

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2019

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 30 June			6 Months Ended 30 June		
		2Q2019 S\$'000	2Q2018 S\$'000	Increase (Decrease) %	1H2019 S\$'000	1H2018 S\$'000	Increase (Decrease) %
Revenue		20	4,343	-100%	86	5,693	-98%
Cost of sales		(6)	(3,786)	-100%	(49)	(4,852)	-99%
Gross profit		14	557	-97%	37	841	-96%
Other operating income	1(a)(ii)	130	86	51%	227	193	18%
Other gains	1(a)(ii)	34	754	-95%	44	180	-76%
Expenses							
- General and administrative expenses		(466)	(1,477)	-68%	(1,080)	(2,656)	-59%
- Finance expenses		(18)	(4)	350%	(31)	(11)	182%
Loss before income tax	1(a)(ii)	(306)	(84)		(803)	(1,453)	
Income tax expense		-	(155)	-100%	-	(184)	-100%
Loss after tax		(306)	(239)		(803)	(1,637)	
Other comprehensive (loss)/income:							
Items that will not be reclassified subsequently to profit or loss:							
Equity investments at FVOCI - net change in fair value		(1)	-	n.m	(1)	-	n.m
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences		(40)	14	-386%	(80)	134	-160%
Total comprehensive loss for the financial period		(347)	(225)	54%	(884)	(1,503)	-41%
(Loss)/profit attributable to:							
Equity holders of the Company		(310)	(213)	46%	(783)	(1,537)	-49%
Non-controlling interests		4	(26)	-115%	(20)	(100)	-80%
		(306)	(239)	28%	(803)	(1,637)	-51%
Total comprehensive (loss)/income attributable to:							
Equity holders of the Company		(349)	(193)	81%	(859)	(1,405)	-39%
Non-controlling interests		2	(32)	-106%	(25)	(98)	-74%
		(347)	(225)	54%	(884)	(1,503)	-41%

n.m = Not meaningful

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

	3 Months Ended 30 June			6 Months Ended 30 June		
Note	2Q2019 S\$'000	2Q2018 S\$'000	Increase (Decrease) %	1H2019 S\$'000	1H2018 S\$'000	Increase (Decrease) %
Other operating income/(losses):						
Interest income from PTMII	78	73	7%	157	137	15%
Interest income from banks	59	8	638%	102	21	386%
Government grants	-	3	-100%	7	33	-79%
Profit guarantee due from Vendors	(16)	-	n.m	(50)	-	n.m
Sundry income	9	2	350%	11	2	450%
	<u>130</u>	<u>86</u>	<u>51%</u>	<u>227</u>	<u>193</u>	<u>18%</u>
Other gains/(losses):						
Currency exchange gains	37	683	-95%	33	96	-66%
(Loss)/gain from disposal of property, plant and equipment	(3)	70	-104%	(9)	86	-110%
Bad debt reversed	-	1	-100%	20	1	n.m
Impairment loss on investment in financial assets	-	-	n.m	-	(3)	-100%
	<u>34</u>	<u>754</u>	<u>-95%</u>	<u>44</u>	<u>180</u>	<u>-76%</u>
Depreciation included in:						
- cost of sales	(5)	(42)	-88%	(11)	(103)	-89%
- general and administrative expenses	(22)	(76)	-71%	(53)	(153)	-65%
Interest expense	(18)	(4)	350%	(31)	(11)	182%
Employee compensation	(293)	(623)	-53%	(707)	(1,313)	-46%

n.m = Not meaningful

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

		Group		Company	
		As at 30	As at 31	As at 30	As at 31
		June 2019	December 2018	June 2019	December 2018
Note		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	10,418	9,542	6,136	6,443
Inventories		6	42	-	-
Amounts due from subsidiaries		-	-	4,782	4,735
Cash and cash equivalents		4,142	7,186	1,253	2,245
Loans due from PTMII		13,920	13,871	13,920	13,871
Total current assets		28,486	30,641	26,091	27,294
Non-current assets					
Property, plant and equipment		839	602	388	196
Investment in subsidiaries		-	-	4,852	4,852
Financial assets, at FVOCI		1	2	-	-
Club membership		6	6	6	6
Total non-current assets		846	610	5,246	5,054
Total assets		29,332	31,251	31,337	32,348
LIABILITIES					
Current liabilities					
Trade and other payables	1(b)(iii)	2,526	3,686	253	493
Amounts due to subsidiaries		-	-	5,476	5,476
Finance lease liabilities	1(b)(iv)	22	36	-	-
Current income tax liabilities		6	15	-	-
Total current liabilities		2,554	3,737	5,729	5,969
Non-current liabilities					
Finance lease liabilities	1(b)(iv)	173	25	-	-
Total non-current liabilities		173	25	-	-
Total liabilities		2,727	3,762	5,729	5,969
NET ASSETS		26,605	27,489	25,608	26,379
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		35,763	35,763	35,763	35,763
Currency translation reserve		(51)	24	-	-
Fair value reserve		(4)	(3)	-	-
Accumulated losses		(8,865)	(8,082)	(10,155)	(9,384)
Capital reserve		146	146	-	-
		26,989	27,848	25,608	26,379
Non-controlling interests		(384)	(359)	-	-
Total equity		26,605	27,489	25,608	26,379

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

	Note	Group		Company	
		As at 30 June 2019	As at 31 December 2018	As at 30 June 2019	As at 31 December 2018
		S\$'000	S\$'000 (Audited)	S\$'000	S\$'000 (Audited)
Current assets					
Trade receivables (net)		496	723	-	-
Accrued service revenue		34	556	-	-
		530	1,279	-	-
Advance payment to suppliers		249	430	-	-
GST recoverable		344	321	7	14
Contingent consideration on acquisition of PTMII		6,084	6,134	6,084	6,134
Sundry receivables (net)		1,359	1,009	1	-
		8,566	9,173	6,092	6,148
Deposits		19	287	14	249
Prepayments		1,833	82	30	46
		10,418	9,542	6,136	6,443

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

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		June 2019	December 2018	June 2019	December 2018
		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
Current liabilities					
Trade payables - non-related parties		6	165	-	-
Accruals		234	493	193	440
Loan due from non-controlling interest of a subsidiary		2,092	2,061	-	-
Other payables		194	967	60	53
		2,526	3,686	253	493

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

	Note	As at 30 June 2019		As at 31 December 2018	
		Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand		22	-	36	-
Amount repayable after one year		173	-	25	-

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 3 Months Ended 30 June 2019 2018 S\$'000 S\$'000		Group 6 Months Ended 30 June 2019 2018 S\$'000 S\$'000	
Note				
Cash flows from operating activities				
Loss before taxation	(306)	(239)	(803)	(1,637)
Adjustments for:				
Income tax expense	-	155	-	184
Depreciation of property, plant and equipment	27	118	64	256
Loss/(gain) from disposal of property, plant and equipment	3	(70)	9	(86)
Fair value changes on profit guarantee due from vendors	16	-	50	-
Impairment loss on investment in available-for-sale financial assets	-	-	-	3
Interest income	(137)	(81)	(259)	(158)
Interest expense	18	4	31	11
Operating loss before working capital changes	(379)	(113)	(908)	(1,427)
Changes in inventories	-	(524)	36	(1,914)
Changes in trade and other receivables	(793)	(3,246)	(931)	(1,024)
Changes in trade payables, other payables and accruals	(328)	1,317	(1,160)	(1,061)
Cash generated used in operations	(1,500)	(2,566)	(2,963)	(5,426)
Income tax paid	(1)	(72)	(9)	(114)
Net cash used in operating activities	(1,501)	(2,638)	(2,972)	(5,540)
Cash flows from investing activities				
Interest received	59	8	102	21
Acquisition of property, plant and equipment	(59)	(105)	(289)	(105)
Proceeds from disposal of property, plant and equipment	18	392	177	408
Net cash generated from/(used in) investing activities	18	295	(10)	324
Cash flows from financing activities				
Repayment of finance lease liabilities	-	(92)	(61)	(126)
Decrease/(increase) in short-term deposits pledged	1,015	(3)	656	(10)
Interest paid	(18)	(4)	(31)	(11)
Net cash generated from/(used in) financing activities	997	(99)	564	(147)
Net decrease in cash and cash equivalents	(486)	(2,442)	(2,418)	(5,363)
Cash and cash equivalents at beginning of financial period	2,635	6,938	4,546	9,959
Effect of currency translation	9	71	30	(29)
Cash and cash equivalents at end of financial period	2,158	4,567	2,158	4,567
Cash and cash equivalents				
Cash and bank balances	4,142	5,596	4,142	5,596
Less: Fixed deposits pledged with financial institutions	(1,984)	(1,029)	(1,984)	(1,029)
Cash and cash equivalents at end of financial period	2,158	4,567	2,158	4,567

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Accumulated losses	Currency translation reserve	Fair value reserve	Capital reserve	Total	Non-controlling interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FOR 6 MONTHS ENDED 30 JUNE								
GROUP								
Balance as at 1 January 2019	35,763	(8,082)	24	(3)	146	27,848	(359)	27,489
Net loss for the period	-	(783)	-	-	-	(783)	(20)	(803)
Other comprehensive loss for the period	-	-	(75)	(1)	-	(76)	(5)	(81)
Balance as at 30 June 2019	35,763	(8,865)	(51)	(4)	146	26,989	(384)	26,605
Balance as at 1 January 2018	35,763	(3,462)	(125)	-	507	32,683	170	32,853
Net loss for the period	-	(1,537)	-	-	-	(1,537)	(100)	(1,637)
Other comprehensive income for the period	-	-	132	-	-	132	2	134
Balance as at 30 June 2018	35,763	(4,999)	7	-	507	31,278	72	31,350
COMPANY								
Balance as at 1 January 2019	35,763	(9,384)	-	-	-	26,379	-	26,379
Net loss for the period	-	(771)	-	-	-	(771)	-	(771)
Balance as at 30 June 2019	35,763	(10,155)	-	-	-	25,608	-	25,608
Balance as at 1 January 2018	35,763	(4,834)	-	-	-	30,929	-	30,929
Net loss for the period	-	(1,034)	-	-	-	(1,034)	-	(1,034)
Balance as at 30 June 2018	35,763	(5,868)	-	-	-	29,895	-	29,895
FOR 3 MONTHS ENDED 30 JUNE								
GROUP								
Balance as at 1 April 2019	35,763	(8,555)	(13)	(3)	146	27,338	(386)	26,952
Net (loss)/profit for the period	-	(310)	-	-	-	(310)	4	(306)
Other comprehensive loss for the period	-	-	(38)	(1)	-	(39)	(2)	(41)
Balance as at 30 June 2019	35,763	(8,865)	(51)	(4)	146	26,989	(384)	26,605
Balance as at 1 April 2018	35,763	(4,786)	(13)	-	507	31,471	104	31,575
Net loss for the period	-	(213)	-	-	-	(213)	(26)	(239)
Other comprehensive income/(loss) for the period	-	-	20	-	-	20	(6)	14
Balance as at 30 June 2018	35,763	(4,999)	7	-	507	31,278	72	31,350
COMPANY								
Balance as at 1 April 2019	35,763	(9,812)	-	-	-	25,951	-	25,951
Net loss for the period	-	(343)	-	-	-	(343)	-	(343)
Balance as at 30 June 2019	35,763	(10,155)	-	-	-	25,608	-	25,608
Balance as at 1 April 2018	35,763	(5,784)	-	-	-	29,979	-	29,979
Net loss for the period	-	(84)	-	-	-	(84)	-	(84)
Balance as at 30 June 2018	35,763	(5,868)	-	-	-	29,895	-	29,895

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Share Capital

There was no change in the Company's share capital since 31 December 2018.

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 30 June 2019	As at 31 December 2018
Total number of issued shares (excluding treasury shares)	55,686,996	55,686,996

- 1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

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

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

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

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice.

The figures have not been audited or reviewed.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

Save as disclosed in paragraph 5 of this announcement, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported on as those used in the most recent audited annual financial statements.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial period reported on as those used in the most recently audited financial statements for the financial year ended 31 December 2018, save for the adoption of the Singapore Financial Reporting Standard (International) ("SFRS(I)") and Interpretation of SFRS(I) ("INT FRS(I)") that are mandatory for financial years beginning on or after 1 January 2019. The adoption of these new SFRS(I) and INT FRS(I) 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 30 June		Group 6 Months Ended 30 June	
	2019	2018	2019	2018
Loss per share				
(i) Based on weighted average number of ordinary shares on issue (cents)	(0.56)	(0.38)	(1.41)	(2.76)
(ii) On a fully diluted basis (cents) *	(0.56)	(0.38)	(1.41)	(2.76)
Number of weighted average ordinary shares used in the computation of (i) and (ii)	55,686,996	55,686,996	55,686,996	55,686,996

* There are no diluted ordinary shares.

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

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

	As at 30 June 2019	As at 31 December 2018
GROUP		
Net asset value per ordinary share (dollars)	0.48	0.49
COMPANY		
Net asset value per ordinary share (dollars)	0.46	0.47

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 30 June 2019 and 31 December 2018 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.**

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

As announced on 8 March 2019 and 19 March 2019, the Company updated and clarified that the Group's Indonesian subsidiary, PT Indah Perkasa Abadi ("PT IPA") had withheld tenders for further projects due to lower-than-expected profit margins for those types of projects. As such, subsequent to the release of the 1 March 2019 Results Announcement, the originally planned heavy equipment purchase by PT IPA was cancelled and the Company did not utilise the S\$0.72 million of proceeds from the placement exercise completed in 2017.

However, as part of the management's efforts to generate revenue and improve the financial performance of the Group, PT IPA began sourcing for other projects in its ordinary course of business and which are more commercially viable. In May 2019, it successfully secured an agreement with PT. Cahaya Riau Mandiri ("PT CRM") to lease and operate heavy equipment. PT CRM carries on the business of mining activities, ranging from removal of overburden, coal mining and heavy equipment rental. PT CRM is an independent third party unrelated to any of PSL's Directors, controlling shareholders and each of their associates. Mr Edison, who is a 7.17% shareholder in PSL also owns 25% shares in PT CRM. He is not a director of PT CRM nor have any nominee(s) on the PT CRM board.

Arising from this project, PT IPA resumed its heavy equipment purchase plan and utilised S\$1.11 million as down-payment for the purchase of heavy equipment which is at a cost of approximately S\$8.6 million. Approximately 80% of the said cost will be financed by finance leases and the remaining by internal working capital.

Financial Performance – 2Q2019 vs 2Q2018

Revenue decreased from S\$4.3 million in 2Q2018 to S\$20,000 in 2Q2019 mainly due to scaling down of TSL operations and lower revenue from the Construction Logistics segment contributed by PT IPA. In tandem with the lower revenue, cost of sales decreased from S\$3.8 million in 2Q2018 to S\$6,000 in 2Q2019, resulting in a gross profit of S\$14,000 for 2Q2019 as compared to S\$0.6 million for 2Q2018.

Other operating income increased by 51% in 2Q2019 as compared to 2Q2018, with both remaining at S\$0.1 million, mainly due to higher interest income from banks for cash balances placed in fixed deposits, partially offset by the revaluation of profit guarantee denominated in USD due from the Vendors of PTMII.

Other gains decreased by 95% from S\$0.8 million in 2Q2018 to S\$34,000 in 2Q2019 mainly due to a reduction in foreign exchange gains arising from the depreciation of USD on the USD denominated loan and contingent consideration due from PTMII, coupled with the reduction in gain from disposal of property, plant and equipment in 2Q2019.

General and administrative expenses decreased by S\$1.0 million or 68% from S\$1.5 million in 2Q2018 to S\$0.5 million in 2Q2019 mainly due to a reduction in payroll expenses, operating expenses from PT IPA as well as professional fees incurred in relation to PTMII and TSL legal case. This is in tandem with a series of cost cutting measures implemented by the Management to emerge from the SGX Watchlist.

Finance expenses recorded marginal difference in 2Q2019 and 2Q2018.

Despite the lower general and administrative expenses, the Group recorded a loss after tax of S\$0.3 million for 2Q2019 as compared to a loss after tax of S\$0.2 million in 2Q2018. This was mainly attributed to a decrease in revenue from S\$4.3 million in 2Q2018 to S\$20,000 in 2Q2019 due to scaling down of TSL operations and lower revenue from the Construction Logistics segment contributed by PT IPA as well as a decrease in other gains arising from a reduction in foreign exchange gains.

Financial Performance – 1H2019 vs 1H2018

Revenue decreased by S\$5.6 million or 98% from S\$5.7 million in 1H2018 to S\$86,000 in 1H2019 mainly due to scaling down of TSL operations and lower revenue from the Construction Logistics segment contributed by PT IPA. In tandem with the lower revenue, cost of sales decreased by S\$4.8 million or 99% from S\$4.9 million in 1H2018 to S\$49,000 in 1H2019, resulting in a gross profit of S\$37,000 for 1H2019 as compared to S\$0.8 million for 1H2018.

Other operating income increased by 18% in 1H2019 as compared to 1H2018, with both remaining at S\$0.2 million, mainly due to higher interest income from banks for cash balances placed in fixed deposits, partially offset by the revaluation of profit guarantee denominated in USD due from the Vendors of PTMII.

Other gains decreased by 76% from S\$0.2 million in 1H2018 to S\$44,000 in 1H2019 mainly due to a reduction in foreign exchange gains arising from the depreciation of USD on the USD denominated loan and contingent consideration due from PTMII, coupled with the reduction in gain from disposal of property, plant and equipment in 1H2019.

General and administrative expenses decreased by S\$1.6 million or 59% from S\$2.7 million in 1H2018 to S\$1.1 million in 1H2019 mainly due to a reduction in payroll expenses, operating expenses from PT IPA as well as professional fees incurred in relation to PTMII and TSL legal case. This is in tandem with a series of cost cutting measures implemented by the Management to emerge from the SGX Watchlist.

Finance expenses recorded marginal difference in 1H2019 and 1H2018.

Despite the lower revenue, the Group recorded a lower loss after tax of S\$0.8 million for 1H2019 as compared to a loss after tax of S\$1.6 million for 1H2018, mainly due to the decrease in general and administrative expenses coupled with an increase in other operating income arising from an increase in interest income from banks.

Cash flow – 2Q2019 vs 2Q2018

Net cash used in operating activities was S\$1.5 million in 2Q2019 compared to S\$2.6 million in 2Q2018 mainly due to a decrease in inventories, trade and other receivables as well as trade and other payables from the Construction Logistics segment.

Net cash generated from investing activities was S\$18,000 in 2Q2019 compared to S\$0.3 million in 2Q2018 mainly due to proceeds from the disposal of trucks and equipment following the scaling down of TSL's operations in 2Q2018, partially offset by the acquisition of heavy equipment in 2Q2019.

Net cash generated from financing activities was S\$1.0 million in 2Q2019 compared to net cash used in financing activities of S\$0.1 million in 2Q2018 mainly due to changes in short-term deposits pledged to banks.

As a result of the above, the Group's cash and cash equivalents decreased from S\$5.6 million as at 31 March 2019 to S\$4.1 million as at 30 June 2019.

Cash flow – 1H2019 vs 1H2018

Net cash used in operating activities was S\$3.0 million in 1H2019 compared to S\$5.5 million in 1H2018 mainly due to (i) decrease loss before taxation and (ii) decrease in inventories, trade and other receivables as well as trade and other payables from the Construction Logistics segment.

Net cash used in investing activities was S\$10,000 in 1H2019 compared to net cash generated from investing activities of S\$0.3 million in 1H2018 mainly due to proceeds from the disposal of trucks and equipment following the scaling down of TSL's operations in 1H2018, coupled with the acquisition of property, plant and equipment in 1H2019.

Net cash generated from financing activities was S\$0.6 million in 1H2019 compared to net cash used in financing activities of S\$0.1 million in 1H2018 mainly due to changes in short-term deposits pledged to banks.

As a result of the above, the Group's cash and cash equivalents decreased from S\$7.2 million as at 31 December 2018 to S\$4.1 million as at 30 June 2019.

Financial Position

Current assets decreased by S\$2.1 million or 7% from S\$30.6 million as at 31 December 2018 to S\$28.5 million as at 30 June 2019 mainly due to a decrease in cash and cash equivalents as highlighted in the cash flow statement above, partially offset by an increase in trade and other receivables from the Construction Logistics segment relating to down payments made to secure the purchase of heavy equipment as well as currency translation of USD loans extended to PTMII.

Non-current assets increased by S\$0.2 million or 39% from S\$0.6 million as at 31 December 2018 to S\$0.8 million as at 30 June 2019 mainly due to the acquisition of heavy equipment (2 excavators), partially offset by the disposal of property, plant and equipment as well as depreciation charges recorded for the period.

Current liabilities decreased by S\$1.1 million or 32% from S\$3.7 million as at 31 December 2018 to S\$2.6 million as at 30 June 2019 mainly due to a decrease in trade and other payables from the Construction Logistics segment and currency translation of the IDR loan due from non-controlling shareholder of a subsidiary.

Non-current liabilities increased by S\$0.1 million from S\$25,000 as at 31 December 2018 to S\$0.2 million as at 30 June 2019 due to new loan taken up to finance the purchase of heavy equipment, partially offset by repayment of finance lease liabilities.

As a result of the above, the Group's net assets decreased by S\$0.9 million or 3% from S\$27.5 million as at 31 December 2018 to S\$26.6 million as at 30 June 2019.

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.

Amidst the ongoing trade war between US and China, recent economic data of Indonesia is pointing to a slowdown in its economy. Exports in the first half of 2019 were down 8.57% year-on-year, while imports slid 7.63%¹, according to Statistics Indonesia (BPS) data released on Monday. Notwithstanding, Indonesia's planning ministry plans to lift its pace of annual economic growth to an average of 6% during President Joko Widodo's second term in office². With its position as a major commodity exporters in Asia, Indonesia's demand for marine logistics services is expected to remain strong.

In preparation to meet this demand, the Group's Indonesian subsidiary PT Indah Perkasa Abadi ("PT IPA") purchased heavy equipment in 2Q2019 with the intention to lease along with operations to third parties to generate income.

The Group has entered into a Global Settlement Agreement dated 10 December 2018 to resolve all outstanding disputes in relation to the Vendors and PT Momentum Indonesia Investama ("PTMI") arising out of and in connection with Agreements which were entered into on behalf of PSL by the former management of the Company. The Group has successfully negotiated to be paid the Insurance Claim in lieu of one of the 7 barges, i.e. Momentum 3007, one of the PSL Escrow Period Vessels, which sunk due to unforeseen adverse weather conditions on 3 August 2018. PSL believes the Global Settlement will put an end to the disputes for PSL to progress and develop its Marine Logistics businesses with eventual acquisition of newer and better Vessels along with sale of any near to obsolete ones as part of ongoing efforts to pursue profitable business opportunities to enhance Shareholders' value. As previously announced, the Global Settlement Agreement is subject to Shareholders' approval. A Circular in this regard will be dispatched to Shareholders following the receipt of SGX-ST's clearance to the Circular which as at the date of this announcement is still pending.

As the industry remains competitive, the Group will continue to be cautious and selective in the type of projects to be pursued and will continue to exercise prudence in financial management.

The Group continues to explore other potential business opportunities within Indonesia to develop and acquire profitable businesses through mergers and acquisitions which can generate sustainable returns to our Shareholders.

¹ <https://www.thejakartapost.com/news/2019/07/16/data-points-to-slowdown-in-indonesian-economy-amid-ongoing-trade-war.html>

² <https://www.channelnewsasia.com/news/business/indonesia-economy-targets-up-to-6-percent-gdp-growth-5-years-11750214>

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

2017 Subscription

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

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

Intended use of net proceeds	Amount Allocated (S\$'million) / with percentage allocation (%)	Amount utilised (S\$'million)	Balance (S\$'million)
Funding growth and expansion (as and when opportunities arise)	2.56 (80%)	2.56 ¹	-
Working capital purposes	0.64 (20%)	0.64 ²	-
Total (approximately)	3.20 (100%)	3.20	-

¹ As disclosed under Paragraph 8, the remaining \$1.11 million has been utilised as down-payment for the purchase of heavy equipment.

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

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

15. 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 period ended 30 June 2019 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

Stephen Leong, BBM
Vice Chairman and Executive Director

13 August 2019