



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

UNAUDITED HALF YEAR FINANCIAL STATEMENTS FOR THE PERIOD ENDED 30 NOVEMBER 2011

PART 1 - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS

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

	The Group		
	Period Ended 30 November		
	2011	2010	%
	S\$'000	S\$'000	change + / (-)
Revenue	18,289	13,578	34.7
Cost of sales	(12,139)	(9,323)	30.2
Gross profit	6,150	4,255	44.5
Other income	780	1,291	(39.6)
Marketing and distribution costs	(317)	(315)	0.6
Administrative expenses	(4,398)	(3,794)	15.9
Finance costs	(96)	(271)	(64.6)
Other expenses	(80)	(115)	(30.4)
Profit before tax	2,039	1,051	
Tax expense	(145)	(109)	33.0
Profit for the period	1,894	942	
Attributable to:			
Owners of the Company	2,111	1,187	77.8
Non-controlling interests	(217)	(245)	(11.4)
Profit for the period	1,894	942	

Profit for the period includes the following items :

	The Group		
	Period Ended 30 November		
	2011	2010	%
	S\$'000	S\$'000	change + / (-)
Loss on foreign exchange	(80)	(117)	(31.6)
Gain on disposal of available-for-sale investments	573	682	(16.0)
Depreciation of property, plant and equipment	(2,162)	(1,466)	47.5
Dividend income from available-for-sale investments	39	131	(70.4)
Interest income	63	30	110.0
Gain on disposal of property, plant and equipment	59	57	3.5
Property, plant and equipment written off	(8)	(16)	(50.0)
Allowance for doubtful debts written back	-	350	(100.0)



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1(a)(i) Consolidated Statement of Comprehensive Income for the period ended 30 November 2011

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).

	The Group		
	Period Ended 30 November		
	2011	2010	% change
	S\$'000	S\$'000	+ / (-)
Profit for the period	1,894	942	101.1
Other comprehensive income			
Foreign currency translation	856	(300)	(385.3)
Fair value transfer to the income statement on disposal of available-for-sale investments	(582)	-	100.0
Fair value (loss)/gain on available-for-sale investments	(615)	344	(278.8)
Total comprehensive income	<u>1,553</u>	<u>986</u>	
Total comprehensive income attributable to:			
Owners of the Company	1,505	1,333	12.9
Non-controlling interests	48	(347)	(113.8)
	<u>1,553</u>	<u>986</u>	

	The Company		
	Period Ended 30 November		
	2011	2010	% change
	S\$'000	S\$'000	+ / (-)
(Loss)/profit for the period	(58)	285	(120.4)
Other comprehensive income			
Fair value transfer to the income statement on disposal of available-for-sale investments	(582)	-	100.0
Fair value (loss)/gain on available-for-sale investments	(615)	344	(278.8)
Total comprehensive income	<u>(1,255)</u>	<u>629</u>	
Total comprehensive income attributable to:			
Owners of the Company	(1,255)	629	(299.5)
Non-controlling interests	-	-	
	<u>(1,255)</u>	<u>629</u>	



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

	The Group		The Company	
	30.11.2011 S\$'000	31.05.2011 S\$'000	30.11.2011 S\$'000	31.05.2011 S\$'000
Non-current assets				
Property, plant and equipment	43,467	44,088	423	512
Investments in subsidiaries	-	-	35,242	32,065
Available-for-sale investments	3,418	5,281	3,418	5,281
Trade and other receivables	-	-	1,957	1,658
	46,885	49,369	41,040	39,516
Current assets				
Inventories	418	510	-	-
Trade and other receivables	14,167	7,841	1,416	5,912
Cash and bank balances	15,129	17,128	2,208	5,672
	29,714	25,479	3,624	11,584
Total assets	76,599	74,848	44,664	51,100
Equity				
Share capital	62,215	62,215	62,215	62,215
Accumulated losses	(11,290)	(8,767)	(19,178)	(14,486)
Other reserves	6,503	7,109	65	1,262
	57,428	60,557	43,102	48,991
Non-controlling interests	4,138	2,383	-	-
Total equity	61,566	62,940	43,102	48,991
Non-current liabilities				
Deferred tax liabilities	2,526	2,457	211	211
	2,526	2,457	211	211
Current liabilities				
Trade and other payables	8,611	6,017	687	1,234
Tax payable	1,329	1,449	664	664
Finance lease liabilities	368	343	-	-
Borrowings	2,199	1,642	-	-
	12,507	9,451	1,351	1,898
Total liabilities	15,033	11,908	1,562	2,109
Total equity and liabilities	76,599	74,848	44,664	51,100



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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 30 November 2011</u>		<u>As at 31 May 2011</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	368	-	343	-
Borrowings	2,199	-	1,642	-

(b) Amount repayable after one year

	<u>The Group</u>		<u>The Group</u>	
	<u>As at 30 November 2011</u>		<u>As at 31 May 2011</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	-	-	-	-
Borrowings	-	-	-	-

(c) Details of any collateral

Finance leases are entered into for certain motor vehicles, trailers and forklifts 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 and Shenyang Sunrise Bio-tech Co., Ltd which amounting to S\$2.6 million and S\$0.2 million respectively. Secured borrowings are generally secured by properties of borrowing companies or fellow subsidiaries.



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

	The Group	
	Period Ended 30 November	
	2011	2010
	S\$'000	S\$'000
Operating activities		
Profit before tax	2,039	1,051
Adjustments for:		
Dividend income from available-for-sale investments	(39)	(131)
Interest income	(63)	(30)
Interest expense	96	271
Depreciation of property, plant and equipment	2,162	1,466
Property, plant and equipment written off	8	16
Gain on disposal of property, plant and equipment	(59)	(57)
Gain on disposal of available-for-sale investments	(573)	(682)
Operating profit before working capital changes	<u>3,571</u>	<u>1,904</u>
Changes in working capital:		
Trade and other receivables	(6,326)	(897)
Inventories	92	(82)
Trade and other payables	2,594	1,359
Cash generated (used in)/from operations	<u>(69)</u>	<u>2,284</u>
Interest received	63	30
Interest paid	(96)	(271)
Income tax paid	(265)	(276)
Net cash flows (used in)/from operating activities	<u>(367)</u>	<u>1,767</u>
Investing activities		
Purchase of available-for-sale investments	-	(405)
Purchase of property, plant and equipment	(1,103)	(10,950)
Proceeds from disposal of available-for-sale investments	1,239	1,386
Dividend income from available-for-sale investments	39	131
Proceeds from disposal of property, plant and equipment	46	66
Net cash flows from/(used in) investing activities	<u>221</u>	<u>(9,772)</u>
Financing activities		
Contribution from non-controlling interests	1,707	-
Deposits pledged	-	1,913
Dividends paid on ordinary shares	(4,634)	-
Increase in bank borrowings	557	11,691
Increase in finance leases	229	-
Repayment of obligations under finance leases	(204)	(238)
Net cash (used in)/from financing activities	<u>(2,345)</u>	<u>13,366</u>
Net (decrease)/increase in cash and cash equivalents	<u>(2,491)</u>	<u>5,361</u>
Cash and cash equivalents at beginning of period ⁽¹⁾	17,128	15,397
Effect of exchange rate changes on cash and cash equivalents	492	(26)
Cash and cash equivalents at end of period ⁽¹⁾	<u><u>15,129</u></u>	<u><u>20,732</u></u>



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Explanatory Notes:

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

	The Group	
	30.11.2011	30.11.2010
	S\$'000	S\$'000
Cash and bank balances	14,629	9,140
Fixed deposits - current	500	11,592
Less: Fixed deposits - pledged	-	-
Cash and cash equivalents	15,129	20,732

	The Group	
	01.06.2011	01.06.2010
	S\$'000	S\$'000
Cash and bank balances	13,128	17,310
Fixed deposits - current	4,000	-
Less: Fixed deposits - pledged	-	(1,913)
Cash and cash equivalents	17,128	15,397



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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 period

Statement of Changes in Equity for the period ended 30 November 2011

The Group	Share capital	Accumulated profits/(losses)	Other reserves	Total attributable to owners of the parent	Non-controlling interests	Total equity
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 June 2010	62,215	(13,132)	5,117	54,200	2,708	56,908
Profit for the period	-	1,187	-	1,187	(245)	942
<u>Other comprehensive income</u>						
Fair value gain on available-for-sale investments	-	-	344	344	-	344
Foreign currency translation	-	-	(170)	(170)	(130)	(300)
Total other comprehensive income	-	-	174	174	(130)	44
Total comprehensive income for the period	-	1,187	174	1,361	(375)	986
Total transactions with owners in their capacity as owners	-	-	-	-	-	-
Balance as at 30 November 2010	62,215	(11,945)	5,291	55,561	2,333	57,894
Balance as at 1 June 2011	62,215	(8,767)	7,109	60,557	2,383	62,940
Profit for the period	-	2,111	-	2,111	(217)	1,894
<u>Other comprehensive income</u>						
Fair value transfer to the income statement on disposal of available-for-sale investments	-	-	(582)	(582)	-	(582)
Fair value gain on available-for-sale investments	-	-	(615)	(615)	-	(615)
Foreign currency translation	-	-	591	591	265	856
Total other comprehensive income	-	-	(606)	(606)	265	(341)
Total comprehensive income	-	2,111	(606)	1,505	48	1,553
<u>Contribution by and distributions to owners</u>						
Contribution from non-controlling interests	-	-	-	-	1,707	1,707
Dividends on ordinary shares	-	(4,634)	-	(4,634)	-	(4,634)
Total Contribution by and distributions to owners	-	(4,634)	-	(4,634)	1,707	(2,927)
Total transactions with owners in their capacity as owners	-	(4,634)	-	(4,634)	1,707	(2,927)
Balance as at 30 November 2011	62,215	(11,290)	6,503	57,428	4,138	61,566



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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 period

Statement of Changes in Equity for the period ended 30 November 2011

The Company	Share capital	Accumulated profits / (losses)	Other reserves	Total Equity
	S\$'000	S\$'000	S\$'000	S\$'000
Balance as at 1 June 2010	62,215	(19,326)	3,504	46,393
Profit for the period	-	285	-	285
<u>Other comprehensive income</u>				
Fair value gain on available-for-sale investments	-	-	344	344
Total other comprehensive income	-	-	344	344
Total comprehensive income	-	285	344	629
Balance as at 30 November 2010	62,215	(19,041)	3,848	47,022
Balance as at 1 June 2011	62,215	(14,486)	1,262	48,991
Loss for the period	-	(58)	-	(58)
<u>Other comprehensive income</u>				
Fair value transfer to the income statement on disposal of available-for-sale investments	-	-	(582)	(582)
Fair value gain on available-for-sale investments	-	-	(615)	(615)
Total other comprehensive income	-	-	(1,197)	(1,197)
Total comprehensive income	-	(58)	(1,197)	(1,255)
<u>Contribution by and distributions to owners</u>				
Dividends on ordinary shares	-	(4,634)	-	(4,634)
Total transactions with owners in their capacity as owners	-	(4,634)	-	(4,634)
Balance as at 30 November 2011	62,215	(19,178)	65	43,102



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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>30.11.2011</u>	<u>31.5.2011</u>
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 Appendix 7C of the listing manual

Please refer to 1(d)(ii). There were no treasury shares as at 30 November 2011.

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 has applied the same accounting policies and methods of computation in the financial statements for the current financial period as those used in the most recently audited financial statements for the year ended 31 May 2011, except for the adoption of new/revised Financial Reporting Standards ("FRS") and Interpretations of FRS ("INT FRS") applicable to the Group for the financial period beginning 1 June 2011.

The adoption of new/revised FRS and INT FRS have no material financial 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

	<u>The Group</u>	
	<u>Period Ended 30 November</u>	<u>2010</u>
	<u>2011</u>	<u>2010</u>
Earnings per share (in SGD cents)		
- Basic ⁽¹⁾	0.46	0.26
- Fully diluted ⁽²⁾	0.46	0.26

Notes:

(1) The calculation of basic earnings per share is based on the profit for the period of S\$2,111,000 (2010: S\$1,187,000) divided by the weighted number of ordinary shares in issue during the period of 463,363,636 (2010: 463,363,636).

(2) The calculation of fully diluted earnings per share is based on the profit for the period of S\$2,111,000 (2010: S\$1,187,000) divided by the weighted number of ordinary shares in issue during the period of 463,363,636 (2010: 463,363,636). Diluted earnings per share for financial period ended 30 November 2011 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

	<u>The Group</u>		<u>The Company</u>	
	<u>30.11.2011</u>	<u>31.5.2011</u>	<u>30.11.2011</u>	<u>31.5.2011</u>
Net assets (S\$'000)	57,428	60,557	43,102	48,991
Net asset value per share (in SGD cents)	12.39	13.07	9.30	10.57
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 half ended 30 November 2011, the Group's revenue increased by 34.7% from S\$13.6 million to S\$18.3 million due to higher business volumes for the logistic segment in Singapore.

The Group's gross profit rose by 44.5% from S\$4.3 million to S\$6.2 million which is in tandem with the increase in revenue.

"Other income" reduced from S\$1.3 million to S\$0.8 million due to the allowance for doubtful debts written back amounting to S\$0.4 million in the previous financial period and the reduction in gain on disposal of quoted available-for-sale investments and dividend received.

Administrative costs increased by 15.9% from S\$3.8 million to S\$4.4 million which is largely due to the increased staff costs and depreciation of assets.

The reduction in finance costs is mainly attributed to bank loans repaid by the logistics subsidiaries in the previous financial period.

Other expenses comprise mainly unrealised exchange losses due to US dollar receivables and Chinese Yuan payables held by the Group.

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

The reduction in property, plant and equipment from S\$44.1 million to S\$43.5 million is mainly due to the depreciation of property, plant & equipment.

Available for sale investments reduced from S\$5.3 million to S\$3.4 million largely due to the downwards adjustment of fair valuation and sale of quoted shares during the financial period under review.

Cash and bank balances decreased from S\$17.1 million to S\$15.1 million mainly due to payment of dividends during the financial period after netting against cash inflow from the disposal of quoted available-for-sale investments and capital contribution from non-controlling interests.

The increase in trade and other receivables from S\$7.8 million to S\$14.2 million is mainly due to deposits paid by our overseas subsidiary for the acquisition of land in Shanghai. Increase in trade and other payables from S\$6.0 million to S\$8.6 million is largely due to the increase in accruals for metal storage costs.

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 logistics segment, which comprises warehousing, distribution, forwarding and transportation.

In view of the continued losses incurred by Liaoning China Starzyme Co., Ltd, the group is considering to divest the micro biotechnology segment and to explore any other options.



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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.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions are required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

The Group did not obtain a general mandate from shareholders for IPTs.

14. Negative confirmation pursuant to Rule 705(5).

The Board of Directors confirms that, to the best of their knowledge, nothing has come to their attention which may render the first half financial results of the Company and of the Group for the period ended 30 November 2011 to be false or misleading.

BY ORDER OF THE BOARD

Neo Cheow Hui
Chief Executive Officer and Executive Director
13th January 2012

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:

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