PSL HOLDINGS LIMITED
Company Registration Number: 199707022K
(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FOURTH QUARTER AND FULL YEAR ENDED 31 DECEMBER 2014

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

1 (a)(i) An income statements and statement of comprehensive income or a statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Note	3 Months Ended 31 December			Financial Year Ended 31 December		
		4Q2014 S$'000	4Q2013 S$'000	Increase (Decrease) %	2014 S$'000	2013 S$'000	Increase (Decrease) %
Revenue		1,348	3,348	(59.7)	9,675	13,748	(29.6)
Cost of sales		(2,362)	(626)	277.3	(7,553)	(6,489)	16.4
Gross (loss)/profit		(1,014)	2,722	n.m	2,122	7,259	(70.8)
Other operating income	A	450	494	(8.9)	872	775	12.5
Selling and distribution expenses	B	(66)	(329)	(79.9)	(649)	(1,143)	(43.2)
General and administrative expenses	C	(1,514)	(1,351)	12.1	(4,838)	(5,089)	(4.9)
Other operating expenses	D	(1,221)	(1,005)	21.5	(1,533)	(1,229)	24.7
Finance costs	E	(15)	(23)	(34.8)	(71)	(93)	(23.7)
(Loss)/Profit before income tax from continuing operations		(3,380)	508	n.m	(4,097)	480	n.m
Income tax credit	F	92	342	(73.1)	40	63	(36.5)
(Loss)/Profit from continuing operations, net of income tax		(3,288)	850	n.m	(4,057)	543	n.m
Discontinued operation:							
Profit from discontinued operation, net of income tax		-	2,972	(100.0)	-	1,630	(100.0)
(Loss)/Profit for the period/year, representing total comprehensive income for the period/year		(3,288)	3,822	n.m	(4,057)	2,173	n.m
(Loss)/Profit for the period/year, representing total comprehensive income for the period/year attributable to:							
- Owners of the Company		(3,233)	3,709	n.m	(4,181)	1,935	n.m
- Non-controlling interests		(55)	113	n.m	124	238	(47.9)
		(3,288)	3,822	n.m	(4,057)	2,173	n.m
(Loss)/Profit for the period/year, representing total comprehensive income attributable to equity holders of the Company related to:							
- Continuing operation		(3,233)	737	n.m	(4,181)	305	n.m
- Discountinued operation		-	2,972	(100.0)	-	1,630	(100.0)
		(3,233)	3,709	n.m	(4,181)	1,935	n.m

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

(A) Other operating income comprises:-

	3 Months Ended 31 December			Year Ended 31 December		
	4Q2014 S$'000	4Q2013 S$'000	Increase (Decrease) %	2014 S$'000	2013 S$'000	Increase (Decrease) %
Gain on disposal of property, plant and equipment	18	-	n.m	207	-	n.m
Interest income	104	61	70.5	210	108	94.4
Government grant	11	6	83.3	146	84	73.8
Dividend income	-	-	-	1	-	n.m
Rental income	-	-	-	-	48	(100.0)
Changes in fair value of financial assets at fair value through profit or loss	-	23	(100.0)	-	22	(100.0)
Foreign exchange gain resulting from appreciation of USD against SGD	315	4	7,775.0	305	64	376.6
Write back of allowance for doubtful debts (non-trade)	-	-	-	-	46	(100.0)
Reversal of accrued drilling cost no longer required	-	400	(100.0)	-	400	(100.0)
Others	2	-	n.m	3	3	-
	450	494		872	775	

(B) Selling and distribution expenses decreased by 79.9% in 4Q2014 and 43.2% for the financial year ended 31 December 2014 ("FY2014") due mainly to decrease in manpower cost as a result of decrease in headcount in Trading & Engineering business.

(C) General and administrative expenses increased by 12.2% in 4Q2014 due mainly to professional fees of $0.5 million incurred for the proposed investment in Longmen. For FY2014, general and administrative expenses decreased by 4.9% due mainly to decrease in manpower related cost resulting from decrease in headcount in Trading & Engineering business, partially offset by the professional fees incurred for the proposed investment in Longmen amounting to $0.7 million.

(D) Other operating expenses include:

	3 Months Ended 31 December			Year Ended 31 December		
	4Q2014 S$'000	4Q2013 S$'000	Increase (Decrease) %	2014 S$'000	2013 S$'000	Increase (Decrease) %
Property, plant and equipment written off	(2)	-	n.m	(43)	-	n.m
Allowance for impairment of trade receivables	(189)	-	n.m	(205)	-	n.m
Allowance for impairment of other receivables (i)	(700)	(184)	280.4	(716)	(184)	289.1
Changes in fair value of financial assets at fair value through profit or loss	(46)	-	n.m	(84)	-	n.m
Bad debts written off	-	-	-	-	(202)	(100.0)
Other receivables written off (i)	(231)	-	n.m	(231)	-	n.m
Deposit paid in 2013 written off (ii)	(254)	-	n.m	(254)	-	n.m
Loss on disposal of property, plant and equipment	-	-	-	-	(22)	(100.0)
Inventory written off in 3Q2014 reclassified to cost of sales	201	-	n.m	-	-	-
Allowance for impairment of available-for-sale financial assets	-	(821)	(100.0)	-	(821)	(100.0)
	(1,221)	(1,005)		(1,533)	(1,229)	

(i) As announced on 19 Janauary 2015, a) write off of $231,000 arising from settlement of balance of consideration for the divestment of subsidiaries pursuant to the Sale & Purchase Agreement dated 30 August 2013 and b) impairment of $700,000 on outstanding debts due to divested subsidiaries assigned to the Company.

(ii) Deposit of US$200,000 ($254,000) was paid in Sept 2013 for proposed investment in PT Wahyu Eka Perkasa for mining project. As the Group did not proceed with the investment due to poor quality of coal, the deposit was written off as it is non refundable according to terms of agreement.

(E) Finance costs decreased by 34.8% in 4Q2014 and 23.7% in FY2014 mainly due to repayment of borrowings.

(F) Income tax credit was due to overprovision of current and deferred taxation in FY2013 .

(G)

	3 Months Ended 31 December			Year Ended 31 December		
	4Q2014 S$'000	4Q2013 S$'000	Increase (Decrease) %	2014 S$'000	2013 S$'000	Increase (Decrease) %
Depreciation included in:						
- cost of sales	(90)	(85)	5.9	(366)	(303)	20.8
- general and administrative expenses	(35)	(115)	(69.6)	(165)	(218)	(24.3)
Interest expenses	(15)	(23)	(34.8)	(71)	(93)	(23.7)
Discontinued Operation:						
Depreciation included in:						
- cost of sales	-	-	-	-	(623)	100.0
- general and administrative expenses	-	-	-	-	(681)	100.0
Interest expenses	-	-	-	-	(88)	100.0
Property, plant and equipment written off	-	-	-	-	(17)	100.0

(H) 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 2014 $'000	As at 31 December 2013 $'000	As at 31 December 2014 $'000	As at 31 December 2013 $'000
ASSETS					
Non-current assets					
Property, plant and equipment		2,503	2,617	-	-
Investment in subsidiaries		-	-	3,891	3,891
Other receivables		31	33		
Total non-current assets		2,534	2,650	3,891	3,891
Current assets					
Financial assets at fair value through profit or loss		60	144	-	-
Trade receivables	1	2,075	4,027	-	-
Other receivables	2	10,889	7,325	10,159	5,877
Inventories	3	55	1,095	-	-
Due from subsidiaries		-	-	2,591	6,605
Cash & bank balances		34,332	42,850	25,922	30,381
Total current assets		47,411	55,441	38,672	42,863
Total assets		49,945	58,091	42,563	46,754
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		29,575	29,575	29,575	29,575
Retained earnings		16,814	22,929	11,347	15,436
Capital reserve		182	182	-	-
		46,571	52,686	40,922	45,011
Non-controlling interests		493	431	-	-
Total equity		47,064	53,117	40,922	45,011
Non-current liabilities					
Finance lease liabilities	4	803	1,087	-	-
Deferred income tax liabilities		65	45	-	-
Total non-current liabilities		868	1,132	-	-
Current liabilities					
Trade payables		452	603	-	-
Other payables and accruals	5	1,076	2,473	718	798
Due to subsidiaries		-	-	923	923
Finance lease liabilities	4	454	571	-	-
Current income tax liabilities		31	195	-	22
Total current liabilities		2,013	3,842	1,641	1,743
Total liabilities		2,881	4,974	1,641	1,743
Total equity and liabilities		49,945	58,091	42,563	46,754

1(b)(ii) Notes to the Statements of Financial Position

(1) Trade receivables decreased by $1.95 million due to lower business volume for Trading & Engineering segment.

(2) Other receivables comprises:-

	Group		Company	
	As at 31 December 2014 $'000	As at 31 December 2013 $'000	As at 31 December 2014 $'000	As at 31 December 2013 $'000
Deposit placed for proposed investment in Longmen Group Limited - a	5,252	-	5,252	-
Receivables arising from divestment of subsidiaries - b	4,370	4,601	4,370	4,601
Other receivables	611	1,233	531	1,205
Advance payment to supplier - c	507	1,000	-	-
Deposits	56	386	-	62
Prepayments	93	105	6	9
	10,889	7,325	10,159	5,877

a – The total amount together with interest at the rate of 5.33% has been refunded to the Company as announced on 5 January 2015.

b – Decrease of $231,000 was due to amount written off arising from settlement as announced on 19 January 2015. Remaining amount has been received as announced on 16 February 2015.

c – This is balance of advance of $1 million paid in FY2013 for use of dumping site. $307,000 was refunded on 2 Feb 2015. The remaining balance of $200,000 is to be refunded in 2 installments of $100,000 each. 2 post-dated cheques for $100,000 each have been collected by the Company.

(3) In Q32014, the $0.2 million write down was due to damaged inventory discovered during office shift. In 4Q2014, of the $0.8 million write-down of inventories, $0.4 million was due to year-end stock-take adjustments.

(4) Decrease in finance lease liabilities by $0.4 million due mainly to repayment made during the financial year partially offset by purchase of property, plant and equipment under finance lease.

(5) Decrease in other payables and accruals by $1.4 million due mainly to lower operating expenses accrued in 2014 compared to 2013.

1(c)(ii) Aggregate amount of group's borrowings and debt securities.

	Group			
	As at 31 December 2014		31 December 2013	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	454	-	571	-
Amount repayable after one year	803	-	1,087	-

Details of any collateral

Corporate guarantee from PSL Holdings Limited and charge on motor vehicles for finance lease liabilities of subsidiaries.

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		Group	
	3 Months Ended 31 December		Year Ended 31 December	
	4Q2014 S$'000	4Q2013 S$'000 (Re-presented)	2014 S$'000	2013 S$'000 (Re-presented)
Cash flows from operating activities				
(Loss)/Profit before tax	(3,380)	3,480	(4,097)	1,891
Adjustments for:				
Depreciation of property, plant and equipment	125	200	531	1,825
Impairment loss on available-for-sale financial asset	-	821	-	821
Bad debts written off	231	-	231	202
Impairment loss on deposit	254	-	254	-
Write back of allowance for impairment of trade receivables	-	-	-	(46)
Allowance for impairment of trade receivables	189	-	205	-
Allowance for impairment of other receivables	700	184	716	184
Gain on disposal of subsidiaries	-	(4,176)	-	(4,176)
(Gain)/Loss on disposal of property, plant and equipment	(18)	-	(207)	22
Changes in fair value of financial assets at fair value through profit or loss	46	(23)	84	(22)
Property, plant and equipment written off	2	-	43	17
Dividend income	-	-	(1)	-
Interest income	(104)	(61)	(210)	(108)
Interest expense	15	23	71	181
Operating cash flow before changes in working capital	(1,940)	448	(2,380)	791
Decrease(Increase) in due to/(from) customers on construction contracts	-	78	-	(248)
Decrease/(Increase) in inventories	839	(27)	1,040	(71)
Decrease in trade and other receivables	1,112	1,223	1,952	8,800
(Decrease) in trade and other payables	(73)	(1,318)	(1,548)	(9,897)
Cash generated from/(used in) operations	(62)	404	(936)	(625)
Interest paid	(15)	(23)	(71)	(181)
Interest received	104	61	210	108
Income tax refund	-	-	21	49
Income tax paid	-	(59)	(143)	(80)
Net cash generated from/(used in) operating activities	27	383	(919)	(729)
Cash flows from investing activities				
Refund of deposits from proposed investments	1,313	-	1,313	5,000
Deposit placed for proposed investments	-	-	(6,263)	(254)
Proceeds from disposal of subsidiaries	-	11,405	-	11,405
Proceeds from disposal of property, plant and equipment	32	-	362	340
Dividend income	-	-	1	-
(Increase)/Decrease in short-term deposits pledged	(2)	(480)	33	712
Purchase of property, plant and equipment	(114)	(111)	(316)	(480)
Net cash generated from/(used in) investing activities	1,229	10,814	(4,870)	16,723
Cash flows from financing activities				
Proceeds from borrowings	-	150	-	450
Dividend paid to shareholders of the Company	-	-	(1,934)	-
Dividend paid to minority shareholder of a subsidiary	(25)	(25)	(62)	(50)
Repayment of borrowings	-	(123)	-	(317)
Repayment of finance lease liabilities	(147)	(145)	(700)	(1,915)
Net cash used in financing activities	(172)	(143)	(2,696)	(1,832)

	Group		Group	
	3 Months Ended 31 December		Year Ended 31 December	
	4Q2014 S$'000	4Q2013 S$'000 (Re-presented)	2014 S$'000	2013 S$'000 (Re-presented)
Net increase/(decrease) in cash and cash equivalents	1,084	11,054	(8,485)	14,162
Cash and cash equivalents at beginning of the financial period/year	31,601	30,116	41,170	27,008
Cash and cash equivalents at end of the period/year	32,685	41,170	32,685	41,170
Cash and cash equivalents				
Short term deposits	6,843	39,052	6,843	39,052
Cash and bank balances	27,489	3,798	27,489	3,798
Total cash and bank balances	34,332	42,850	34,332	42,850
Less: Short term deposits pledged	(1,647)	(1,680)	(1,647)	(1,680)
Cash and cash equivalents at end of the period/year	32,685	41,170	32,685	41,170

During the financial year, the Group acquired property, plant and equipment with an aggregate cost of $615,000 (2013: $1,533,000) of which $299,000 (2013: $1,053,000) was acquired under finance leases. A cash payment of $316,000 (2013: $480,000) was made to purchase property, plant and equipment.

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 $'000	Retained earnings $'000	Capital reserve $'000	Total $'000	Non-controlling interests $'000	Total $'000
FOR YEAR ENDED 31 DECEMBER						
GROUP						
Balance as at 1 January 2014	29,575	22,929	182	52,686	431	53,117
Net (loss)/profit for the year, representing total comprehensive income	-	(4,181)	-	(4,181)	124	(4,057)
Dividend paid	-	(1,934)	-	(1,934)	(62)	(1,996)
Balance as at 31 December 2014	29,575	16,814	182	46,571	493	47,064
Balance as at 1 January 2013	29,575	20,994	182	50,751	243	50,994
Net profit for the year, representing total comprehensive income	-	1,935	-	1,935	238	2,173
Dividend paid	-	-	-	-	(50)	(50)
Balance as at 31 December 2013	29,575	22,929	182	52,686	431	53,117
COMPANY						
Balance as at 1 January 2014	29,575	15,436	-	45,011	-	45,011
Net loss for the year	-	(2,155)	-	(2,155)	-	(2,155)
Dividend paid	-	(1,934)	-	(1,934)	-	(1,934)
Balance as at 31 December 2014	29,575	11,347	-	40,922	-	40,922
Balance as at 1 January 2013	29,575	16,798	-	46,373	-	46,373
Net loss for the year	-	(1,362)	-	(1,362)	-	(1,362)
Balance as at 31 December 2013	29,575	15,436	-	45,011	-	45,011

	Share capital $'000	Retained earnings $'000	Capital reserve $'000	Total $'000	Non-controlling interests $'000	Total $'000
FOR 3 MONTHS ENDED 31 DECEMBER						
GROUP						
Balance as at 1 October 2014	29,575	20,229	-	49,804	573	50,377
Net (loss)/profit for the period, representing total comprehensive income	-	(3,233)	-	(3,233)	(55)	(3,288)
Dividend paid	-	-	-	-	(25)	(25)
Balance as at 31 December 2014	29,575	16,996	-	46,571	493	47,064
Balance as at 1 October 2013	29,575	19,220	182	48,977	343	49,320
Net (loss)/profit for the period, representing total comprehensive income	-	3,709	-	3,709	113	3,822
Dividend paid	-	-	-	-	(25)	(25)
Balance as at 31 December 2013	29,575	22,929	182	52,686	431	53,117
COMPANY						
Balance as at 1 October 2014	29,575	12,647	-	42,222	-	42,222
Net loss for the period	-	(1,300)	-	(1,300)	-	(1,300)
Balance as at 31 December 2014	29,575	11,347	-	40,922	-	40,922
Balance as at 1 October 2013	29,575	16,150	-	45,725	-	45,725
Net loss for the period	-	(714)	-	(714)	-	(714)
Balance as at 31 December 2013	29,575	15,436	-	45,011		45,011

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 $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 $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 traded on 24 April 2012. The warrants were listed for quotation on the Official List of SGX-ST and traded on 25 April 2012. The warrants will expire on April 2017.

There is no change in the Company' share capital in FY2014.

Number of warrants	As at 31 December 2014	As at 31 December 2013
Beginning and end of the period/year	77,341,207	77,341,207

To-date, 2,500 warrants were exercised and converted into ordinary shares in the capital of the Company in 2012.

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.

	As at 31 December 2014	As at 31 December 2013
Beginning and end of the period/year	386,721,035	386,721,035

As at both 31 December 2013 and 2014, 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 FRSs") which were issued by the Accounting Standards Council.

The adoption of the all new and revised relevant FRSs and INT FRSs 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.

	Group 3 Months Ended 31 December		Group Year Ended 31 December	
	4Q2014 $'000	4Q2013 $'000	2014 $'000	2013 $'000
Profit/(Loss) per share				
(i) Based on weighted average number of ordinary shares on issue (cents)				
From continuing operations	(0.84)	0.19	(1.08)	0.08
From discontinued operations	-	0.77	-	0.42
(ii) On a fully diluted basis (cents) *				
From continuing operations	(0.84)	0.19	(1.08)	0.08
From discontinued operations	-	0.77	-	0.42
Number of ordinary shares	386,721,035	386,721,035	386,721,035	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 December 2014	As at 31 December 2013
GROUP		
Net asset value per ordinary shares (cents)	12.04	13.62
COMPANY		
Net asset value per ordinary shares (cents)	10.58	11.64
Number of issued shares as at end of the year/period	386,721,035	386,721,035

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial Performance – 4Q 2014 vs 4Q 2013

Group revenue decreased by 59.7% to $1.35 million in 4Q2014 from $3.35 million in 4Q2013 due to lower revenue from both Trading & Engineering busiess and Excavation & Transportation business.

Trading & Engineering revenue decreased significanly to $0.06 million in 4Q2014 from $1.82 million in 4Q2013. Several technical staffs including the general manager resigned in 4Q. The move to Tuas South to smaller premises from Sungei Kadut precipitated further staff departures. This have impacted 4th Quarter revenue.

Excavation and Transportation revenue decreased by 15.3% to $1.29 million in 4Q2014 from $$1.53 million in 3Q2013 due to intense competition resulting in lower prices.

Gross loss of $1.01 million was incurred in 4Q2014 compared to gross profit of $2.72 million in 4Q2013. The loss was due to a) write down of inventory in Trading & Engineering business amounting to $0.6 million ($0.2 million in 3Q2014 was reclassified to cost of sales). This was a result of the writing down of inventory consisting of old hoses and fittings made up of voluminous small pieces to net realisable value, and b) loss jobs incurred in Excavation & Transportation business due to price competition. Another $0.4 million was recognised as expense in cost of sales resulting from year-end stocktake adjustment in Trading & Engineering busiess.

Selling and distribution expenses decreased by 79.9% to $66,000 in 4Q2014 from $329,000 in 4Q2013 due mainly to decrease in manpower cost as a result of lower headcount in Trading & Engineering business.

General and administrative expenses increased by 12.2% to $1.51 million in 4Q2014 from $1.35 million in 4Q2013 due mainly to professional fees of $0.5 million incurred for the proposed investment in Longmen.

Other operating expenses amounted to $1.22 million in 4Q2014. To bring closure to Sale and Purchase agreement with KH Foges in 2013, an agreement was reached to receive the remaining balance of $4.37 million in February 2015. This resulted in a write down of $231,000 to other receivables and another $700,000 impairment to outstanding debts to divested subsidiaries assigned to the Company. Efforts continue to be made to collect the remaining oustanding debts. Another $254,000 was impaired as a deposit made in 2013 for a proposed investment in PT Wahyu Eka Perkasa for mining project did not materialise. As matter of prudence, impairment also was made on trade debts outstanding in excess of one year or when collection is known to be at risk. Total impairment allowance came to $189,000.

Finance costs decreased by 34.8% to $15,000 in 4Q2014 from $23,000 in 4Q2013 mainly due to repayment of borrowings.

Income tax credit recorded for overprovision of current and deferred taxation in FY2013.

Due to the difficult business conditions and the write off incurred, the Group recorded a loss after tax of $3.29 million in 4Q2014 compared to a profit after tax of $3.82 million in 4Q2013.

Financial Performance – Full Year 2014 ("FY2014") vs Full Year 2013 ("FY2013")

Group revenue decreased by 29.6% to $9.68 million for FY2014 from $13.75 million for FY2013 due to lower revenue from Trading & Engineering business partially offset by higher revenue generated from Excavation & Transportation business.

Trading & Engineering revenue decreased by 60.8% to $3.47 million for FY2014 from $8.85 million for FY2013. This is due to the keen competition experienced during the year and the weak 4Q2014 performance resulting from the departure of the General Manager, technical and support staff.

Excavation & Transportation revenue increased by 26.7% to $6.21 million for FY2014 from $4.90 million for FY2013 as more projects were won in the year.

Gross Profit decreased by 70.8% to $2.12 million for FY2014 from $7.26 million for FY2013 with gross profit margin decreasing to 21.9% from 52.9%. The decrease is due to the reduced margin experienced by both businesses throughout the year and the loss incurred in the 4th Quarter as explained in the 4Q results analysis.

Selling and distribution expenses decreased by 43.2% to $649,000 for FY2014 from $1.14 million for FY2013 due mainly to decrease in manpower cost as a result of reduction in headcount in Trading & Engineering business.

General and administrative expenses decreased by 4.9% to $4.84 million for FY2014 from $5.09 million for FY2013 due mainly to decrease in manpower related cost resulting from decrease in headcount in Trading & Engineering business, offset by the professional fees incurred for the proposed investment in Longmen amounting to $0.7 million.

Other operating expenses increased by 24.7% to $1.53 million for FY2014 from $1.23 million for FY2013. This was due mainly to write offs and impairments made in 4Q2014 amounting to $1.37 million as explained in the 4Q results analysis.

Finance costs decreased by 23.7% to $71,000 for FY2014 from $93,000 for FY2013 mainly due to repayment of borrowings.

Income tax credit recorded for overprovision of current and deferred taxation in year 2013.

Due to the difficult business conditions and the write offs incurred, the Group recorded a loss after tax of $4.06 million for FY2014 as compared to a profit after tax of $2.17 million for FY2013.

Cashflow – 4Q 2014 vs 4Q 2013

The Group's cash and cash equivalents amounted to $32.7 million as at 31 December 2014. Net cash generated from operating activities was $27,000 in 4Q2014 compared to $0.4 million in 4Q2013. This was due mainly to the loss in 4Q2014.

Net cash generated from investing activities was $1.2 million in 4Q2014 compared to $10.8 million in 4Q2013. This was due mainly to sale proceeds received from the disposal of subsidiaries in 4Q2013. In 4Q2014, $1.3 million was received as partial refund from the Longmen deposit.

Net cash used in financing activities was $0.2 million in 4Q2014 compared to $0.1 million in 3Q2013.

Cashflow – Full Year 2014 vs Full Year 2013

The Group's cash and cash equivalents amounted $32.7 million as at 31 December 2014. Net cash used in operating activities was $0.9 million for FY2014 compared to $0.7 million for FY2013. The cash used in operating activities in 2014 was due mainly to the loss incurred for FY2014.

Net cash used in investing activities was $4.9 million for FY2014 compared to net cash generated of $16.7 million for FY2013. This was due mainly to proceeds of $11.4 million received from disposal of subsidiaries in 2013 together with another $5 million refund received from PT Sinar Wijaya Pratama for FY2013. For FY2014, $6.26 million (US$5 million) deposit for proposed investment in Longmen was made for which a partial refund of $1.31 million (US$1 million) was received.

Net cash used in financing activities was $2.7 million for FY2014 compared to $1.8 million for FY2013. This was due mainly to dividend paid to shareholders.

Financial Position

Non-current assets decreased by $0.1 million or 4.4% from $2.6 million as at 31 December 2013 to $2.5 million as at 31 December 2014 due mainly to depreciation charged and property, plant and machineries written off partially offset by purchase of property, plant and equipment and renovation of new office premises.

Current assets decreased by $8.0 million or 14.5% from $55.4 million as at 31 December 2013 to $47.4 million as at 31 December 2014 due mainly to reduction in cash and cash equivalents. The net asset value per share as at 31 December 2014 decreased to 12.04 cents from 13.62 cents as at 31 December 2014.

Non-current liabilities decreased by $0.2 million or 23.3% from $1.1 million as at 31 December 2013 to $0.9 million as at 31 December 2014 due mainly to repayment of finance lease liabilities.

Current liabilities decreased by $1.8 million or 47.6% from $3.8 million as at 31 December 2013 to $2.0 million as at 31 December 2014 due mainly to repayment of other payables and staff related costs.

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

The Group issued a profit guidance on 16 February 2015 and there is no variance between it and the actual results.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The Excavation & Transportation business continues to face keen competition resulting in intense pressure on price and margins. The business also has to contend with increased manpower costs arising from labour constraints. Though the outlook for this segment is challenging, we will be vigilant and navigate our way cautiously to stay ahead.

The Trading & Engineering business has been scaled down due to the departure of the General Manager. The operations manager also left on 31 December 2014. We are now operating on a minimal manpower structure. Attempts to recruit suitable operations management for this business has not yet borne results. The business also carried a lot of old inventory which was written down to enable the business to move forward. The Group is reviewing this business segment on its viability while seeking to look for higher value business in the Construction, Marine or Oil & Gas Industries both locally and overseas.

Additionally the Group continues to seek other new opportunities to replace the business disposed off in 2013 to grow both the top and bottom line.

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?

Yes.

Name of dividend:	First and Final dividend (1-tier tax exempt)
Dividend type:	Cash
Dividend amount per share:	S$0.005 per ordinary share

(c) Date payable

NA.

(d) Books closure date

NA.

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

No dividend has been declared/recommended.

13. Interested person transactions

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

14. Use of proceeds from rights and warrants issue

Save as disclosed below (as set out in our announcement dated 18 July 2012), there is no further utilisation of the proceeds from the rights and warrants issue.

	Amount	
Net proceeds	$7.5 million	
Amount utilised	$2.2 million	Out of the $2.2 million used for working capital purposes, $2.06 million was used to repay creditors and $0.14 million was for staff related costs.
Balance	$5.3 million	

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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.

With effect from 1 January 2014, the Group is organised into two main operating segments, namely:-
- Trading & Engineering
- Excavation & Transportation

31 December 2014	Trading & Engineering S$'000	Excavation & Transportation S$'000	Elimination S$'000	Group S$'000
Business segments:				
Revenue				
External sales	3,469	6,206	-	9,675
Inter-segment sales	1	-	(1)	-
	3,470	6,206	(1)	9,675
Segment result	(1,752)	547	-	(1,205)
Unallocated expenses, net *				(2,947)
Loss arising from financial assets at fair value through profit or loss				(84)
Interest income				210
Finance costs				(71)
Loss before income tax				(4,097)
Income tax credit				40
Loss for the year				(4,057)

* Included in unallocated expenses, net - a) write off of $231,000 arising from settlement of balance of consideration of the divestment of subsidiaries pursuant to the Sale & Purchase Agreement dated 30 August 2013; b) allowance for impairment of other receivables of $700,000 on outstanding debts due to divested subsidiaries assigned to the Company; c) professional fee incurred on proposed investment in Longmen of $685,000 and d) Write off of deposit of $254,000 paid in 2013 for proposed investment in PT Wahyu Eka Perkasa for mining project.

31 December 2013	Trading & Engineering S$'000 (Re-presented)	Excavation & Transportation S$'000 (Re-presented)	Elimination S$'000 (Re-presented)	Group S$'000 (Re-presented)
Business segments:				
Revenue				
External sales	8,852	4,896	-	13,748
Inter-segment sales	66	639	(705)	-
	8,918	5,535	(705)	13,748
Segment result	990	899		1,889
Unallocated expenses, net *				(1,446)
Gain arising from financial assets at fair value through profit or loss				22
Interest income				108
Finance costs				(93)
Profit before income tax				480
Income tax credit				63
Profit for the year				543

* Included in unallocated expenses, net - a) impairment loss of $821,000 on investment in available-for-sale financial assets and b) allowance for impairment of other receivables of $184,000 on outstanding debts due from the available-for-sale financial assets.

The Group operates predominantly in Singapore. There is no geographical segment.

31 December 2014	Trading & Engineering S$'000	Excavation & Transportation S$'000	Elimination /Adjustment S$'000	Group S$'000
Business segments (cont'd):				
Segment assets	833	4,595	(34)	5,394
Unallocated assets				
- Short-term deposits and bank balances				34,332
- Financial assets at fair value through profit and loss				60
- Other receivables				10,159
Total assets				49,945
Segment liabilities	221	2,635	(790)	2,066
Unallocated liabilities				
- Current income tax liabilities				31
- Deferred income tax liabilities				65
- Other payables and accruals				719
Total liabilities				2,881
Other segment information:				
Capital expenditure	107	508	-	615
Depreciation	92	368	71	531

31 December 2013	Trading & Engineering S$'000 (Re-presented)	Excavation & Transportation S$'000 (Re-presented)	Elimination S$'000 (Re-presented)	Group S$'000 (Re-presented)
Business segments (cont'd):				
Segment assets	9,482	4,500	(5,028)	8,954
Unallocated assets				
- Short-term deposits and bank balances				42,850
- Financial assets at fair value through profit and loss				144
- Other receivables				6,143
Total assets				58,091
Segment liabilities	4,121	3,229	(3,369)	3,981
Unallocated liabilities				
- Current income tax liabilities				195
- Deferred income tax liabilities				45
- Other payables and accruals				753
Total liabilities				4,974
Other segment information:				
Capital expenditure	244	940	349*	1,533
Depreciation	87	303	1,435*	1,825

* Included as part of the disposed group.

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

This is disclosed in paragraph 8 of this announcement.

17. A breakdown of sales

	Group For the financial FY		
	2014 S$'000	2013 S$'000	Increase/ (Decrease) %
Sales reported for first half year			
- continuing operations	5,980	6,648	(10.1)
- discontinued operations	-	15,726	(100.0)
	5,980	22,374	
Operating profit/(loss) after tax before deducting non-controlling interests reported for first half year			
- continuing operations	(251)	517	n.m
- discontinued operations	-	(1,436)	(100.0)
	(251)	(919)	
Sales reported for second half year			
- continuing operations	3,695	7,100	(48.0)
- discontinued operations	-	1,153	(100.0)
	3,695	8,253	
Operating profit after tax before deducting non-controlling interests reported for second half year			
- continuing operations	(3,806)	26	n.m
- discontinued operations	-	3,066	(100.0)
	(3,806)	3,092	

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

	Latest Full Year S$'000	Previous Full Year S$'000
Ordinary	-	1,934
Preference	-	-
Total	-	1,934

19. Disclosure of person occupying managerial positions in the Company or any of its subsidiaries who are related to a director, chief executive officer or substantial shareholders of the Company.

Name	Age	Family Relationship with any Director and/or Chief Executive Officer and/or Substantial Shareholder	Current position and duties, and the year position was first held	Details of changes in duties and position held, if any, during the year
← Nil →				

BY ORDER OF THE BOARD

_____

Mark Zhou You Chuan
Executive Director

24 February 2015