

29 August 2019

Australian Securities Exchange  
Company Announcements Platform  
**Electronic transmission**

**Results for announcement to the market**

The directors of Chalmers Limited provide Appendix 4E – Preliminary Final Report for release to the market which is presented in the following pages. Commentary of the year's performance can be found on page 11 – under Review of Operations.

Yours faithfully,

Kane Harnden  
Company Secretary

## Appendix 4E

### Preliminary final report

#### 1. Company details

<b>CHALMERS LIMITED</b>			
ABN	Financial year ended ('current period')		Financial year ended ('previous period')
<b>34 004 471 032</b>	<b>30 JUNE 2019</b>		<b>30 JUNE 2018</b>

#### 2. For announcement to the market

				\$A'000
2.1 Revenue from continuing operations	DOWN	9%	To	\$61,622
2.2 Profit (loss) from continuing operations after tax attributable to members	DOWN	794%	To	(\$5,125)
2.3 Net profit (loss) for the period attributable to members	DOWN	794%	To	(\$5,125)
2.4 Dividends	Amount per security		Franked amount per security	
No final dividend was declared	0¢		0¢	
No interim dividend was declared	0¢		0¢	
2.5 Record date for determining entitlements to the dividend	N/A			
2.6 Brief explanation of any of the figures reported above necessary to enable the figures to be understood.				
Please refer to Review of Operations at 14.2 for a detailed explanation				

### 3. Condensed consolidated Statement of Comprehensive Income

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue from continuing operations	61,622	67,877
Expenses from continuing operations	(68,473)	(68,225)
Finance costs	(391)	(373)
<b>Profit (loss) from continuing operations before tax</b>	<b>(7,242)</b>	<b>(721)</b>
Income tax (expense) / benefit	2,117	148
<b>Profit (loss) from continuing operations after tax</b>	<b>(5,125)</b>	<b>(573)</b>
Profit (loss) from extraordinary items after tax	-	-
<b>Net profit (loss)</b>	<b>(5,125)</b>	<b>(573)</b>
Net profit (loss) attributable to outside <sup>+</sup> equity interests	-	-
<b>Net profit (loss) for the period attributable to members</b>	<b>(5,125)</b>	<b>(573)</b>
<b>Non-owner transaction changes in equity</b>		
Increase in revaluation reserves	-	-
Net exchange differences recognised in equity	-	-
Other revenue, expense and initial adjustments recognised directly in equity (attach details)	-	-
Initial adjustments from UIG transitional provisions	-	-
Total transactions and adjustments recognised directly in equity	-	-
<b>Total changes in equity not resulting from transactions with owners as owners</b>	<b>(5,125)</b>	<b>(573)</b>

**Notes to condensed consolidated Statement of Comprehensive Income**

**3.1 Revenue and expenses from continuing operations**

	Current period - \$A'000	Previous corresponding period - \$A'000
Revenue from sales or services	61,526	67,790
Interest revenue	96	87
Other income:		
Profit/(Loss) on sale of non-current assets	(64)	221
Details of relevant expenses:		
Employee benefits	(24,902)	(25,000)
Property	(11,179)	(10,428)
Vehicle & Equipment	(10,517)	(10,016)
Other expenses	(9,885)	(8,279)
Subcontractor	(5,602)	(5,472)
Materials	(2,859)	(5,784)
Depreciation and amortisation	(3,466)	(3,467)
Finance costs	(391)	(373)

**3.2 Significant features of operating performance**

	Current period - \$A'000	Previous corresponding period - \$A'000
<i>Revenue from continuing operations includes:</i>		
Interest Revenue	96	87

### 3.3 Extraordinary Items

N/A
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### 3.4 Other Disclosures in accordance with AASB 101

	Current period - \$A'000	Previous corresponding period - \$A'000
Net gain/(loss) on disposal of non-current assets	(64)	221
Net increment/(decrement) arising from revaluation of non-current assets		
Net revenue/(expense) since the beginning of the reporting period resulting from deductions from the carrying amounts of assets:		
- depreciation of non-current assets	(3,466)	(3,467)
- doubtful and bad debts	(32)	(47)

#### 4. Condensed consolidated Statement of Financial Position

	At end of current period \$A'000	As shown in last annual report \$A'000
<b>Current assets</b>		
Cash and cash equivalents	539	2,305
Trade and other receivables	10,632	12,902
Inventories	358	392
Current tax asset	-	363
<b>Total current assets</b>	<b>11,529</b>	<b>15,962</b>
<b>Non-current assets</b>		
Property, plant and equipment (net)	33,082	35,576
Intangible assets	-	7
Deferred tax assets	2,637	520
<b>Total non-current assets</b>	<b>35,719</b>	<b>36,103</b>
<b>Total assets</b>	<b>47,248</b>	<b>52,065</b>
<b>Current liabilities</b>		
Trade and other payables	7,505	6,916
Borrowings	5,961	1,624
Provisions exc. tax liabilities	2,657	2,845
<b>Total current liabilities</b>	<b>16,123</b>	<b>11,385</b>
<b>Non current liabilities</b>		
Borrowings	2,727	7,256
Provisions exc. tax liabilities	544	445
<b>Total non-current liabilities</b>	<b>3,271</b>	<b>7,701</b>
<b>Total liabilities</b>	<b>19,394</b>	<b>19,086</b>
<b>Net assets</b>	<b>27,854</b>	<b>32,979</b>
<b>Equity</b>		
Capital/contributed equity	8,226	8,226
Retained profits / (accumulated losses)	19,628	24,753
<b>Equity attributable to members of the parent entity</b>	<b>27,854</b>	<b>32,979</b>
<b>Total equity</b>	<b>27,854</b>	<b>32,979</b>

#### 4.1 Condensed consolidated Statement of Changes in Equity

	At end of current period \$A'000	As shown in last annual report \$A'000
Total Equity at beginning of year	32,979	33,819
Add: Net Profit/(loss) for the year	(5,125)	(573)
Less: Dividends paid during year	-	(267)
<b>Total Equity at end of year</b>	<b>27,854</b>	<b>32,979</b>

## 5. Condensed consolidated Statement of Cash Flow

	Current period \$A'000	Previous corresponding period - \$A'000
<b>Cash flows related to operating activities</b>		
Receipts from customers	68,528	72,495
Payments to suppliers and employees	(69,115)	(69,555)
Interest and other items of similar nature received	96	87
Interest and other costs of finance paid	(396)	(375)
Income taxes (paid) / refund	343	(467)
<b>Net operating cash flows</b>	<b>(544)</b>	<b>2,185</b>
<b>Cash flows related to investing activities</b>		
Payment for purchases of property, plant and equipment and intangible assets	(955)	(1,303)
Proceeds from sale of property, plant and equipment	226	488
<b>Net investing cash flows</b>	<b>(729)</b>	<b>(815)</b>
<b>Cash flows related to financing activities</b>		
Proceeds from borrowings	1,000	-
Finance lease payments	(1,493)	(1,773)
Dividends paid	-	(267)
<b>Net financing cash flows</b>	<b>(493)</b>	<b>(2,040)</b>
<b>Net increase (decrease) in cash held</b>	<b>(1,766)</b>	<b>(670)</b>
Cash at beginning of period	2,305	2,975
<b>Cash at end of period</b>	<b>539</b>	<b>2,305</b>

### 5.1 Non-cash financing and investing activities

Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows are as follows.

Acquisition of plant & equipment by means of chattel mortgage contracts (A'000).  
Current period - \$300                      (Previous period - \$1,694)

### 5.2 Reconciliation of cash and cash equivalents

Reconciliation of cash at the end of the period (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.

	Current period \$A'000	Previous corresponding Period - \$A'000
Cash on hand and at bank	539	2,305
<b>Total cash at end of period</b>	<b>539</b>	<b>2,305</b>

### 5.3. Reconciliation of profit from ordinary activities after income tax to net cash inflow from operating activities

	Current period \$A'000	Previous corresponding period - \$A'000
<b>Operating loss after income tax</b>	(5,125)	(573)
Depreciation and amortisation	3,466	3,467
Net (profit)/loss on sale of non-current assets	64	(221)
<b>Change in operating assets and liabilities</b>		
Decrease/(increase) in trade debtors	1,405	(1,322)
Decrease/(increase) in inventories	34	(91)
(Increase) in deferred tax assets	(2,118)	(148)
Decrease in other operating receivables	865	330
Decrease/(increase) in current tax assets	363	(467)
Increase in trade creditors	860	2,648
(Decrease) in other payables	(271)	(1,373)
(Decrease) in provisions	(87)	(65)
<b>Net cash inflow/(outflow) from operating activities</b>	<b>(544)</b>	<b>2,185</b>

## 6. Dividends

### 6.1 Amount per security

	Amount per security	Franked amount per security at 30% tax	Amount per security of foreign source dividend
<b>Final dividend:</b> Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢
<b>Interim dividend:</b> Current year	0¢	0¢	0¢
Previous year	0¢	0¢	0¢

## 6.2 Total dividend per security (interim *plus* final)

	Current year	Previous year
Ordinary securities	0¢	0¢

## 7. Dividend Reinvestment Plans

At 30 June 2019 there was no dividend reinvestment plan in operation for Chalmers Limited

Any other disclosures in relation to dividends.

N/A

## 8. Consolidated retained profits

	Current period - \$A'000	Previous corresponding period - \$A'000
Retained profits (accumulated losses) at the beginning of the financial period	24,753	25,593
Net profit (loss) attributable to members	(5,125)	(573)
Dividends and other equity distributions paid	-	(267)
<b>Retained profits (accumulated losses) at end of financial period</b>	<b>19,628</b>	<b>24,753</b>

## 9. NTA backing per ordinary security

Current period	Previous corresponding Period
\$3.66	\$4.33

## 10. Control gained over entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) since the date in the current period on which control was <sup>+</sup> acquired	\$
Date from which such profit has been calculated	
Profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the whole of the previous corresponding period	\$

### 10.1 Loss of control of entities having material effect

Name of entity (or group of entities)	N/A
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) for the current period to the date of loss of control	\$
Date to which the profit (loss) in item 14.2 has been calculated	
Consolidated profit (loss) from ordinary activities and extraordinary items after tax of the controlled entity (or group of entities) while controlled during the whole of the previous corresponding period	\$
Contribution to consolidated profit (loss) from ordinary activities and extraordinary items from sale of interest leading to loss of control	\$

## 11. Details of associates and joint venture entities

N/A

## 12. Other significant information

N/A

## 13. Accounting standards used in foreign entities

N/A

## 14. Commentary on results for the period

## 14.1 Earnings per security (EPS)

	Current period	Previous corresponding Period
Basic EPS	(67.31)	(7.53)
Diluted EPS	(67.31)	(7.53)

## 14.2 Review of Operations

The operating result after tax for the half year ended June 2019 was a loss of \$5.125M on a revenue figure of \$61.6M.

Consistent with the Dec 18 results, the full year result has been impacted by the poor financial performance of the Melbourne and Brisbane empty container parks. The container stock levels and gate moves remain at historically low levels. These low levels of activity have been caused by a combination of loss of customers, adverse climatic conditions and change in shipping line behaviour, that is direct terminal de-hire.

The Chalmers Tank Service operations continued to suffer without being able to replace lost project work. The management team continued to develop alternative revenue streams for this asset, however it is the view of management that these alternatives will not deliver significant volumes until the second half of 2019/20.

Both the Queensland Logistics and Transport operations grew their revenue significantly over the previous twelve months. More importantly, this revenue growth translated into noticeably improved operating profits. Driving this improved profit were both imports and exports, with timber and aluminium being the main commodities.

The Melbourne Logistics operations experienced revenue growth from imported construction material and exported cotton, however the product handled had significantly lower yield which resulted in a significant operating loss.

The Melbourne transport operations have experienced severe downturns in revenue from lower exports from the agricultural sector due to climatic conditions. The increased business development activities achieved some success with addition of several new large clients.

On 28<sup>th</sup> June 2019, an indirectly wholly-owned subsidiary of Qube Holdings Limited announced an off-market takeover of all of the ordinary shares of Chalmers Limited. The announced takeover had the support of the board and of Chalmers' two largest shareholders. On 29<sup>th</sup> July 2019, Qube announced the fulfilment of the defeating conditions of the takeover.

15. This report is based on <sup>+</sup>accounts to which one of the following applies.
- |   |  |
|---|--|
| <input type="checkbox"/> The <sup>+</sup> accounts have been audited.   | <input type="checkbox"/> The <sup>+</sup> accounts have been subject to review.                  |
| <input checked="" type="checkbox"/> The <sup>+</sup> accounts are in the process of being audited or subject to review. | <input type="checkbox"/> The <sup>+</sup> accounts have <i>not</i> yet been audited or reviewed. |
16. If the accounts have not yet been audited or subject to review and are likely to be subject to dispute or qualification, details are described below
- N/A
17. If the accounts have been audited or subject to review and are subject to dispute or qualification, details are described below
- N/A

*By electronic lodgement*

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Company Secretary - Kane Harnden – 29 August 2019