

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2016

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

1(a)(i) An income statements 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.

	Note	3 Months Ended 30 June			6 Months Ended 30 June		
		2Q2016 S\$'000	2Q2015 S\$'000	Increase (Decrease) %	1H2016 S\$'000	1H2015 S\$'000	Increase (Decrease) %
Revenue		5,675	1,661	241.66	10,903	3,465	214.66
Cost of sales		(3,771)	(1,583)	138.22	(7,950)	(2,865)	177.49
Gross profit		1,904	78	n.m	2,953	600	n.m
Other income	1(a)(ii)	20	30	(33.33)	74	138	(46.38)
Other gain/(loss)	1(a)(ii)	273	81	237.04	(725)	322	(325.16)
Expenses							
- Selling and distribution expenses		-	(27)	(100)	-	(73)	(100)
- General and administrative expenses		(944)	(858)	10.02	(1,734)	(1,454)	19.26
- Finance expenses		(188)	(12)	n.m	(367)	(26)	n.m
- Other expenses	1(a)(ii)	(3)	(24)	(87.5)	(3)	(38)	(92.11)
Profit/(Loss) before income tax	1(a)(ii)	1,062	(732)		198	(531)	
Income tax credit/(expense)		8	-	n.m	20	(52)	n.m
Profit/(Loss) after income tax		1,070	(732)		218	(583)	
Other comprehensive loss: <i>Items that may be reclassified subsequently to profit or loss:</i>							
Currency translation differences arising from consolidation		(55)	-	n.m	(1,171)	-	n.m
Total comprehensive profit/(loss) for the financial period		1,015	(732)	n.m	(953)	(583)	n.m
Profit/(Loss) attributable to :							
Equity holders of the Company		474	(711)	n.m	(324)	(651)	n.m
Non-controlling interests		596	(21)	n.m	542	68	n.m
		1,070	(732)	n.m	218	(583)	n.m
Total comprehensive profit/(loss) attributable to:		445	(711)	n.m	(870)	(651)	n.m
Equity holders of the Company		570	(21)	n.m	(83)	68	n.m
Non-controlling interests		1,015	(732)	n.m	(953)	(583)	n.m

n.m = not meaningful

1(a)(ii) Additional notes to the statement of comprehensive income for the group for the corresponding period of the immediate preceding financial year.

	3 Months Ended 30 June			6 Months Ended 30 June		
	2Q2016	2Q2015	Increase (Decrease) %	1H2016	1H2015	Increase (Decrease) %
	S\$'000	S\$'000		S\$'000	S\$'000	
Other income:						
Interest income from banks	16	29	(44.83)	29	72	(59.72)
Government grant	3	-	100	43	63	(31.75)
Sundry income	1	1	-	2	3	(33.33)
	<u>20</u>	<u>30</u>		<u>74</u>	<u>138</u>	
Other gain/(loss):						
Gain on disposal of property, plant and equipment	39	94	(58.51)	39	124	(68.55)
Currency exchange gain/(loss)	234	(37)	(732.43)	(764)	174	(539.08)
Write back of allowance for doubtful debts (trade)	-	24	(100)	-	24	(100)
	<u>273</u>	<u>81</u>		<u>(725)</u>	<u>322</u>	
Other expenses:						
Changes in fair value of financial assets at fair value through profit or loss	-	(24)	(100)	-	(38)	(100)
Impairment loss on investment in available-for-sale financial assets	(3)	-	100	(3)	-	100
	<u>(3)</u>	<u>(24)</u>		<u>(3)</u>	<u>(38)</u>	
Depreciation included in:						
- cost of sales	(848)	(88)	863.64	(1,785)	(180)	891.67
- general and administrative expenses	(13)	(29)	(58.62)	(28)	(56)	(55.00)
Interest expenses	<u>(188)</u>	<u>(12)</u>	n.m	<u>(367)</u>	<u>(26)</u>	n.m

n.m = not meaningful

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

		Group		Company	
		As at 30 June 2016 S\$'000	As at 31 December 2015 S\$'000	As at 30 June 2016 S\$'000	As at 31 December 2015 S\$'000
	Note				
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	6,549	3,690	19	10
Inventories		370	177	-	-
Amounts due from subsidiaries		-	-	17,508	6,677
Cash and cash equivalents		10,829	12,385	9,043	3,452
Total current assets		17,748	16,252	26,570	10,139
Non-current assets					
Property, plant and equipment		57,516	61,712	-	-
Intangible assets		4,615	4,982	-	-
Investment in subsidiaries		-	-	20,164	20,164
Available-for-sale financial assets		12	15	-	-
Amounts due from subsidiaries		-	-	-	11,943
Trade and other receivables	1(b)(ii)	1,873	1,428	-	-
Total non-current assets		64,016	68,137	20,164	32,107
Total assets		81,764	84,389	46,734	42,246
LIABILITIES					
Current liabilities					
Bank borrowings	1(b)(iii)	1,459	-	-	-
Trade and other payables		9,822	12,273	202	337
Amounts due to subsidiaries		-	-	6,610	1,067
Finance lease liabilities	1(b)(iii)	402	428	-	-
Current income tax liabilities		82	120	-	-
Total current liabilities		11,765	12,821	6,812	1,404
Non-current liabilities					
Trade and other payables		10,335	10,520	-	-
Finance lease liabilities	1(b)(iii)	295	482	-	-
Deferred income tax liabilities		3,026	3,272	-	-
Total non-current liabilities		13,656	14,274	-	-
Total liabilities		25,421	27,095	6,812	1,404
NET ASSETS		56,343	57,294	39,922	40,842
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		29,575	29,575	29,575	29,575
Currency translation reserve		(649)	(105)	-	-
Retained earnings		15,189	15,513	10,347	11,267
Capital reserve		182	182	-	-
		44,297	45,165	39,922	40,842
Non-controlling interests		12,046	12,129	-	-
Total equity		56,343	57,294	39,922	40,842

1(b)(ii) Trade and other receivables comprises:

	Note	Group As at 30 June 2016 S\$'000	Group As at 31 December 2015 S\$'000	Company As at 30 June 2016 S\$'000	Company As at 31 December 2015 S\$'000
Current					
Trade receivables					
- Non-related parties		4,111	2,845	-	-
- Accrued service revenue		884	470	-	-
Less: Allowance for impairment of receivables of non-related parties		(106)	(116)	-	-
		4,889	3,199	-	-
Advance payment		1,225	32	-	-
Staff advances		-	2	-	-
GST recoverable		62	6	6	3
Sundry receivables		51	155	-	1
		6,227	3,394	6	4
Deposits		41	26	9	-
Prepayments		281	270	4	6
		6,549	3,690	19	10
Non-current					
Contingent considerations on acquisition of a subsidiary		1,350	1,408	-	-
Sundry receivables		523	5	-	-
		1,873	1,413	-	-
Prepayments		-	15	-	-
		1,873	1,428	-	-

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

	Group As at 30 June 2016 S\$'000	Group As at 31 December 2015 S\$'000
Revolving/non-revolving loan facility		
Amount repayable in one year or on demand	1,459	-

	Group As at 30 June 2016 Secured S\$'000	Group As at 30 June 2016 Unsecured S\$'000	Group As at 31 December 2015 Secured S\$'000	Group As at 31 December 2015 Unsecured S\$'000
Hire-purchase				
Amount repayable in one year or less, or on demand	402	-	428	-
Amount repayable after one year	295	-	482	-

Details of any collateral

PSL Holdings Limited and its subsidiary have granted corporate guarantees in relation to the finance lease liabilities for motor vehicles and revolving/non-revolving loan facility granted to a subsidiary.

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

	Group 3 Months Ended 30 June 2016 S\$'000		Group 6 Months Ended 30 June 2016 S\$'000	
	2015 S\$'000		2015 S\$'000	
Cash flows from operating activities				
Profit/(Loss) before tax	1,070	(732)	218	(531)
Adjustments for:				
Income tax (credit)/expenses	(7)	-	(19)	-
Depreciation of property, plant and equipment	860	117	1,813	236
Changes in fair value of financial assets at fair value through profit or loss	-	24	-	38
Gain on disposal of property, plant and equipment	-	(94)	-	(124)
Amortisation expense on intangible asset	82	-	166	-
Write back of allowance of doubtful debts (trade)	-	(24)	-	(24)
Unrealised currency translation (losses)/gain	(1,108)	-	352	-
Impairment loss on investment in available-for-sale financial assets	3	-	3	-
Interest income	(15)	(29)	(29)	(72)
Interest expense	187	12	366	26
Changes in working capital, net of effects from acquisition of subsidiaries:	1,072	(726)	2,870	(451)
(Increase)/Decrease in trade and other receivables	(2,246)	673	(3,697)	1,197
(Increase)/Decrease in inventories	(234)	55	(193)	55
Decrease in trade and other payables and accruals	(1,209)	(75)	(2,699)	(459)
Cash used in from operations	(2,617)	(73)	(3,719)	342
Interest received	15	29	29	72
Interest paid	(187)	(12)	(366)	(26)
Income tax refund	-	-	-	18
Income tax paid	(16)	-	(16)	(31)
Net cash (used in)/generated from operating activities	(2,805)	(56)	(4,072)	375
Cash flows from investing activities				
Refund of deposit from proposed investment	a/b	1,000	-	1,000
Deposit placed for proposed investment		-	(5,515)	-
Proceeds from disposal of subsidiaries		-	-	(8,249)
Purchase of property, plant and equipment	c	(28)	-	-
Proceeds from disposal of property, plant and equipment		-	143	(35)
Net cash generated from/(used in) investing activities		1,972	(5,372)	1,534
Cash flows from financing activities				
Proceeds from borrowings		1,459	300	1,459
Increase in short-term deposits pledged	d	(162)	(2)	(164)
Dividends paid to minority shareholder of a subsidiary		-	(50)	-
Repayment of finance lease liabilities		(105)	(118)	(213)
Net cash generated from/(used in) financing activities		1,192	130	(5)
Net (decrease)/increase in cash and cash equivalents		359	(5,298)	(2,025)
Cash and cash equivalents at beginning of financial period		-	39,887	11,217
Effects of currency translation on cash and cash equivalents		(36)	72	-
Cash and cash equivalents at end of financial period		323	34,589	9,264
Cash and cash equivalents				
Fixed deposits with financial institutions		(3,426)	11,862	2,913
Cash and bank balances		4,144	24,376	7,916
Total cash and bank balances		718	36,238	10,829
Less: Fixed deposits pledged with financial institutions		(395)	(1,649)	(1,565)
Cash and cash equivalents at end of financial period		323	34,589	9,264

Notes:-

- Refundable deposit (S\$1 million) placed for proposed investment in NBN Scaffolding Pte Ltd, however, the proposed investment had been terminated with effect from 14 April 2016 and the deposit has since been fully refunded to the Company as announced on 15 April 2016.
- The total amount (S\$5.252 million) together with interest at the rate of 5.33% has been refunded to the Company as announced on 5 January 2015.
- During the financial period, the group acquired property, plant and equipment with an aggregate cost of S\$35,000 (2015: S\$15,000).
- Short-term deposits are pledged in relation to the banking facilities granted to the subsidiaries.

1(d)(i) A statement (for the issuer and) 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.

	Share capital	Retained earnings	Currency translation reserve	Capital reserve	Total	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

FOR 6 MONTHS ENDED 30 JUNE

GROUP

Balance as at 1 January 2016	29,575	15,513	(105)	182	45,165	12,129	57,294
Net (loss)/profit for the period	-	(324)	-	-	(324)	542	218
Other comprehensive loss for the period	-	-	(544)	-	(544)	(625)	(1,171)
Balance as at 30 June 2016	29,575	15,189	(649)	182	44,297	12,046	56,343

Balance as at 1 January 2015	29,575	16,814	-	182	46,571	493	47,064
Net (loss)/profit for the period	-	(651)	-	-	(651)	68	(583)
Other comprehensive loss for the period	-	-	-	-	-	(50)	(50)
Balance as at 30 June 2015	29,575	16,163	-	182	45,920	511	46,431

COMPANY

Balance as at 1 January 2016	29,575	11,267	-	-	40,842	-	40,842
Net loss for the period	-	(920)	-	-	(920)	-	(920)
Balance as at 30 June 2016	29,575	10,347	-	-	39,922	-	39,922

Balance as at 1 January 2015	29,575	11,347	-	-	40,922	-	40,922
Net loss for the period	-	(201)	-	-	(201)	-	(201)
Balance as at 30 June 2015	29,575	11,146	-	-	40,721	-	40,721

FOR 3 MONTHS ENDED 30 JUNE

GROUP

Balance as at 1 April 2016	29,575	14,715	(622)	182	43,850	11,476	55,326
Net loss for the period	-	474	-	-	474	596	1,070
Other comprehensive loss for the period	-	-	(27)	-	(27)	(26)	(53)
Balance as at 30 June 2016	29,575	15,189	(649)	182	44,297	12,046	56,343

Balance as at 1 April 2015	29,575	16,874	-	182	46,631	582	47,213
Net loss for the period	-	(711)	-	-	(711)	(21)	(732)
Other comprehensive loss for the period	-	-	-	-	-	(50)	(50)
Balance as at 30 June 2015	29,575	16,163	-	182	45,920	511	46,431

COMPANY

Balance as at 1 April 2016	29,575	10,515	-	-	40,090	-	40,090
Net loss for the period	-	(168)	-	-	(168)	-	(168)
Balance as at 30 June 2016	29,575	10,347	-	-	39,922	-	39,922

Balance as at 1 April 2015	29,575	11,460	-	-	41,035	-	41,035
Net loss for the period	-	(314)	-	-	(314)	-	(314)
Balance as at 30 June 2015	29,575	11,146	-	-	40,721	-	40,721

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 well as the number of shares held as treasury shares of the issuer, 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.

On 28 March 2012, the Company undertook a renounceable and non-underwritten rights issue of up to 77,343,707 new ordinary shares in the capital of the Company at an issue price of S\$0.10 for each rights share with up to 77,343,707 free detachable warrants. Each warrant carrying the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of S\$0.34 for each new share, on the basis of 1 rights share with 1 warrant for every 4 existing ordinary shares held in the capital of the Company. The rights shares were listed for quotation on the Official List of SGX-ST and commenced trading on 24 April 2012. The warrants were listed for quotation on the Official List of SGX-ST and commenced trading on 25 April 2012. These warrants will expire on 24 April 2017.

On 27 November 2015, the Company had completed share consolidation and warrants adjustment, every ten (10) Shares and ten (10) Warrants in the Company have been consolidated to constitute one (1) Consolidated Share and one (1) Adjusted Warrant respectively. After disregarding any fractions of Consolidated Shares and Adjusted Warrants arising from the share consolidation and warrants adjustment, there are 38,671,830 consolidated shares and 7,733,986 adjusted warrants in the Company. Following the share consolidation, the exercise price was changed to S\$3.40.

The movement in the number of warrants are as follows:

Number of warrants	As at 30 June 2016	As at 31 December 2015
Beginning and end of financial period	7,733,986	7,733,986

In FY2012, 2,500 warrants (pre-adjusted) was exercised and converted into ordinary shares in the capital of the Company. There were no warrants (2015: Nil) being exercised and converted into ordinary shares in the capital of the Company during the financial period.

Accordingly, no shares have been issued during the financial period ended 30 June 2016 (2015: Nil) from the exercise of warrants.

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

Number of shares	As at 30 June 2016	As at 31 December 2015
Beginning and end of financial period/year	38,671,830	38,671,830

As at both 31 December 2015 and 30 June 2016, there were no treasury shares outstanding.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation 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 Auditing standard or practice.

The figures have not been audited or reviewed.

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.

Save as disclosed in Paragraph 5 below, the Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period as compared to those used in the most recently audited annual financial statements for the financial year ended 31 December 2015.

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 applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial year compared with the most recently audited financial statements for the financial year ended 31 December 2015, except for the adoption of the Financial Reporting Standards ("FRSs") and Interpretation of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2016. The adoption of these new FRS and INT FRS has no material impact to the results of the Group and of the Company for the current financial year reported on.

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 3 Months Ended 30 June			Group 6 Months Ended 30 June		
	2016 S\$'000	2015 (restated) S\$'000	2015 S\$'000	2016 S\$'000	2015 (restated) S\$'000	2015 S\$'000
Profit/(Loss) per share						
(i) Based on weighted average number of ordinary shares on issue (cents)	1.22	(1.84)	(0.18)	(0.84)	(1.68)	(0.17)
(ii) On a fully diluted basis (cents) *	1.22	(1.84)	(0.18)	(0.84)	(1.68)	(0.17)
Number of ordinary shares	38,681,830	38,671,830	386,721,035	38,681,830	38,681,830	386,721,035

*No potential diluted ordinary shares as the warrants is anti-dilutive.

7. Net asset value (for the issuer and group) per ordinary share based on total number of issued shares excluding treasury shares of the issuer at the end of the:

- (a) current period reported on; and
(b) immediately preceding financial year.

	As at 30 June 2016	As at 31 December 2015
GROUP		
Net asset value per ordinary shares - dollars	1.15	1.17
COMPANY		
Net asset value per ordinary shares - dollars	1.03	1.06
Number of issued shares as at end of the year/period	38,671,830	38,671,830

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**
- (a) 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; and**
 - (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Financial Performance – 2Q2016 vs 2Q2015

Revenue increased by S\$4.0 million or 241.7% from S\$1.7 million in 2Q2015 to S\$5.7 million in 2Q2016 primarily due to the acquisition of Marine Logistics business in 4Q2015, although there was a lower revenue contribution by the Construction Logistics business as a result of stiffer competition.

Gross profit increased by S\$1.8 million from S\$78,000 million in 2Q2015 to S\$1.9 million in 2Q2016, with the increase mainly contributed by the Marine Logistics business.

Other income decreased by S\$10,000 or 33.3% from S\$30,000 in 2Q2015 to S\$20,000 in 2Q2016 due to decrease in interest income generated.

Other gain/(loss) increased by of S\$192,000 or 237.0% from S\$81,000 in 2Q2015 to S\$273,000 in 2Q2016 mainly due to foreign exchange difference of USD against SGD and IDR; and gain on disposal of fixed assets.

The Group did not record any selling and distribution expenses in 2Q2016 due to slower business sentiments during this period in its Hardware and Trading business.

General and administrative expenses increased by S\$86,000 or 10.0% from S\$0.8 million in 2Q2015 to S\$0.9 million in 2Q2016 mainly due to increase in manpower related costs as a result of consolidation of Marine Logistics business in 2Q2016 as well as amortisation expense on intangible assets.

Finance costs increased by S\$176,000 from S\$12,000 in 2Q2015 to S\$188,000 in 2Q2016 mainly due to shareholders' loan granted to PT MLI by non-controlling interest.

Other expenses recorded in 2Q2015 and 2Q2016 pertain to changes in fair value of financial assets at fair value through profit or loss and impairment loss on investment in available-for-sale financial assets respectively.

The Group recorded a profit of S\$1.1 million after a tax credit of S\$8,000 in 2Q2016 compared to loss of S\$732,000 in 2Q2015.

Financial Performance – 1H2016 vs 1H2015

Revenue increased by \$7.4 million or 214.7% from \$3.5 million in 1H2015 to \$10.9 million in 1H2016 primarily due to the acquisition of Marine Logistics business in 4Q2015.

Increase in gross profit was in line with the increase in revenue. Gross profit margin increased from 17.3% in 1H2015 to 27.1% in 1H2016 due to higher revenue contribution from the Marine Logistics business.

Other income decreased by \$64,000 or 46.4% from \$138,000 in 1H2015 to \$74,000 in 1H2016 due to decrease in interest income from banks and government grant received in 1H2016.

Other loss for 1H2016 is \$725,000 versus a gain of \$322,000 in 1H2015. This is due to foreign exchange difference resulting from the translation of the fixed assets, loans, account receivables and payables from USD to SGD.

Selling and distribution expenses decreased was \$73,000 1H2015 and NIL in 1H2016 mainly due to slower business sentiments in its Hardware & Trading business.

General and administrative expenses increased by \$0.2 million or 19.3% from \$1.5 million in 1H2015 to \$1.7 million in 1H2016 mainly due to increase in manpower related cost resulting from the acquisition of the Marine Logistics business.

Finance cost increased by \$341,000 from \$26,000 in 1H2015 to \$367,000 in 1H2016 mainly due to shareholders' loan granted to PT MLI by non-controlling interest.

Other expenses decreased by \$35,000 or 92.1% from \$38,000 in 1H2015 to \$3,000 in 1H2016, because there are no adjustment required in 1H2016 for changes in fair value of financial assets and an impairment loss on investment in available-for-sale financial assets in 1H2016.

Income tax credit of \$20,000 was recorded for 1H2016 which comprises the deferred tax credit arising from the revaluation of assets from a subsidiary and income tax expense for a subsidiary which was in a taxable position during the current financial period.

The Group recorded a profit after tax of \$218,000 in 1H2016 compared to a loss after income tax of \$583,000 in 1H2015.

Cash flow – 2Q2016 vs 2Q2015

The Group's cash and cash equivalents was S\$323,000 as at 30 June 2016. Net cash used in operating activities was S\$2.8 million in 2Q2016 compared to net cash used in operating activities of S\$56,000 in 2Q2015. The net cash used in operating activities in 2Q2016 compared to 2Q2015 were mainly due to:

- cash used for working capital purpose with increase in trade receivables (due to higher credit sales) and decrease in trade and other payables and accruals (reduction in amount due to inter-company and other payables) from Marine Logistics Business; and
- cash used for purchase of inventory from Marine Logistics Business.

Net cash generated from investing activities was S\$2 million in 2Q2016 compared to net cash used in investing activities of S\$5.4 million in 2Q2015. This was mainly due to the refund of deposit of S\$1.0 million from the proposed investment in NBN Scaffolding Pte Ltd in 2Q2016.

Net cash generated from financing activities was S\$1.2 million in 2Q2016 and S\$130,000 in 2Q2015 mainly due to proceeds received from borrowings.

Cash flow – 1H2016 vs 1H2015

The Group's cash and cash equivalents was S\$9.3 million as at 30 June 2016. Net cash used in operating activities was S\$4.1 million in 1H2016 compared to net cash generated from operating activities of S\$0.4 million in 1H2015. The net cash used in operating activities in 1H2016 compared to net cash generated from operating activities 1H2015 were mainly due:

- cash used for working capital purpose with increase in trade receivables (due to higher credit sales) and decrease in trade and other payables and accruals (reduction in amount due to inter-company and other payables) from Marine Logistics Business; and
- cash used for purchase of inventory from Marine Logistics Business.

Net cash generated from investing activities was S\$1.0 million in 1H2016 compared to net cash generated from investing activities of S\$1.5 million in 1H2015. This was mainly due to the refund of deposit of S\$1.0 million from the proposed investment in NBN Scaffolding Pte Ltd in 1H2016. As announced on 15 April 2015, the proposed investment was terminated on 14 April 2015 and the aforementioned deposit was fully refunded to the Company. In 1H2015, the Group received the refund of the remaining deposit of S\$5.3 million from the investment in Longmen's Group Limited and proceeds from disposal of subsidiaries of \$4.4 million, which were partially offset by the partial deposit placed pertaining to the acquisition of Marine Logistic business.

Net cash generated from financing activities was S\$1.1 million in 1H2016 compared to net cash used in financing activities of S\$5,000 in 1H2015. This was mainly due to proceeds from borrowings received by a subsidiary for working capital purposes.

Financial Position

Non-current assets decreased by S\$4.1 million or 6.0% from S\$68.1 million as at 31 December 2015 to S\$64.0 million as at 30 June 2016 mainly due to depreciation charge and translation differences on foreign assets which are denominated in United States Dollars.

Current assets increased by S\$1.5 million or 9.2% from S\$16.2 million as at 31 December 2015 to S\$17.7 million as at 30 June 2016, mainly due to increase in trade and other receivables which was partially offset by decrease in cash and cash equivalents as highlighted in the cash flow statement above.

Non-current liabilities decreased by S\$0.6 million or 4.3% from S\$14.3 million as at 31 December 2015 to S\$13.7 million as at 30 June 2016, mainly due to reduction in trade and other payables, deferred tax liabilities and finance lease liabilities.

Current liabilities decreased by S\$1 million or 8.2% from S\$12.8 million as at 31 December 2015 to S\$11.8 million as at 30 June 2016, mainly due to reduction in trade and other payables, current income tax liabilities and finance lease liabilities.

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

There was no forecast, or any prospect statement previously disclosed to shareholders. This is in line with the Company's commentary set out in paragraph 10 of its previous results announcement.

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 current operating environment in which the group is operating in, which is the trading of hardware, construction logistics and marine logistics business is challenging, and the management believe it will remain highly competitive.

The trading business is currently undergoing an enormous slow down, and management is reviewing further alternatives to surmount the difficulties in this business.

The Marine Logistics business remains stagnant. The users of the marine vessels are coal producers and traders, whereby the coal industry has just passed a long consolidation process. The coal industry is appearing to have stabilize and there are signs of improvement, as reflected by the increasing coal prices, from US\$ 46.3 per ton at the beginning of 2016 to US\$ 65.2 per ton by end of July 2016 (based on ICE Futures Market).

The improving coal prices are mainly due to the reduction in coal supplies from China (as many of the unprofitable mines in China have been closed). Coal demands in Indonesia are also expected to increase, as coal powered power plants are expected to increasing phased in.

In line with the expected improvement in the coal mining industry, management believe that our marine logistics business is expected to also benefit from this.

The Construction Logistics business in Singapore, where we are operating, continues to remain depressed. This slow down has resulted in underutilization of our trucks. The management is reviewing the business model and restructuring the business in line of the changes in the operating environment in this business segment.

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 Year

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

No.

(c) Date payable

NA.

(d) Books closure date

NA.

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

No dividend has been declared/recommended.

13. Interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Use of proceeds from rights and warrants issue

Save as disclosed below (as set out in our earlier announcements dated 18 July 2012 and 30 November 2015), the proceeds from the rights and warrants issue have been fully utilised.

	Amount	
Net proceeds	S\$7.5 million	
Amount utilised	S\$2.2 million	Out of the S\$2.2 million used for working capital purposes, S\$2.06 million was used to repay creditors and S\$0.14 million was for staff related costs.
	S\$5.3 million	As disclosed in Section 2.5 of the Company's circular dated 3 November 2015, S\$5.3 million was utilised as part of the consideration paid to the vendors for the acquisition of PT MII.
Balance	Nil	-

15. Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 June 2016 to be false or misleading in any material respect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers under Rule 720(1)

Pursuant to Rule 720(1) of the Listing Manual, the Company has procured undertakings from all its directors and executive officers.

BY ORDER OF THE BOARD

Suriamartara Tjahaja
Executive Director

13 August 2016