Company Registration Number: 199707022K
(Incorporated on 9 October 1997 in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FOURTH QUARTER ENDED 31 DECEMBER 2018

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

1(a)(i) 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.

	Note	3 Months Ended 31 December			Year Ended 31 December		
		4Q2018 S$'000	4Q2017 S$'000	Increase (Decrease) %	2018 S$'000	2017 S$'000	Increase (Decrease) %
Revenue		1,220	2,883	-58%	7,679	10,246	-25%
Cost of sales		(2,477)	(3,177)	-22%	(8,026)	(9,271)	-13%
Gross (loss)/profit		(1,257)	(294)	328%	(347)	975	-136%
Other income	1(a)(ii)	152	228	-33%	432	490	-12%
Other gains	1(a)(ii)	244	2,167	-89%	54	1,230	-96%
Expenses							
-Selling and distribution expenses		(4)	(9)	-56%	(4)	(9)	-56%
-General and administrative expenses		(907)	(4,450)	-80%	(4,774)	(7,756)	-38%
-Finance expenses		(4)	360	-101%	(15)	(24)	-38%
Loss before income tax	1(a)(ii)	(1,776)	(1,998)		(4,654)	(5,094)	
Income tax expense		(264)	(192)	38%	(486)	(200)	143%
Loss after tax		(2,040)	(2,190)		(5,140)	(5,294)	
Other comprehensive (loss)/income:							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		(109)	14	n.m	146	19	n.m
Total comprehensive loss for the financial period		(2,149)	(2,176)	-1%	(4,994)	(5,275)	-5%
(Loss)/profit attributable to:							
Equity holders of the Company		(1,637)	(2,230)	-27%	(4,623)	(5,251)	-12%
Non-controlling interests		(403)	40	n.m	(517)	(43)	n.m
		(2,040)	(2,190)	-7%	(5,140)	(5,294)	-3%
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(1,747)	(2,220)	-21%	(4,474)	(5,236)	-15%
Non-controlling interests		(402)	44	n.m	(520)	(39)	n.m
		(2,149)	(2,176)	-1%	(4,994)	(5,275)	-5%

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.

	Note	3 Months Ended 31 December			Year Ended 31 December		
		4Q2018 S$'000	4Q2017 S$'000	Increase (Decrease) %	2018 S$'000	2017 S$'000	Increase (Decrease) %
Other income:							
Interest income from loans to investee		84	20	320%	301	238	26%
Interest income from banks		53	70	-24%	78	70	11%
Government grants		4	4	0%	40	33	21%
Profit guarantee due from Vendors		-	122	-100%	-	122	-100%
Sundry income		11	12	-8%	13	27	-52%
		152	228	-33%	432	490	-12%
Other gains/(losses):							
Currency exchange gains/(losses)		243	(373)	-165%	5	(1,333)	-100%
Gain/(loss) from disposal of property, plant and equipment		1	3	-67%	51	(1)	n.m
Bad debt written back		-	2	-100%	1	5	-80%
Impairment loss on investment in available-for-sale financial assets		-	(5)	-100%	(3)	(5)	-40%
Gain from deconsolidation of PTMII		-	2,564	-100%	-	2,564	-100%
Negative goodwill from acquisition of PT IPA		-	(24)	-100%	-	-	n.m
		244	2,167	-89%	54	1,230	-96%
Depreciation included in:							
- cost of sales		(42)	528	-108%	(154)	(336)	-54%
- general and administrative expenses		(66)	(71)	-7%	(256)	(231)	11%
Interest expense		(4)	360	-101%	(15)	(24)	-38%
Property, plant and equipment written off		-	-	n.m	-	(28)	-100%
Impairment loss on property, plant and equipment		-	(293)	-100%	-	(293)	-100%
Impairment loss on inventories		(39)	-	n.m	(39)	-	n.m
Impairment loss on intangible assets		(101)	-	n.m	(101)	-	n.m
Allowance for impairment of trade receivables		(140)	(2,861)	-95%	(140)	(2,861)	-95%
Employee compensation		(457)	(498)	-8%	(2,145)	(2,270)	-6%

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.

	Note	Group		Company	
		As at 31 December 2018 S$'000	As at 31 December 2017 S$'000 (Audited)	As at 31 December 2018 S$'000	As at 31 December 2017 S$'000 (Audited)
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	9,542	12,228	6,443	6,077
Inventories		42	1,158	-	-
Amounts due from subsidiaries		-	-	4,735	5,635
Cash and cash equivalents		7,186	10,978	2,245	7,659
Loans due from PTMII		13,871	13,187	13,871	13,187
Total current assets		**30,641**	**37,551**	**27,294**	**32,558**
Non-current assets					
Property, plant and equipment		602	1,785	196	395
Intangible assets		-	101	-	-
Investment in subsidiaries		-	-	4,852	4,869
Available-for-sale financial assets		2	5	-	-
Deferred tax asset		-	13	-	-
Club membership		6	6	6	6
Total non-current assets		**610**	**1,910**	**5,054**	**5,270**
Total assets		**31,251**	**39,461**	**32,348**	**37,828**
LIABILITIES					
Current liabilities					
Trade and other payables	1(b)(iii)	3,686	6,349	493	1,083
Amounts due to subsidiaries		-	-	5,476	5,816
Finance lease liabilities	1(b)(iv)	36	158	-	-
Current income tax liabilities		15	13	-	-
Total current liabilities		**3,737**	**6,520**	**5,969**	**6,899**
Non-current liabilities					
Finance lease liabilities	1(b)(iv)	25	88	-	-
Total non-current liabilities		**25**	**88**	**-**	**-**
Total liabilities		**3,762**	**6,608**	**5,969**	**6,899**
NET ASSETS		**27,489**	**32,853**	**26,379**	**30,929**
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		35,763	35,763	35,763	35,763
Currency translation reserve		24	(125)	-	-
Accumulated losses		(8,085)	(3,462)	(9,384)	(4,834)
Capital reserve		146	507	-	-
		27,848	32,683	26,379	30,929
Non-controlling interests		(359)	170	-	-
Total equity		**27,489**	**32,853**	**26,379**	**30,929**

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

	Note	Group		Company	
		As at 31 December 2018 S$'000	As at 31 December 2017 S$'000	As at 31 December 2018 S$'000	As at 31 December 2017 S$'000
Current assets					
Trade receivables (net)		839	2,398	-	-
Accrued service revenue		440	2,712	-	-
		1,279	5,110	-	-
Advance payment to suppliers		430	269	-	-
Tax recoverable		321	64	14	13
Contingent consideration on acquisition of PTMII		6,134	6,012	6,134	6,012
Sundry receivables (net)		1,009	250	-	-
		9,173	11,705	6,148	6,025
Deposits		287	274	249	4
Prepayments		82	249	46	48
		9,542	12,228	6,443	6,077

1(b)(iii) Trade and other payables comprises:

	Note	Group		Company	
		As at 31 December 2018 S$'000	As at 31 December 2017 S$'000	As at 31 December 2018 S$'000	As at 31 December 2017 S$'000
Current liabilities					
Trade payables		165	2,023	-	-
Accruals		493	1,470	440	863
Loan from non-controlling shareholder of a subsidiary		2,061	2,494	-	-
GST payable		-	55	-	7
Other payables		967	307	53	213
		3,686	6,349	493	1,083

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

	Note	Group			
		As at 31 December 2018		As at 31 December 2017	
		Secured S$'000	Unsecured S$'000	Secured S$'000	Unsecured S$'000
Amount repayable in one year or less, or on demand		36	-	158	-
Amount repayable after one year		25	-	88	-

Details of collateral

The Group's finance lease liabilities are secured by the leased assets.

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.

	Note	Group 3 Months Ended 31 December 2018 S$'000	Group 3 Months Ended 31 December 2017 S$'000	Group Year Ended 31 December 2018 S$'000	Group Year Ended 31 December 2017 S$'000
Cash flows from operating activities					
Loss after tax		(2,040)	(2,190)	(5,140)	(5,294)
Adjustments for:					
Income tax expense		264	192	486	200
Depreciation of property, plant and equipment		108	(457)	410	567
(Gain)/loss from disposal of property, plant and equipment		(1)	(3)	(51)	1
Impairment loss on property, plant and equipment		-	293	-	293
Impairment loss on intangible assets		101	-	101	-
Impairment loss on investment in available-for-sale financial assets		-	5	3	5
Impairment loss on receivables		140	2,861	140	2,861
Impairment loss on inventories		39	-	39	-
Unrealised currency translation (gains)/losses		(297)	946	136	1,399
Gain on deconsolidation of PTMII		-	(2,564)	-	(2,564)
Negative goodwill from acquisition of PT IPA		-	24	-	-
Profit guarantee		-	(122)	-	(122)
Interest income		(137)	(90)	(379)	(308)
Interest expense		4	(360)	15	24
Operating cash flows before changes in working capital		(1,819)	(1,465)	(4,240)	(2,938)
Trade receivables and other receivables		514	(761)	2,341	(1,127)
Inventories		3,182	766	1,077	(358)
Trade payables, other payables and accruals		(856)	(592)	(2,660)	1,666
Other assets		-	(6)	-	(6)
Cash generated from/(used in) operations		1,021	(2,058)	(3,482)	(2,763)
Interest received		53	-	78	-
Income tax paid		(252)	(246)	(474)	(246)
Net cash generated from/(used in) operating activities		822	(2,304)	(3,878)	(3,009)
Cash flows from investing activities					
Interest received		-	82	-	300
Proceeds from disposal of property, plant and equipment		30	5	949	5
Purchase of property, plant and equipment		(47)	(473)	(152)	(943)
Purchase of remaining non-controlling interest in TSL		-	-	(370)	-
Acquisition of a subsidiary (PT IPA), net of cash acquired		-	-	-	124
Net cash outflow from deconsolidation of a subsidiary (PTMII)		-	(950)	-	(950)
Net cash (used in)/generated from investing activities		(17)	(1,336)	427	(1,464)
Cash flows from financing activities					
Repayment of borrowings		-	(11)	-	(1,238)
Repayment of finance lease liabilities		(33)	(16)	(185)	(252)
(Increase)/decrease in short-term deposits pledged		(1,608)	2,982	(1,621)	2,396
Proceeds from issuance of share capital		-	3,230	-	3,230
Interest paid		(4)	360	(15)	(24)
Dividend paid to non-controlling interest by a subsidiary		-	-	-	(50)
Net cash (used in)/generated from financing activities		(1,645)	6,545	(1,821)	4,062
Net (decrease)/increase in cash and cash equivalents		(840)	2,905	(5,272)	(411)
Cash and cash equivalents at beginning of financial period		5,332	7,432	9,959	10,748
Effect of currency translation on cash and cash equivalents		54	(378)	(141)	(378)
Cash and cash equivalents at end of financial period		4,546	9,959	4,546	9,959
Cash and cash equivalents					
Cash and bank balances		7,186	10,978	7,186	10,978
Less: Fixed deposits pledged with financial institutions		(2,640)	(1,019)	(2,640)	(1,019)
Cash and cash equivalents at end of financial period		4,546	9,959	4,546	9,959

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.

	Share capital	Retained earnings/ (accumulated losses)	Currency translation reserve	Capital reserve	Total	Non-controlling Interests	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
FULL YEAR ENDED 31 DECEMBER							
GROUP							
Balance as at 1 January 2018	35,763	(3,462)	(125)	507	32,683	170	32,853
Net loss for the period	-	(4,623)	-	-	(4,623)	(517)	(5,140)
Other comprehensive income/(loss) for the period	-	-	149	-	149	(3)	146
Purchase of remaining non-controlling interest in TSL	-	-	-	(361)	(361)	(9)	(370)
Balance as at 31 December 2018	35,763	(8,085)	24	146	27,848	(359)	27,489
Balance as at 1 January 2017	32,533	1,789	594	182	35,098	(1,567)	33,531
Net loss for the period	-	(5,251)	-	-	(5,251)	(43)	(5,294)
Other comprehensive income for the period	-	-	15	-	15	4	19
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
Effect of deconsolidation of PTMII	-	-	(734)	-	(734)	2,056	1,322
Acquisition of additional ownership in TSL	-	-	-	325	325	(325)	-
Acquisition of PT IPA	-	-	-	-	-	95	95
Balance as at 31 December 2017	35,763	(3,462)	(125)	507	32,683	170	32,853
COMPANY							
Balance as at 1 January 2018	35,763	(4,834)	-	-	30,929	-	30,929
Net loss for the period	-	(4,550)	-	-	(4,550)	-	(4,550)
Balance as at 31 December 2018	35,763	(9,384)	-	-	26,379	-	26,379
Balance as at 1 January 2017	32,533	(1,994)	-	-	30,539	-	30,539
Net loss for the period	-	(2,840)	-	-	(2,840)	-	(2,840)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
Balance as at 31 December 2017	35,763	(4,834)	-	-	30,929	-	30,929
FOR 3 MONTHS ENDED 31 DECEMBER							
GROUP							
Balance as at 1 October 2018	35,763	(6,448)	134	146	29,595	43	29,638
Net loss for the period	-	(1,637)	-	-	(1,637)	(403)	(2,040)
Other comprehensive loss for the period	-	-	(110)	-	(110)	1	(109)
Balance as at 31 December 2018	35,763	(8,085)	24	146	27,848	(359)	27,489
Balance as at 1 October 2017	32,533	(1,548)	(119)	182	31,048	483	31,531
Net (loss)/profit for the period	-	(2,230)	-	-	(2,230)	40	(2,190)
Other comprehensive income for the period	-	-	10	-	10	4	14
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
Effect of deconsolidation of PTMII	-	316	(16)	-	300	18	318
Acquisition of additional ownership in TSL	-	-	-	325	325	(325)	-
Balance as at 31 December 2017	35,763	(3,462)	(125)	507	32,683	170	32,853
COMPANY							
Balance as at 1 October 2018	35,763	(6,897)	-	-	28,866	-	28,866
Net loss for the period	-	(2,487)	-	-	(2,487)	-	(2,487)
Balance as at 31 December 2018	35,763	(9,384)	-	-	26,379	-	26,379
Balance as at 1 October 2017	32,533	(4,519)	-	-	28,014	-	28,014
Net loss for the period	-	(315)	-	-	(315)	-	(315)
Issuance of shares	3,230	-	-	-	3,230	-	3,230
Balance as at 31 December 2017	35,763	(4,834)	-	-	30,929	-	30,929

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

Share Capital

There was no change in the Company's share capital since 31 December 2017.

Convertible Securities

There are no 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.

Treasury Shares and Subsidiary Holdings

The Company did not have any treasury shares and subsidiary holdings 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.

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 financial year.

Number of shares	As at 31 December 2018	As at 31 December 2017
Total number of issued shares (excluding treasury shares)	55,686,996	55,686,996

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. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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 of this announcement, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported on as those used in the most recent audited annual financial statements.

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 period reported on as those used in the most recently audited financial statements for the financial year ended 31 December 2017, save 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 2018. The adoption of these new FRS and INT FRS have no material impact to the results of the Group and of the Company for the current financial period reported on.

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

	Group 3 Months Ended 31 December		Group Full Year Ended 31 December	
	2018	2017 (Audited)	2018	2017 (Audited)
Loss per share				
(i) Based on weighted average number of ordinary shares on issue (cents)	(2.94)	(4.77)	(8.30)	(11.24)
(ii) On a fully diluted basis (cents) *	(2.94)	(4.77)	(8.30)	(11.24)
Number of weighted average ordinary shares used in the computation of (i) and (ii)	55,686,996	46,710,964	55,686,996	46,710,964

+ There are no diluted ordinary shares.

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 31 December 2018	As at 31 December 2017
GROUP		
Net asset value per ordinary share (dollars)	0.49	0.59
COMPANY		
Net asset value per ordinary share (dollars)	0.47	0.56

The net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings as at 31 December 2018 and 31 December 2017 of 55,686,996.

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.

In relation to PSL's announcements dated 22 August 2016, 15 September 2016, 7 October 2016, 24 November 2016, 30 November 2016, 18 January 2017, 24 January 2017, 8 June 2017, 1 November 2017, 23 November 2017, 1 March 2018 and 23 March 2018 and the dispute between, among others, Mr. Sudirman Kurniawan and PSL arising out of the Conditional Sale and Purchase Agreement dated 17 March 2015 and the Supplemental Sale and Purchase Agreement dated 3 August 2015, the Company has fully deconsolidated PT Momentum Indonesia Investama ("PTMII") from its Marine Logistics segment and re-classified its investment in PTMII as an "available-for-sale" asset.

Separately in the Construction Logistics segment, the period under review includes contribution from its 75%-owned subsidiary PT Indah Perkasa Abadi ("PT IPA"), which was acquired on 18 August 2017 through the Group's indirect subsidiary, PT PSL Commodities Indonesia, which has ongoing projects within the civil construction industry for the supply of work and materials within Indonesia.

On 4 July 2018, the Group entered into a Settlement Agreement, pursuant to which, amongst others, TSL Transport & Engineering Pte Ltd ("TSL") has become a wholly-owned subsidiary of the Group following a Share Transfer and Suit 734 has been discontinued and withdrawn. The principal business of TSL consists of excavation and earthmoving works as well as engineering design and consultancy activities in Singapore. Following the completion of the Settlement Agreement and taken into consideration the competitive business environment, the Group considered it expedient to dispose all its trucks and equipment in Singapore to be able to fully focus on similar construction logistics businesses in Indonesia.

The proposed Share Transfer was undertaken as part of the settlement of disputes. Furthermore, the Group also paid Mr Koh Yew Ghee the sum of S$370,000 which was funded through internal resources as part of the Settlement Agreement.

Q4'2017 comparative figures have been updated due to variances noted between the audited financial statements of the Group as at 31 December 2017 and the unaudited full year financial results announcement statements released via SGXNet on 1 March 2018.

Financial Performance – 4Q2018 vs 4Q2017

Revenue decreased by S$1.7 million or 58% from S$2.9 million in 4Q2017 to S$1.2 million in 4Q2018 mainly due to scaling down of TSL operations and lower revenue from the Construction Logistics segment contributed by PT IPA. The resultant gross loss is mainly attributable to cost overruns incurred by the Construction Logistics segment as a result of wet weather conditions in Indonesia which impeded the progress of the work.

Other income decreased by 33% in 4Q2018 as compared to 4Q2017, with both remaining at S$0.2 million, mainly due to revaluation of profit guarantee due from the Vendors of PTMII in FY2017, partially offset by an increase in interest income from the loan to PTMII.

Other gains decreased by S$2.0 million or 89% from S$2.2 million in 4Q2017 to S$0.2 million in 4Q2018 mainly due to a reduction in gain on deconsolidation of PTMII previously recorded in FY2017, partially offset by the foreign exchange gain arising from the currency translation of the USD loans extended to PTMII.

Selling and distribution expenses recorded marginal difference in 4Q2018 and 4Q2017.

General and administrative expenses decreased by S$3.6 million or 80% from S$4.5 million in 4Q2017 to S$0.9 million in 4Q2018 mainly due a decrease in impairment loss for loan to PTMII arising from deconsolidation of PTMII and impairment of property, plant and equipment from the Construction Logistics segment recorded in FY2017.

Finance costs decreased by S$0.4 million or 101% mainly contributed by deconsolidation of PTMII which excluded finance costs incurred by PTMII.

The Group recorded a slightly lower loss after tax of S$2.0 million for 4Q2018 as compared to S$2.2 million in 4Q2017. This was mainly attributed to a decrease in revenue from S$2.9 million in 4Q2017 to S$1.2 million in 4Q2018 mainly due to scaling down of TSL operations and lower revenue from the Construction Logistics segment contributed by PT IPA, as well as reduction in gain on deconsolidation and a decrease in impairment loss for loan to PTMII arising from deconsolidation of PTMII previously recorded in 4Q2017.

Financial Performance – FY2018 vs FY2017

Revenue decreased by S$2.5 million or 25% from S$10.2 million in FY2017 to S$7.7 million in FY2018 mainly due to scaling down of TSL operations and lower revenue from the Construction Logistics segment contributed by PT IPA. The resultant gross loss is mainly attributable to cost overruns incurred by the Construction Logistics segment as a result of wet weather conditions in Indonesia which impeded the progress of the work.

Other income decreased by S$0.1 million or 12% from S$0.5 million in FY2017 to S$0.4 million in FY2018 mainly due to revaluation of profit guarantee due from the Vendors of PTMII in FY2017, partially offset by an increase in interest income from the loan to PTMII.

Other gains decreased by S$1.1 million or 96% from S$1.2 million in FY2017 to S$54,000 in FY2018 mainly due to a reduction in gain on deconsolidation of PTMII previously recorded in FY2017, partially offset by the foreign exchange gain arising from the currency translation of the USD loans extended to PTMII.

Selling and distribution expenses recorded marginal difference in FY2018 and FY2017.

General and administrative expenses decreased by S$3.0 million or 38% from S$7.8 million in FY2017 to S$4.8 million in FY2018 mainly due a decrease in impairment loss for loan to PTMII arising from deconsolidation of PTMII and impairment of property, plant and equipment from the Construction Logistics segment recorded in FY2017. The decrease is partially offset by the increase in operating costs from the newly acquired subsidiary PT IPA as well as professional fees incurred in relation to PTMII legal case and TSL settlement.

Finance costs recorded marginal difference in FY2018 and FY2017.

The Group recorded a slightly lower loss of S$5.1 million after tax for FY2018 as compared to S$5.3 million in FY2017.

Cash flow – 4Q2018 vs 4Q2017

Net cash generated from operating activities was S$0.8 million in 4Q2018 compared to net cash used in operating activities of S$2.3 million in 4Q2017 mainly due to (i) decrease in trade and other receivables as well as inventories from the Construction Logistics segment, (ii) reduction in gain on deconsolidation following the deconsolidation of PTMII in 2Q2017, partially offset by (iii) a decrease in impairment loss for loan to PTMII arising from deconsolidation of PTMII and (iv) a decrease in unrealised foreign exchange losses recorded in 4Q2018.

Net cash used in investing activities was S$17,000 in 4Q2018 compared to S$1.3 million in 4Q2017 mainly due to (i) purchase of property, plant and equipment in 4Q2017 pertaining to the cost of renovation and office equipment for the newly acquired subsidiary, PT IPA and (ii) absence of net cash outflow from deconsolidation of subsidiary PTMII previously recorded in FY2017.

Net cash used in financing activities was S$1.6 million in 4Q2018 compared to net cash generated from financing activities of S$6.5 million in FY2017 mainly due to (i) an increase in short-term deposits pledged to secure bank facilities in FY2018 and (ii) absence of proceeds from issuance of share capital previously recorded in FY2017.

As a result of the above, the Group's cash and cash equivalents increased from S$6.4 million as at 30 September 2018 to S$7.2 million as at 31 December 2018.

Cash flow – FY2018 vs FY2017

Net cash used in operating activities was S$3.9 million in FY2018 compared to S$3.0 million in FY2017 mainly due to (i) decrease in trade and other payables from the Construction Logistics segment, (ii) a decrease in impairment loss for loan to PTMII arising from deconsolidation of PTMII, previously eliminated in previous quarters, (iii) a decrease in unrealised foreign exchange losses recorded in FY2018, partially offset by (iv) reduction in gain on deconsolidation following the deconsolidation of PTMII in 2Q2017 and (v) decrease in trade and other receivables as well as inventories from the Construction Logistics segment.

Net cash generated from investing activities was S$0.4 million in FY2018 compared to net cash used in investing activities of S$1.5 million in FY2017 mainly due to (i) proceeds from disposal of trucks and equipment following the scaling down of TSL operations, (ii) purchase of property, plant and equipment in FY2017 pertaining to the cost of renovation and office equipment for the new corporate office in Singapore and the newly acquired subsidiary, PT IPA, (iii) absence of net cash outflow from deconsolidation of subsidiary PTMII previously recorded in FY2017, partially offset by (iv) payment of S$0.4 million to purchase the remaining non-controlling interest in TSL as part of the settlement to resolve all outstanding disputes.

Net cash used in financing activities was S$1.8 million in FY2018 compared to net cash generated from financing activities of S$4.1 million in FY2017 mainly due to (i) an increase in short-term deposits pledged to secure bank facilities in FY2018, (ii) absence of proceeds from issuance of share capital previously recorded in FY2017, partially offset by (iii) repayment of bank borrowings in FY2017.

As a result of the above, the Group's cash and cash equivalents declined from S$11.0 million as at 31 December 2017 to S$7.2 million as at 31 December 2018.

Financial Position

Current assets decreased by S$7.0 million or 19% from S$37.6 million as at 31 December 2017 to S$30.6 million as at 31 December 2018 mainly due to a decrease in cash and cash equivalents as highlighted in the cash flow statement above, a decrease in trade and other receivables as well as inventories from the Construction Logistics segment. The decrease is partially offset by a foreign exchange gain arising from the currency translation of the USD loans extended to PTMII.

Non-current assets decreased by S$1.3 million or 68% from S$1.9 million as at 31 December 2017 to S$0.6 million as at 31 December 2018 mainly due to the disposal of trucks and equipment following the scaling down of TSL operations as well as depreciation charges recorded for the year.

Current liabilities decreased by S$2.8 million or 43% from S$6.5 million as at 31 December 2017 to S$3.7 million as at 31 December 2018 mainly due to a decrease in trade and other payables from the Construction Logistics segment and currency translation of the loan due from non-controlling shareholder of a subsidiary.

Non-current liabilities decreased by S$63,000 or 72% from S$88,000 as at 31 December 2017 to S$25,000 as at 31 December 2018 due to lower finance lease liabilities.

As a result of the above, the Group's net assets decreased by S$5.4 million or 16% from S$32.9 million as at 31 December 2017 to S$27.5 million as at 31 December 2018.

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 prospect statement, previously disclosed to shareholders.

10. A commentary at the date of the announcement of the significant trends and 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.

Indonesia's position as one of the largest commodity exporters in Asia is expected to accelerate the country's demand for marine logistics services.

On 10 December 2018, the Group entered into a settlement agreement dated 10 December 2018 to resolve all outstanding disputes in relation to PT Momentum Indonesia Investama ("PTMII") arising out of and in connection with agreements which were entered into on behalf of PSL by the former management of the Company. The Group has successfully negotiated to be paid the Insurance Claim in lieu of one of the 7 barges, Momentum 3007, one of the PSL Escrow Period Vessels, which sunk due to unforeseen adverse weather conditions on 3 August 2018. PSL believes the global settlement will put an end to the disputes for it to progress and develop its Marine Logistics businesses with the acquisition of newer and better vessels along with sale of any near to obsolete vessels as part of ongoing efforts to implement profitable business opportunities to enhance values to Shareholders.

Indonesia's infrastructure needs will continue to support the country's construction logistics sector over the long term. The sector remains highly competitive due to intense competition in negotiating for new contracts, the Group continues to be cautious and selective in the type of contracts that it pursues.

In tandem with Indonesia's strong economic growth and fundamentals, the Indonesian Currency, Rupiah, has recovered in parity to other currencies. Indonesia's growth also remains strong compared to other emerging markets[1]. PSL shall continue to focus its business operations in Indonesia but will exercise prudence in financial management for profitability enhancement.

On 19 December 2018, the Group announced that mutually agreement was reached not to proceed with the proposed acquisition of PT. Buana Perkasa Sukses, an Indonesian company involved in coal trading and related businesses, and to terminate the non-binding MOU. The termination follows extensive due diligence as the Group remains committed to prudent management.

The Group continues to explore other business opportunities and potential to acquire assets for profits to be generated and long-term investment to increase the revenue sources on long term sustainable basis and values for the Shareholders.

[1] https://www.bloomberg.com/news/articles/2019-02-18/-76-billion-fund-gives-contrarian-call-for-indonesia-rate-cut
Bloomberg, 19 Feb 2019, $76 Billion fund gives contrarian call for Indonesia rate cut

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

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared (recommended).

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

No IPT mandate has been obtained from shareholders. There was no IPT during the current financial period reported on.

14. Use of proceeds from offerings pursuant to Chapter 8 of the Listing Manual

2016 Subscription

The Company had completed the allotment and issue of an aggregate of 7,734,000 new ordinary shares at S$0.3825 for each subscription share in the capital of the Company (the "2016 Subscription Shares") on 31 October 2016 (the "2016 Subscription"). It had been stated in the Company's announcement dated 22 September 2016 (the "2016 Subscription Announcement") that 80% of the net proceeds of the 2016 Subscription will be used by the Company for funding growth and expansion (as and when opportunities arise) and 20% of the net proceeds of the 2016 Subscription will be used by the Company for working capital purposes.

The table below summarises the cumulative utilisation of the net proceeds of the 2016 Subscription as at the date of this announcement (the "2016 Use of Proceeds"):

Intended use of net proceeds	Amount Allocated (S$'million) / with percentage allocation (%)	Amount utilised (S$'million)	Balance (S$'million)
Funding growth and expansion (as and when opportunities arise)	2.32 (80%)	2.32	-
Working capital purposes	0.58 (20%)	0.58[1]	-
Total (approximately)	2.90 (100%)	2.90	-

1. Out of the S$0.58 million used for working capital purposes, approximately S$0.47 million was used for employees' salaries and related costs and remainder was for repayment of creditors including professional fees.

The auditors of the Company have conducted an independent verification on the 2016 Use of Proceeds and have verified that the 2016 Use of Proceeds is as stated in the table above.

2017 Subscription

The Company had completed the allotment and issue of an aggregate of 9,281,166 new ordinary shares at S$0.348 for each subscription share in the capital of the Company (the "2017 Subscription Shares") on 20 December 2017 (the "2017 Subscription"). It had been stated in the Company's announcement dated 20 June 2017 (the "2017 Subscription Announcement") that 80% of the net proceeds of the 2017 Subscription will be used by the Company for funding growth and expansion (as and when opportunities arise) and 20% of the net proceeds of the 2017 Subscription will be used by the Company for working capital purposes.

The table below summarises the cumulative utilisation of the net proceeds of the 2017 Subscription as at the date of this announcement (the "2017 Use of Proceeds"):

Intended use of net proceeds	Amount Allocated (S$'million) / with percentage allocation (%)	Amount utilised (S$'million)	Balance (S$'million)
Funding growth and expansion (as and when opportunities arise)	2.56 (80%)	2.17	0.39
Working capital purposes	0.64 (20%)	0.64[2]	-
Total (approximately)	3.20 (100%)	2.81	0.39

2. Out of the S$0.64 million used for working capital purposes, S$0.64 million was used for employees' salaries and related costs.

The auditors of the Company have conducted an independent verification on the 2017 Use of Proceeds and have verified that the 2017 Use of Proceeds is as stated in the table above.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

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

16. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.

Business segments:

31 December 2018	Trading & Engineering	Construction Logistics	Corporate	Group
	S$'000	S$'000	S$'000	S$'000
Sales to external parties	**-**	**7,679**	**-**	**7,679**
EBITDA	(237)	(1,544)	(2,687)	(4,468)
Impairment loss on inventories				(39)
Impairment loss on intangible assets				(101)
Depreciation				(410)
Interest income				379
Finance expense				(15)
Loss for the year				**(4,654)**

31 December 2017 (Audited)	Trading & Engineering	Construction Logistics	Corporate	Group
	S$'000	S$'000	S$'000	S$'000
Sales to external parties	**-**	**10,246**	**-**	**10,246**
EBITDA	(1,245)	(5)	(3,268)	(4,518)
Impairment loss on property, plant and equipment				(293)
Depreciation				(567)
Interest income				308
Finance expense				(24)
Loss for the year				**(5,094)**

31 December 2018	Trading & Engineering	Construction Logistics	Corporate	Group
	S$'000	S$'000	S$'000	S$'000
Segment assets	37	3,508	20,520	24,065
Unallocated assets				
- Short-term deposits and bank balances				7,186
Total assets				**31,251**
Segment assets includes:				
- Additions of property, plant and equipment	-	137	15	152
Segment liabilities	**22**	**2,326**	**1,414**	**3,762**

31 December 2017 (Audited)	Trading & Engineering S$'000	Construction Logistics S$'000	Corporate S$'000	Group S$'000
Segment assets	50	8,664	19,769	28,483
Unallocated assets				
- Short-term deposits and bank balances				10,978
Total assets				**39,461**
Segment assets includes:				
- Additions of property, plant and equipment	3	352	588	943
Segment liabilities	**56**	**5,427**	**1,125**	**6,608**

Geographical segments:

Revenue	Group For the year ended 2018 S$'000	2017 S$'000 (Audited)
Singapore	612	2,474
Indonesia	7,067	7,772
	7,679	**10,246**

Revenue is based on the location of the companies that generate those sales.

Non-Current Assets	Group For the year ended 2018 S$'000	2017 S$'000 (Audited)
Singapore	208	1,507
Indonesia	402	403
	610	**1,910**

Non-current assets comprising fixed assets and intangible assets are based on the location of the companies that own those assets.

17. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.

Please refer to paragraph 8 of this announcement for more details.

18. A breakdown of sales

	Group For the year ended 2018 S$'000	2017 S$'000	Increase/ (Decrease) %
Sales reported for first half year	5,693	5,637	0.99
Operating loss after tax before deducting non-controlling interests reported for first half year	(1,637)	(2,386)	(31.39)
Sales reported for second half year	1,986	4,609	(56.91)
Operating loss after tax before deducting non-controlling interests reported for second half year	(3,503)	(2,908)	20.00

19. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	Group For the year ended	
	2018 S$'000	2017 S$'000
Ordinary	-	-
Preference	-	-
Total	**-**	**-**

20. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.

Pursuant to Rule 704(13) of the Listing Manual, the Company confirms that, to the best of its knowledge, there is no person occupying a managerial position in the Company or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the Company as at the date of this announcement.

BY ORDER OF THE BOARD

Stephen Leong, BBM
Vice Chairman and Executive Director

1 March 2019