

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 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.

		3 Months Ended 31 March		
	Note	2016 S\$'000	2015 S\$'000	Increase (Decrease) %
Revenue		5,228	1,804	189.8
Cost of sales		(4,179)	(1,282)	226.0
Gross profit		1,049	522	101.0
Other income	1(a)(ii)	54	108	(50.0)
Other (loss)/gains	1(a)(ii)	(998)	241	n.m
Expenses				
-Selling and distribution expenses		-	(46)	(100.0)
-General and administrative expenses		(790)	(596)	32.6
-Finance expenses		(179)	(14)	n.m
-Other expenses	1(a)(ii)	-	(14)	n.m
(Loss)/Profit before income tax	1(a)(ii)	(864)	201	n.m
Income tax credit/(expense)		12	(52)	n.m
(Loss)/Profit after tax		(852)	149	n.m
Other comprehensive loss:				
Items that may be reclassified subsequently to profit or loss:				
Currency translation differences arising from consolidation		(1,116)	-	n.m
Total comprehensive (loss)/profit for the financial period		(1,968)	149	n.m
(Loss)/Profit attributable to:				
Equity holders of the Company		(798)	60	n.m
Non-controlling interests		(54)	89	n.m
		(852)	149	n.m
Total comprehensive (loss)/profit attributable to:				
Equity holders of the Company		(1,315)	60	n.m
Non-controlling interests		(653)	89	n.m
		(1,968)	149	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 31 March		
	2016 S\$'000	2015 S\$'000	Increase (Decrease) %
Other income:			
Interest income from banks	14	43	(67.4)
Government grant	39	63	(38.1)
Sundry income	1	2	(50.0)
	<u>54</u>	<u>108</u>	
Other (loss)/gains:			
Currency exchange (loss)/gain	(998)	211	n.m
Gain from disposal of property, plant and equipment	-	30	(100.0)
	<u>(998)</u>	<u>241</u>	
Other expenses:			
Changes in fair value of financial assets at fair value through profit or loss	-	(14)	(100.0)
Depreciation included in:			
- cost of sales	(938)	(92)	919.6
- general and administrative expenses	(15)	(27)	(44.4)
Interest expenses	<u>(179)</u>	<u>(14)</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 31 March 2016 S\$'000	As at 31 December 2015 S\$'000	As at 31 March 2016 S\$'000	As at 31 December 2015 S\$'000
	Note				
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	6,271	3,690	1,040	10
Inventories		136	177	-	-
Amounts due from subsidiaries		-	-	5,982	6,677
Cash and cash equivalents		10,111	12,385	8,211	3,452
Total current assets		16,518	16,252	15,233	10,139
Non-current assets					
Property, plant and equipment		58,396	61,712	-	-
Intangible assets		4,700	4,982	-	-
Investment in subsidiaries		-	-	20,164	20,164
Available-for-sale financial assets		15	15	-	-
Amounts due from subsidiaries		-	-	11,469	11,943
Trade and other receivables	1(b)(ii)	1,356	1,428	-	-
Total non-current assets		64,467	68,137	31,633	32,107
Total assets		80,985	84,389	46,866	42,246
LIABILITIES					
Current liabilities					
Trade and other payables		11,380	12,273	187	337
Amounts due to subsidiaries		-	-	6,589	1,067
Finance lease liabilities		429	428	-	-
Current income tax liabilities		171	120	-	-
Total current liabilities		11,980	12,821	6,776	1,404
Non-current liabilities					
Trade and other payables		10,221	10,520	-	-
Finance lease liabilities		373	482	-	-
Deferred income tax liabilities		3,085	3,272	-	-
Total non-current liabilities		13,679	14,274	-	-
Total liabilities		25,679	27,095	6,776	1,404
NET ASSETS		55,326	57,294	40,090	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		(622)	(105)	-	-
Retained earnings		14,715	15,513	10,515	11,267
Capital reserve		182	182	-	-
		43,850	45,165	40,090	40,842
Non-controlling interests		11,476	12,129	-	-
Total equity		55,326	57,294	40,090	40,842

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

		Group	Company
	Note	As at 31 March 2016 S\$'000	As at 31 December 2015 S\$'000
		As at 31 March 2016 S\$'000	As at 31 December 2015 S\$'000
Current			
Trade receivables			
- Non-related parties		4,360	2,845
- Accrued service revenue		502	470
Less: Allowance for impairment of receivables of non-related parties		(115)	(116)
		4,747	3,199
Refundable deposit placed for proposed investment in NBN Scaffolding Pte Ltd	a	1,000	-
Advance payment to supplier		14	32
Staff advances		1	2
GST recoverable		51	6
Sundry receivables		27	155
		5,840	3,394
Deposits		25	26
Prepayments		406	270
		6,271	3,690
Non-current			
Contingent considerations on acquisition of a subsidiary		1,351	1,408
Sundry receivables		5	5
		1,356	1,413
Prepayments		-	15
		1,356	1,428

Note:-

- a. The proposed investment had been terminated with effect from 14 April 2016 and the deposit has been refunded to the Company as announced on 15 April 2016.

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

	Group			
	As at 31 March 2016 Secured S\$'000	Unsecured S\$'000	As at 31 December 2015 Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	429	-	428	-
Amount repayable after one year	373	-	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 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 For the period ended 31 March	
Note	2016 S\$'000	2015 S\$'000
Cash flows from operating activities		
(Loss)/Profit after tax	(852)	149
Adjustments for:		
Income tax (credit)/expense	(12)	52
Depreciation of property, plant and equipment	953	119
Changes in fair value of financial assets at fair value through profit or loss	-	14
Gain from disposal of property, plant and equipment	-	(30)
Amortisation expense on intangible asset	84	-
Unrealised currency translation losses	1,460	-
Interest income	(14)	(43)
Interest expense	179	14
Change in working capital, net of effects from acquisition of subsidiaries:	1,798	275
(Increase)/Decrease in trade and other receivables	(1,451)	524
Decrease in inventories	41	-
Decrease in trade and other payables and accruals	(1,490)	(384)
Cash used in operations	(1,102)	415
Interest received	14	43
Interest paid	(179)	(14)
Income tax refund	-	18
Income tax paid	-	(31)
Net cash (used in)/generated from operating activities	(1,267)	431
Cash flows from investing activities		
Refund of deposits from proposed investments	-	5,252
Deposit placed for proposed investments	a (1,000)	(2,734)
Proceeds from disposal of subsidiaries	-	4,370
Proceeds from disposal of property, plant and equipment	-	33
Purchase of property, plant and equipment	b (7)	(15)
Net cash (used in)/generated from investing activities	(1,007)	6,906
Cash flows from financing activities		
Repayment of finance lease liabilities	(108)	(135)
Increase in short-term deposits pledged	c (2)	-
Net cash used in financing activities	(110)	(135)
Net (decrease)/increase in cash and cash equivalents	(2,384)	7,202
Cash and cash equivalents at beginning of financial year	11,217	32,685
Effect of currency translation on cash and cash equivalents	108	-
Cash and cash equivalents at end of financial year	8,941	39,887
Cash and cash equivalents		
Fixed deposits with financial institutions	6,339	14,599
Cash and bank balances	3,772	26,935
Total cash and bank balances	10,111	41,534
Less: Fixed deposits pledged with financial institutions	(1,170)	(1,647)
Cash and cash equivalents at end of financial period	8,941	39,887

Notes:-

- Refundable deposit 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.
- During the financial period, the Group acquired property, plant and equipment with an aggregate cost of S\$7,000 (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 S\$'000	Retained earnings S\$'000	Currency translation reserve S\$'000	Capital reserve S\$'000	Total S\$'000	Non- controlling Interests S\$'000	Total S\$'000
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3 MONTHS ENDED 31 MARCH

GROUP

Balance as at 1 January 2016	29,575	15,513	(105)	182	45,165	12,129	57,294
Net loss for the period	-	(798)	-	-	(798)	(54)	(852)
Other comprehensive loss for the period	-	-	(517)	-	(517)	(599)	(1,116)
Balance as at 31 March 2016	29,575	14,715	(622)	182	43,850	11,476	55,326

Balance as at 1 January 2015	29,575	16,814	-	182	46,571	493	47,064
Net profit for the period	-	60	-	-	60	89	149
Balance as at 31 March 2015	29,575	16,874	-	182	46,631	582	47,213

COMPANY

Balance as at 1 January 2016	29,575	11,267	-	-	40,842	-	40,842
Net loss for the period	-	(752)	-	-	(752)	-	(752)
Balance as at 31 March 2016	29,575	10,515	-	-	40,090	-	40,090

Balance as at 1 January 2015	29,575	11,347	-	-	40,922	-	40,922
Net profit for the period	-	113	-	-	113	-	113
Balance as at 31 March 2015	29,575	11,460	-	-	41,035	-	41,035

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 31 March 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 31 March 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.

On 27 November 2015, a share consolidation exercise was completed such that every ten (10) ordinary shares were consolidated into one (1) share. After disregarding any fractions of consolidated shares arising from the share consolidation, the issued share capital of the Company comprises 38,671,830 consolidated shares.

Number of shares	As at 31 March 2016	As at 31 December 2015
Beginning and end of financial period	38,671,830	38,671,830

As at both 31 December 2015 and 31 March 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.

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those used in the most recent audited 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 considered all the new and revised relevant Singapore Financial Reporting Standards (FRS) and Interpretation to FRS ("INT FRS") which were issued by the Accounting Standards Council.

The adoption of the all new and revised relevant FRSs and INT FRS had no material impact on the Group.

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.

	2016	Group 3 Months Ended 31 March 2015	2015
		(restated)	
(Loss)/profit per share			
(i) Based on weighted average number of ordinary shares on issue (cents)	(2.06)	*0.16	0.02
(ii) On a fully diluted basis (cents) *	(2.06)	*0.16	0.02
Number of ordinary shares	38,671,830	*38,671,830	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 31 March 2016	As at 31 December 2015
GROUP		
Net asset value per ordinary shares - dollars	1.13	1.17
COMPANY		
Net asset value per ordinary shares - dollars	1.04	1.06
Number of issued shares as at end of the year/period	38,671,830	38,671,830

* On 27 November 2015, every ten existing ordinary shares of the Company were consolidated into one ordinary share ("Share Consolidation"). This results in a total of 386,721,035 existing shares being consolidated into 38,671,830 ordinary shares after disregarding any fractions or ordinary shares arising from the share consolidation.

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.**

Completion of Acquisition of PT Momentum Indonesia Investama ("PT MII")

As announced on 30 November 2015, the Group had acquired approximately 49% of the issued share capital and had since established control over the board of PT MII. Accordingly, the assets and liabilities of PT MII were consolidated in the Group's balance sheet as at 31 December 2015 as well as the financial performance of PT MII were consolidated in the Group's income statement for the period of one month ended 31 December 2015.

Financial Performance – 1Q2016 vs 1Q2015

Revenue increased by S\$3.4 million or 189.8% from S\$1.8 million in 1Q2015 to S\$5.2 million in 1Q2016 mainly due to acquisition of Marine Logistics business in 4Q2015, which was partially offset by lower revenue contributed from the Construction Logistics business as a result of stiffer competition.

Gross profit increased by S\$0.5 million or 101.0% from S\$0.5 million in 1Q2015 to S\$1.0 million in 1Q2016 mainly due to acquisition of Marine Logistics business.

Other income decreased by S\$54,000 or 50.0% from S\$108,000 in 1Q2015 to S\$54,000 in 1Q2016 mainly due to decrease in interest income generated and government grant received.

Other loss of S\$1.0 million recorded in 1Q2016 was due to unrealised foreign exchange loss as a result of depreciation of USD against SGD and IDR. Of the unrealised foreign exchange loss, approximately S\$890,000 pertained to the non-cash portion and the remaining S\$108,000 pertained to the cash portion.

The Group did not record any selling and distribution expenses in 1Q2016 due to scaling down of its Trading & Engineering business.

General and administrative expenses increased by S\$0.2 million or 32.6% from S\$0.6 million in 1Q2015 to S\$0.8 million in 1Q2016 mainly due to increase in manpower related costs as a result of consolidation of Marine Logistics business in 1Q2016 as well as amortisation expense on intangible assets.

Finance costs increased by S\$165,000 from S\$14,000 in 1Q2015 to S\$179,000 in 1Q2016 mainly due to shareholders' loan granted to PT MII by non-controlling interest.

Other expenses recorded in 1Q2015 pertain to changes in fair value of financial assets at fair value through profit or loss in 1Q2015.

The Group recorded a loss of S\$0.9 million after tax credit of S\$12,000 in 1Q2016 compared to profit of S\$149,000 after tax expense of S\$52,000 in 1Q2015.

Cash flow – 1Q2016 vs 1Q2015

The Group's cash and cash equivalents stood at S\$8.9 million as at 31 March 2016. Net cash used in operating activities was S\$1.3 million in 1Q2016 compared to net cash generated from operating activities of S\$0.4 million in 1Q2015. The net cash used in operating activities in 1Q2016 and net cash generated from operating activities 1Q2015 were mainly due to net cash used in and generated from working capital.

Net cash used in investing activities was S\$1.0 million in 1Q2016 compared to net cash generated from investing activities of S\$6.9 million in 1Q2015. This was mainly due to the deposit payment of S\$1.0 million pertaining to the proposed investment in NBN Scaffolding Pte Ltd in 1Q2016. 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 1Q2015, 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 used in financing activities was S\$110,000 in 1Q2016 and S\$135,000 in 1Q2015 due to repayment of finance lease liabilities.

Financial Position

Non-current assets decreased by S\$3.7 million or 5.4% from S\$68.1 million as at 31 December 2015 to S\$64.4 million as at 31 March 2016 mainly due to depreciation charge and translation differences on foreign assets which are denominated in United State Dollars.

Current assets increased by S\$0.3 million or 1.6% from S\$16.2 million as at 31 December 2015 to S\$16.5 million as at 31 March 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 4.2% from S\$14.3 million as at 31 December 2015 to S\$13.7 million as at 31 March 2016, mainly due to reduction in trade and other payables, deferred tax liabilities and repayment of finance lease liabilities.

Current liabilities decreased by S\$0.8 million or 6.6% from S\$12.8 million as at 31 December 2015 to S\$12.0 million as at 31 March 2016, mainly due to reduction in trade and other payables.

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.

Pursuant to the Group's successful acquisition of approximately 49% of the issued share capital of PT Momentum Indonesia Investama as announced on 30 November 2015, the assets and liabilities of the target company were consolidated in the Group's statement of financial position as at 31 December 2015. The Company believes that the Profit Guarantee of approximately US\$6.0 million (49% of US\$12,244,898) over 24 months in relation to the acquisition will be beneficial to the Company's bottom line.

The newly acquired marine logistics business would be primarily serving the coal industry in Indonesia. Notwithstanding that Indonesia saw its coal production fall 14% on year to 392 million tonnes in 2015 due to falling demand from export markets like China and India, domestic coal demand could increase by around 22% from last year to as much as 110 million tonnes in 2016 as new capacity is brought on line, according to the President of the Indonesian Coal Mining Association, Pandu Sjahrir.

In addition, Indonesia's economy is projected to expand along with its power needs. The government is expecting to build more infrastructure and coal-fired power plants over the next couple of years as it targets a 5.5% GDP growth with an increase in the infrastructure budget of 8% in 2016. As the domestic demand for coal increases, the Group expects demand for Marine Logistics services to grow alongside coal suppliers who would be supplying to such domestic power plants.

The United States Dollar ("US\$") depreciated from US\$1:S\$1.419 as at 31 December 2015 to US\$1:S\$1.348 as at 31 March 2016. Similarly, the US\$ had also depreciated against IDR from US\$1:IDR13,788 as at 31 December 2015 to US\$1:IDR13,239 as at 31 March 2016. This had caused the Group to incur an unrealised foreign exchange loss of approximately S\$1.0 million in 1Q2016, should such currency fluctuations persist, the Group's profitability may be affected.

Taking into consideration the global slowdown in economic growth, the Group will continue in its efforts to seek new opportunities in the Construction, Marine or Oil & Gas industries in its attempt to grow its operations on a cautious basis.

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. 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.

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 31 March 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

Mark Zhou You Chuan
Chief Executive Officer and Executive Director

13 May 2016