>
Cash and cash equivalents at beginning of period <sup>(1)</sup>	15,397	22,994
Effects of exchange rate changes on balances held in foreign currency	22	8
<b>Cash and cash equivalents at end of period <sup>(1)</sup></b>	<b>18,743</b>	<b>16,705</b>



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Explanatory Notes:

(1) Cash and cash equivalents in the cash flow statement comprises the following:-

	<b>The Group</b>	
	<b>31.8.2010</b>	<b>31.8.2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	5,467	11,738
Fixed deposits - current	13,276	6,867
Less: Fixed deposits - pledged	-	(1,900)
<b>Cash and cash equivalents</b>	<b>18,743</b>	<b>16,705</b>

	<b>The Group</b>	
	<b>01.06.2010</b>	<b>01.06.2009</b>
	<b>S\$'000</b>	<b>S\$'000</b>
Cash and bank balances	17,310	12,913
Fixed deposits - current	-	13,734
Less: Fixed deposits - pledged	(1,913)	(3,653)
<b>Cash and cash equivalents</b>	<b>15,397</b>	<b>22,994</b>



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**UNAUDITED FIRST QUARTER FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31 AUGUST 2010**

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

**Statement of Changes in Equity for the period ended 31 August 2010**

The Group	Share capital	Accumulated profits / (losses)	Other reserves	Equity relating to assets held for sale	Total attributable to owners of the parent	Minority interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 June 2009</b>	51,215	7,232	1,348	-	59,795	4,156	63,951
Total comprehensive income	-	314	1,708	-	2,022	(170)	1,852
<b>Balance as at 31 August 2009</b>	51,215	7,546	3,056	-	61,817	3,986	65,803
<b>Balance as at 1 June 2010</b>	62,215	(13,132)	5,117	-	54,200	2,708	56,908
Total comprehensive income	-	367	377	-	744	(262)	482
<b>Balance as at 31 August 2010</b>	62,215	(12,765)	5,494	-	54,944	2,446	57,390

The Company	Share capital	Accumulated profits / (losses)	Other reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Balance as at 1 June 2009</b>	51,215	1,996	887	54,098
Total comprehensive income	-	6,448	1,747	8,195
<b>Balance as at 31 August 2009</b>	51,215	8,444	2,634	62,293
<b>Balance as at 1 June 2010</b>	62,215	(19,326)	3,504	46,393
Total comprehensive income	-	(155)	504	349
<b>Balance as at 31 August 2010</b>	62,215	(19,481)	4,008	46,742



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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 purposes 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 period

**Details of any changes in the Company's issued share capital**

	<u>31.8.2010</u>	<u>31.5.2010</u>
		S\$'000
Total number of issued shares (excluding treasury shares)	<u>463,363,636</u>	<u>463,363,636</u>

**1(d)(iii) Disclosure of information required under paragraph 1(d)(iii) and (iv) of App. 7.2 of the listing manual**

Please refer to 1(d)(ii). There were no treasury shares as at 31 August 2010.

**1(d)(iv) A statement showing all sales, transfer, disposal, cancellation and/or used of treasury shares as at 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 equivalent standard)**

The figures have not been reviewed nor audited.

**3. Where these figures have been audited or reviewed, the auditor's 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 adopted the new/revised FRS and Interpretations of FRS ("INT FRS") that are effective for annual periods beginning on or after 1 January 2009. 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 that are relevant to the Group:

FRS 1 (Revised 2008)	Presentation of Financial Statements
FRS 23 (Revised 2007)	Borrowing Costs
FRS 108	Operating segments
FRS 107	Financial Instruments: Disclosures

The adoption of the above FRS did not result in any substantial change to the Group's accounting policies nor any significant impact on the financial statements.





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**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**

Not Applicable.

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

	<b>The Group</b>	
	<b>Period Ended 31 August</b>	
	<b>2010</b>	<b>2009</b>
Earnings per share (in SGD cents)		
- Basic <sup>(1)</sup>	0.08	0.08
- Fully diluted <sup>(2)</sup>	0.08	0.08

Notes:

(1) The calculation of basic earnings per share is based on the profit for the period of S\$367,000 (2009: S\$297,000) divided by the weighted number of ordinary shares in issue during the period of 463,363,636 (2009: 363,363,636).

(2) The calculation of fully diluted earnings per share is based on the profit for the period of S\$367,000 (2009: S\$297,000) divided by the weighted number of ordinary shares in issue during the period of 463,363,636 (2009: 375,920,197). Diluted earnings per share for financial period ended 31 August 2010 is the same as basic earnings per share as the Group does not have any dilutive potential ordinary shares.

**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 period**

	<b>The Group</b>		<b>The Company</b>	
	<b>31.8.2010</b>	<b>31.5.2010</b>	<b>31.8.2010</b>	<b>31.5.2010</b>
Net assets (S\$'000)	54,944	54,200	46,742	46,393
<b>Net asset value per share (in SGD cents)</b>	11.86	11.70	10.09	10.01
Number of shares used in calculating NAV	463,363,636	463,363,636	463,363,636	463,363,636



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**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 cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**8(a) REVIEW OF THE PERFORMANCE OF THE GROUP**

For the first quarter ended 31 August 2010, the Group's revenue increased by 30.8% from S\$5.3 million to S\$6.9 million as the logistic business is gradually recovering from the economic recession.

The Group's gross profit increased by 24.6% from S\$1.8 million to S\$2.2 million in tandem with the increase in revenue.

"Other income" comprises dividend received and interest income from financial institutions.

Administrative costs increased by 10% from S\$1.7 million to S\$1.8 million as the Group continued expanding its business in China and increase in legal and professional expenses. The business expansion is expected to continue in the this financial year.

Other expenses comprise mainly unrealised exchange losses amounting to S\$0.1 million due to US dollar receivables and Chinese Yuan payables held by the Group.

**8(b) REVIEW OF THE FINANCIAL POSITION OF THE GROUP**

The construction of a warehouse cum office complex (including corporate headquarter) on the plot of land at the junction of Pioneer Road and Benoi Road increased the value of property, plant & equipment from S\$28.5 million to S\$36.1 million.

Available-for-sale investments increased from S\$12.2 million to S\$13.2 million due to the purchase of unquoted shares amounting to S\$0.4 million and fair value adjustments of S\$0.6 million.

Trade & other receivables increased from S\$7.4 million to S\$8.6 million which is in line with the increased transactions and volume from metal logistics.

The increase in cash and bank balances from S\$17.3 million to S\$18.7 million is mainly due to constant effort by the Group in receivable collections and cash in-flow from loan drawn down. Increase in trade & other payables from S\$4.6 million to S\$7.4 million is largely attributable to accrued costs arising from the construction of warehouse facility as mentioned above.

The increase in borrowings from S\$1.1 million to S\$9.2 million relates to bank loans drawn down for funding the construction of warehouse cum office complex at the junction of Pioneer Road.

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

No forecast or prospect statement was previously announced.

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

The Group will continue to strengthen and develop its general logistic and metal logistics business, which comprises warehousing, distribution, forwarding and transportation. Our new office cum warehouse complex has been completed in August 2010.

The Group's 51% owned subsidiary, Liaoning China Starzyme Co. Ltd had commenced the production of enzymes for Animal Feeds in the last financial year and is currently in the midst of building up our sales network in Greater China.



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**11. Dividend**

**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

No.

**(b) Corresponding Period of the Immediately Preceding Financial period**

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

No.

**(c) Date Payable**

Not Applicable.

**(d) Books closure date**

Not Applicable.

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

Not Applicable.

**BY ORDER OF THE BOARD**

Cheng Lim Kong  
Chief Executive Officer  
8th October 2010

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, KW Capital Pte. Ltd. (the "Sponsor") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the "SGX-ST"). The Sponsor has not independently verified the contents of this announcement.*

*This announcement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The details of the contact person for the Sponsor are:*

*Name: Mr Yang Eu Jin  
Address: 80 Raffles Place, #25-01 UOB Plaza 1, Singapore 048624  
Telephone (65) 6238 3377*

**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(5) OF THE  
LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING  
LIMITED**

**For the result announcement for the first quarter ended 31 August 2010**

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 first quarter financial results for the period ended 31 August 2010 to be false and misleading.

On behalf of the Board of Directors

\_\_\_\_\_  
Cheng Lim Kong, Peter  
Executive Director

\_\_\_\_\_  
Neo Cheow Hui  
Executive Director

Date: 08 October 2010