

## UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 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 March		Increase (Decrease) %
		2018 S\$'000	2017 S\$'000	
<b>Revenue</b>		1,350	4,993	-73%
Cost of sales		(1,066)	(3,850)	-72%
<b>Gross profit</b>		284	1,143	-75%
Other income	1(a)(ii)	107	43	149%
Other (losses)/gains - net	1(a)(ii)	(574)	143	-501%
Expenses				
-General and administrative expenses		(1,179)	(1,219)	-3%
-Finance expenses		(7)	(226)	-97%
<b>Loss before income tax</b>	1(a)(ii)	(1,369)	(116)	n.m
Income tax expense		(29)	(7)	n.m
<b>Loss after tax</b>		(1,398)	(123)	
<b>Other comprehensive loss:</b>				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences		120	(354)	-134%
<b>Total comprehensive loss for the financial period</b>		(1,278)	(477)	168%
<b>Loss attributable to:</b>				
Equity holders of the Company		(1,324)	(327)	305%
Non-controlling interests		(74)	204	-136%
		(1,398)	(123)	
<b>Total comprehensive loss attributable to:</b>				
Equity holders of the Company		(1,212)	(580)	109%
Non-controlling interests		(66)	103	-164%
		(1,278)	(477)	

**1(a)(ii) Additional notes to the income statement and statement of comprehensive income, or statement of comprehensive income for the group together with a competitive statement for the corresponding period of the immediately preceding financial year.**

	Note	3 Months Ended 31 March		Increase (Decrease) %
		2018 S\$'000	2017 S\$'000	
<b>Other income:</b>				
Interest income from loans to investee		64	-	n.m
Interest income from banks		13	11	
Government grant		30	21	43%
Sundry income		-	11	n.m
		<u>107</u>	<u>43</u>	149%
<b>Other (losses)/ gains - net:</b>				
Currency exchange (losses)/ gains		(587)	146	-502%
Gain/ (loss) from disposal of property, plant and equipment		16	(4)	n.m
Bad debt written back		-	1	n.m
Share revaluation		(3)	-	n.m
		<u>(574)</u>	<u>143</u>	-501%
Depreciation included in:				
- cost of sales		(61)	(472)	-87%
- general and administrative expenses		(77)	(44)	75%
Interest expense		(7)	(226)	n.m
Property, plant and equipment written off		-	(28)	n.m
Employee compensation		<u>(690)</u>	<u>(799)</u>	-14%

**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.**

	Note	Group		Company	
		As at 31 March 2018 S\$'000	As at 31 December 2017 S\$'000 (Audited)	As at 31 March 2018 S\$'000	As at 31 December 2017 S\$'000 (Audited)
<b>ASSETS</b>					
<b>Current assets</b>					
Trade and other receivables	1(b)(ii)	10,364	12,228	5,951	6,077
Inventories		2,548	1,158	-	-
Amounts due from subsidiaries		-	-	7,105	5,635
Cash and cash equivalents		7,964	10,978	4,840	7,659
Loans due from an investee		13,039	13,187	13,039	13,187
<b>Total current assets</b>		<b>33,915</b>	<b>37,551</b>	<b>30,935</b>	<b>32,558</b>
<b>Non-current assets</b>					
Property, plant and equipment		1,718	1,785	339	395
Intangible assets		101	101	-	-
Investment in subsidiaries		-	-	4,875	4,869
Available-for-sale financial assets		5	5	-	-
Deferred tax asset		13	13	-	-
Club membership		6	6	-	6
<b>Total non-current assets</b>		<b>1,843</b>	<b>1,910</b>	<b>5,214</b>	<b>5,270</b>
<b>Total assets</b>		<b>35,758</b>	<b>39,461</b>	<b>36,149</b>	<b>37,828</b>
<b>LIABILITIES</b>					
<b>Current liabilities</b>					
Trade and other payables	1(b)(iii)	3,971	6,349	397	1,083
Amounts due to subsidiaries		-	-	5,773	5,816
Finance lease liabilities	1(b)(iv)	122	158	-	-
Current income tax liabilities		-	13	-	-
<b>Total current liabilities</b>		<b>4,093</b>	<b>6,520</b>	<b>6,170</b>	<b>6,899</b>
<b>Non-current liabilities</b>					
Finance lease liabilities	1(b)(iv)	90	88	-	-
<b>Total non-current liabilities</b>		<b>90</b>	<b>88</b>	<b>-</b>	<b>-</b>
<b>Total liabilities</b>		<b>4,183</b>	<b>6,608</b>	<b>6,170</b>	<b>6,899</b>
<b>NET ASSETS</b>		<b>31,575</b>	<b>32,853</b>	<b>29,979</b>	<b>30,929</b>
<b>EQUITY</b>					
<b>Capital and reserves attributable to equity holders of the Company</b>					
Share capital		35,763	35,763	35,763	35,763
Currency translation reserve		(13)	(125)	-	-
Retained accumulated losses		(4,786)	(3,462)	(5,784)	(4,834)
Capital reserve		507	507	-	-
		31,471	32,683	29,979	30,929
<b>Non-controlling interests</b>		104	170	-	-
<b>Total equity</b>		<b>31,575</b>	<b>32,853</b>	<b>29,979</b>	<b>30,929</b>

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

**Account Receivables**

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		March 2018	December 2017	March 2018	December 2017
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>					
Trade receivables (net)		2,391	2,398	-	-
Accrued service revenue		379	2,712	-	-
		<u>2,770</u>	<u>5,110</u>	-	-
Advance payments to suppliers		597	269	-	-
GST recoverable		220	64	9	13
Contingent consideration on acquisition of PT MII		5,922	6,012	5,922	6,012
Sundry receivables		223	462	-	-
Allowance for impairment losses		-	(212)	-	-
		<u>9,732</u>	<u>11,705</u>	<u>5,931</u>	<u>6,025</u>
Deposits		276	274	1	4
Prepayments		356	249	19	48
		<u>10,364</u>	<u>12,228</u>	<u>5,951</u>	<u>6,077</u>

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

	Note	Group		Company	
		As at 31	As at 31	As at 31	As at 31
		March 2018	December 2017	March 2018	December 2017
		S\$'000	S\$'000	S\$'000	S\$'000
<b>Current liabilities</b>					
Trade payables		940	2,023	-	-
Accruals		742	1,470	370	863
Shareholders' loans		2,080	2,494	-	-
GST payable		-	55	-	7
Other payables		209	307	27	213
		<u>3,971</u>	<u>6,349</u>	<u>397</u>	<u>1,083</u>

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

	Note	Group			
		As at 31 March 2018		As at 31 December 2017	
		Secured	Unsecured	Secured	Unsecured
		S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		122	-	158	-
Amount repayable after one year		90	-	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.

	Group	
	For the period ended 31 March	
Note	2018 S\$'000	2017 S\$'000
<b>Cash flows from operating activities</b>		
Loss after tax	(1,398)	(123)
<b>Adjustments for:</b>		
Income tax expense	29	7
Depreciation of property, plant and equipment	138	516
Impairment loss on investment in available-for-sale financial assets	-	3
Property, plant and equipment written off	-	28
(Gain)/loss from disposal of property, plant and equipment	(16)	4
Unrealised currency translation losses	575	1,298
Interest income	(77)	(11)
Interest expense	7	226
Operating (loss)/profit before working capital changes	(742)	1,948
Trade receivables and other receivables	1,650	(502)
Inventories	(1,390)	(69)
Trade payables, other payables and accruals	(2,378)	(2,020)
<b>Cash used in operations</b>	(2,860)	(643)
Interest received	13	11
Interest paid	-	(70)
Income tax paid	(42)	-
<b>Net cash used in operating activities</b>	(2,889)	(702)
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	16	-
<b>Net cash generated from/(used in) investing activities</b>	16	(347)
<b>Cash flows from financing activities</b>		
Repayment of bank borrowings	-	(1,227)
Repayment of finance lease liabilities	(34)	(103)
Increase in short-term deposits pledged	(7)	(911)
Interest paid	(7)	-
Dividend paid to non-controlling interest by a subsidiary	-	(50)
<b>Net cash used in financing activities</b>	(48)	(2,291)
Net decrease in cash and cash equivalents	(2,921)	(3,340)
Cash and cash equivalents at beginning of financial year	9,959	10,748
Effect of currency translation on cash and cash equivalents	(100)	(124)
<b>Cash and cash equivalents at end of financial year</b>	6,938	7,284
<b>Cash and cash equivalents</b>		
Cash and bank balances	7,964	11,610
Less: Fixed deposits pledged with financial institutions	(1,026)	(4,326)
<b>Cash and cash equivalents at end of financial period</b>	6,938	7,284

**(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
<b>3 MONTHS ENDED 31 MARCH</b>							
<b>GROUP</b>							
<b>Balance as at 1 January 2018</b>	35,763	(3,462)	(125)	507	32,683	170	32,853
Net loss for the period	-	(1,324)	-	-	(1,324)	(74)	(1,398)
Other comprehensive loss for the period	-	-	112	-	112	8	120
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	-	-
<b>Balance as at 31 March 2018</b>	<b>35,763</b>	<b>(4,786)</b>	<b>(13)</b>	<b>507</b>	<b>31,471</b>	<b>104</b>	<b>31,575</b>
<b>Balance as at 1 January 2017 (restated)</b>	32,533	1,789	594	182	35,098	(1,567)	33,531
Net loss for the period	-	(327)	-	-	(327)	204	(123)
Other comprehensive loss for the period	-	-	(253)	-	(253)	(101)	(354)
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
<b>Balance as at 31 March 2017</b>	<b>32,533</b>	<b>1,462</b>	<b>341</b>	<b>182</b>	<b>34,518</b>	<b>(1,514)</b>	<b>33,004</b>
<b>COMPANY</b>							
<b>Balance as at 1 January 2018</b>	35,763	(4,834)	-	-	30,929	-	30,930
Net loss for the period	-	(950)	-	-	(950)	-	(950)
<b>Balance as at 31 March 2018</b>	<b>35,763</b>	<b>(5,784)</b>	<b>-</b>	<b>-</b>	<b>29,979</b>	<b>-</b>	<b>29,980</b>
<b>Balance as at 1 January 2017</b>	32,533	(1,994)	-	-	30,539	-	30,539
Net loss for the period	-	(793)	-	-	(793)	-	(793)
<b>Balance as at 31 March 2017</b>	<b>32,533</b>	<b>(2,787)</b>	<b>-</b>	<b>-</b>	<b>29,746</b>	<b>-</b>	<b>29,746</b>

**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 issued share capital of the Company 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 March 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, 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 ("FRS") 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 March	
	2018	2017
<b>Loss per share</b>		
(i) Based on weighted average number of ordinary shares on issue (cents)	(2.30)	(0.70)
(ii) On a fully diluted basis (cents) *	(2.30)	(0.70)
<b>Number of weighted average ordinary shares used in the computation of (i) and (ii)</b>	55,686,996	46,405,830

\*There are no dilutive 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 financial period reported on; and**
- (b) immediately preceding financial year.**

	As at 31 March 2018	As at 31 December 2017
<b>GROUP</b>		
Net asset value per ordinary share (dollars)	0.57	0.59
<b>COMPANY</b>		
Net asset value per ordinary share (dollars)	0.54	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 March 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 ("PT MII") from its marine logistics segment and reclassified its investment in PT MII as an "available-for-sale" asset with effect from 1 January 2017, a development adopted in 4Q2017.

Separately in the construction logistics segment, the period under review comprises contribution from its 75%-owned subsidiary PT Indah Perkasa Abadi (PT IPA), which was acquired on 18 August 2017 through one of the Group's indirect subsidiaries, PT PSL Commodities Indonesia. PT IPA has ongoing projects with an Indonesia state-owned company, PT. Waskita Karya (Persero) Tbk within the civil construction industry for the supply of work and materials within Indonesia.

#### **Financial Performance – 1Q2018 vs 1Q2017**

Revenue decreased by S\$3.6 million or 73% from S\$5.0 million in 1Q2017 to S\$1.4 million in 1Q2018, mainly due to lower revenue from the Marine Logistics segment following the deconsolidation of PT MII. The decrease is partially offset by the revenue generated by PT IPA. Gross profit consequently decreased by S\$0.8 million or 75% from S\$1.1 million for 1Q2017 to S\$0.3 million for 1Q2018, with a higher gross margin of approximately 2% in FY2017 contributed by the Marine Logistics segment.

Other income increased by S\$0.1 million mainly due to recognition of interest of loan to PT MII in 1Q2018 from deconsolidation of PT MII, previously eliminated in 1Q2017.

Other losses increased by S\$0.7 million to S\$0.6 million in 1Q2018 as compared to S\$0.1 million gain in 1Q2017 mainly due to the foreign exchange losses arising from the revaluation of USD shareholders' loan and other payables as well as revaluation of IDR intercompany loan.

General and administrative expenses decreased by 7% in 1Q2018 as compared to 1Q2017, with both remaining at S\$1.1 million mainly due to reduction in depreciation expenses from the Marine Logistics segment due to deconsolidation of PT MII and netted off by the increase in operating costs from newly acquired subsidiary PT IPA.

Finance costs decreased by S\$0.2 million or 77% in 1Q2018 compared to 1Q2017 mainly due to higher bank interest incurred by the Marine Logistics segment in 1Q2017.

The Group recorded a loss after tax of S\$1.4 million for 1Q2018 mainly contributed by Corporate and Construction Logistics segment. Compared to a loss after tax of S\$0.1 million for 1Q2017, it is mainly due to the deconsolidation of PT MII's profit in the Marine Logistics segment resulting in lesser profits to offset the losses incurred in other business segments.

#### **Cash flow – 1Q2018 vs 1Q2017**

The Group's cash and cash equivalents stood at S\$7.8 million as at 31 March 2018. Net cash used in operating activities was S\$2.9 million in 1Q2018 compared to S\$0.7 million in 1Q2017 mainly due deconsolidation of PTMII, resulting in increased losses for the Group and a decrease in trade and other payables as well as movements in inventories due to the acquisition of PT IPA.

Net cash generated from investing activities was S\$0.02 million in 1Q2018 and net cash used in financing activities was S\$0.3 million in 1Q2017 mainly due purchase of property, plant and equipment in 1Q2017 pertaining to the cost of renovation and office equipment for the new corporate office.

Net cash used in financing activities was S\$0.05 million in 1Q2018 compared to S\$2.3 million in 1Q2017 mainly due to repayment of bank borrowings and increase in short-term deposits pledged to secure bank facilities in 1Q2017.

#### **Financial Position**

Current assets decreased by S\$3.7 million or 9.7% from S\$37.6 million as at 31 December 2017 to S\$33.9 million as at 31 March 2018 mainly due to (i) a decrease in cash and cash equivalents as highlighted in the cashflow statement above; (ii) a decrease in trade receivables from collection within the construction logistics segment and (iii) partially offset by increased in inventories and additional receivables from newly acquired subsidiary PT IPA.

Non-current assets decreased by S\$0.1 million from S\$1.9 million as at 31 December 2017 to S\$1.8 million as at 31 March 2018 mainly due to depreciation charges.

Current liabilities decreased by S\$2.4 million or 37.2% from S\$6.5 million as at 31 December 2017 to S\$4.1 million as at 31 March 2018 mainly due to repayment of trade payables and revaluation of shareholders' loans. Non-current liabilities recorded marginal difference between 31 March 2018 and 31 December 2017.

**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 grew 5.1% in year 2017<sup>1</sup> and its economic growth going forward into the medium term is expected to be led by healthy domestic demands, according to the International Monetary Fund<sup>2</sup>. It also notes that Indonesia's outlook may benefit from global growth and commodity prices. The broader economic growth in Indonesia, which is also one of the largest commodity exporters in Asia, is expected to continue to support the country's demand for the marine logistics services.

On the infrastructure sector in Indonesia, the sectorial prospects are supported by the Government's pipeline plans for various major infrastructure projects directed at enhancing the country's economic growth and future connectivity.

The Group's marine logistics business with the acquisition of 49% shares from the Vendors in PT MII in December 2015 by the former management did not generate the revenues and earnings projected. Apart from this, the profits guaranteed of US\$6 million was disputed by the Vendors resulting in the need for the Group to take a conservative decision to incur impairment losses for FY2016. To avoid protracted legal proceedings, the Group considered it appropriate to enter into a Binding Term Sheet for the litigation issues to be settled by the Vendors' acceptance to pay US\$4.5 million and PT MII release of the 7 vessels to the Company as a global settlement subject to eventual approval by the Group's shareholders. This enables the Company to focus on its business development to bring values to the Shareholders.

Where relates to the Group's construction logistics entity, PT IPA continues to seek viable construction projects. The industrial projects tend to remain bullish but can be dampened by price competition and challenges in the construction logistics businesses. This dictates that the Group should be prudent in cost savings for mitigating operational risks and diversifying into other business activities including scalable property developments in Indonesia along with available merger and acquisition opportunities.

<sup>1</sup> "Indonesia economic picks up with 5.1 per cent growth in 2017", The Business Times, 5 February 2018

<sup>2</sup> "IMF sees Indonesia's medium-term growth rising to 5.6%", The Business Times, 7 February 2018

**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 <sup>1</sup>	-
Total (approximately)	2.90 (100%)	2.90	-

<sup>1</sup> 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%)	0.84	1.72
Working capital purposes	0.64 (20%)	0.64 <sup>2</sup>	-
Total (approximately)	3.20 (100%)	1.48	1.72

<sup>2</sup> 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. Negative confirmation by the Board pursuant to Rule 705(5).**

We, Mr Stephen Leong, BBM and Mr William Teo Choon Kow, BBM, being two of the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the three months ended 31 March 2018 to be false or misleading in any material aspect.

**16. 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.

**BY ORDER OF THE BOARD**

Tan Cheang Shiong  
Chief Executive Officer

15 May 2018