

PSL HOLDINGS LIMITED

Company Registration Number: 199707022K

(Incorporated in the Republic of Singapore)


UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 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 30 June			6 Months Ended 30 June		
			(Represented)	Increase		(Represented)	Increase
		2Q2014	2Q2013	(Decrease)	1H2014	1H2013	(Decrease)
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations:							
Revenue		2,805	3,309	(15.2)	5,980	6,648	(10.0)
Cost of sales		(1,712)	(1,347)	27.1	(3,505)	(3,008)	16.5
Gross profit		1,093	1,962	(44.3)	2,475	3,640	(32.0)
Other operating income		188	67	180.6	353	200	76.5
Selling and distribution expenses		(222)	(263)	(15.6)	(502)	(536)	(6.3)
General and administrative expenses		(795)	(1,230)	(35.4)	(2,364)	(2,391)	(1.1)
Other operating expenses		(47)	(189)	(75.1)	(81)	(209)	(61.2)
Finance costs		(18)	(49)	(63.3)	(39)	(49)	(20.4)
Profit/(loss) before income tax from continuing operations	1(a)(ii)	199	298	(33.2)	(158)	655	n.m
Income tax expense		(93)	(101)	(7.9)	(93)	(138)	(32.6)
Profit/(loss) from continuing operations, net of income tax		106	197	(46.2)	(251)	517	n.m
Discontinued operation:							
Loss from discontinued operation, net of income tax		-	(208)	(100.0)	-	(1,436)	(100.0)
Total comprehensive profit/(loss) for the period		106	(11)	n.m	(251)	(919)	(72.7)
Total comprehensive profit/(loss) attributable to:							
- Owners of the Company		(29)	(57)	(49.1)	(416)	(1,028)	(59.5)
- Non-controlling interests		135	46	193.4	165	109	51.3
		106	(11)	n.m	(251)	(919)	(72.7)
Profit/(Loss) attributable to equity holders of the Company related to:							
- Continuing operation		(29)	151	n.m	(416)	408	n.m
- Discountinued operation		-	(208)	(100.0)	-	(1,436)	(100.0)
		(29)	(57)	(49.1)	(416)	(1,028)	(59.5)

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		
	(Represented)		Increase	(Represented)		Increase
	2Q2014	2Q2013	(Decrease)	1H2014	1H2013	(Decrease)
	S\$'000	S\$'000	%	S\$'000	S\$'000	%
Continuing operations:						
Changes in fair value of financial assets at fair value through profit or loss	1	(22)	n.m	(27)	(20)	35.0
Depreciation included in:						
- cost of sales	(95)	(74)	28.4	(185)	(137)	35.0
- general and administrative expenses	(44)	(39)	12.8	(96)	(76)	26.3
Dividend income	1	-	100.0	1	-	100.0
Foreign exchange (loss)/gain	(11)	27	n.m	(16)	53	n.m
Interest income	41	19	115.8	81	41	97.6
Write back of allowance for doubtful debts (non-trade)	-	2	(100.0)	-	46	(100.0)
Gain/(Loss) on disposal of plant and equipment	145	(22)	n.m	145	(22)	n.m
Allowance for doubtful debts (trade)	(16)	-	(100.0)	(16)	-	(100.0)
Plant and equipment written off	(22)	-	(100.0)	(22)	-	(100.0)
Bad debts written off (trade)	-	(202)	100.0	-	(202)	100.0
Interest expenses	(18)	(49)	(63.3)	(39)	(49)	(20.4)
Discontinued Operation:						
Depreciation included in:						
- cost of sales	-	(307)	100.0	-	(445)	100.0
- general and administrative expenses	-	(247)	100.0	-	(508)	100.0
Allowance for doubtful debts (trade)	-	(171)	100.0	-	(171)	100.0
Interest expenses	-	(15)	100.0	-	(70)	100.0
Plant and equipment written off	-	-	-	-	(17)	100.0

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 June 2014 \$'000	As at 31 December 2013 \$'000	As at 30 June 2014 \$'000	As at 31 December 2013 \$'000
ASSETS				
Non-current assets				
Plant and equipment	2,636	2,617	-	-
Investment in subsidiaries	-	-	3,891	3,891
Total non-current assets	2,636	2,617	3,891	3,891
Current assets				
Financial assets at fair value through profit or loss	117	144	-	-
Trade receivables	3,490	4,027	-	-
Other receivables	13,419	7,358	12,223	5,877
Inventories	1,095	1,095	-	-
Due from subsidiaries	-	-	2,229	6,605
Cash & bank balances	33,470	42,850	25,349	30,381
Total current assets	51,591	55,474	39,801	42,863
Total assets	54,227	58,091	43,692	46,754
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	29,575	29,575	29,575	29,575
Retained earnings	20,761	22,929	12,977	15,436
Capital reserve	-	182	-	-
	50,336	52,686	42,552	45,011
Non-controlling interests	559	431	-	-
Total equity	50,895	53,117	42,552	45,011
Non-current liabilities				
Finance lease liabilities	1,004	1,087	-	-
Deferred income tax liabilities	45	45	-	-
Total non-current liabilities	1,049	1,132	-	-
Current liabilities				
Trade payables	605	603	-	-
Other payables and accruals	935	2,473	203	798
Due to subsidiaries	-	-	923	923
Finance lease liabilities	509	571	-	-
Current income tax liabilities	234	195	14	22
Total current liabilities	2,283	3,842	1,140	1,743
Total liabilities	3,332	4,974	1,140	1,743
Total equity and liabilities	54,227	58,091	43,692	46,754

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

	Group			
	As at 30 June 2014		31 December 2013	
	Secured \$'000	Unsecured \$'000	Secured \$'000	Unsecured \$'000
Amount repayable in one year or less, or on demand	509	-	571	-
Amount repayable after one year	1,004	-	1,087	-

Details of any collateral

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 30 June 2Q2014 S\$'000	2Q2013 S\$'000	6 Months Ended 30 June 1H2014 S\$'000	1H2013 S\$'000
Cash flows from operating activities				
Profit/(Loss) before tax	199	90	(158)	(781)
Adjustments for:				
Depreciation of property, plant and equipment	139	667	281	1,166
(Gain)/Loss on disposal of property, plant and equipment	(145)	22	(145)	22
Changes in fair value of financial assets at fair value through profit or loss	(1)	22	27	20
Property, plant and equipment written off	22	-	22	17
Dividend income	(1)	-	(1)	-
Interest income	(41)	(19)	(81)	(41)
Interest expense	18	64	39	119
Operating cash flow before changes in working capital	190	846	(16)	522
Decrease/(Increase) in due (to)/from customers on construction contracts	-	725	-	(77)
(Increase) in inventories	-	(88)	-	(65)
(Increase)/Decrease in trade and other receivables	(5,948)	(4,077)	(5,524)	4,807
(Decrease)/Increase in trade and other payables	(452)	2,101	(1,536)	(2,013)
Cash (used in)/generated from operations	(6,210)	(493)	(7,076)	3,174
Interest paid	(18)	(64)	(39)	(119)
Interest received	41	19	81	41
Income tax refund	-	13	21	49
Income tax paid	(75)	(21)	(75)	(21)
Net cash (used in)/generated from operating activities	(6,262)	(546)	(7,088)	3,124
Cash flows from investing activities				
Proceeds from disposal of plant and equipment	282	199	282	199
Dividend income	1	-	1	-
Purchase of plant and equipment	(81)	(275)	(193)	(275)
Increase in short-term deposits pledged	-	(28)	(513)	(555)
Net cash generated from/(used in) investing activities	202	(104)	(423)	(631)
Cash flows from financing activities				
Proceeds from borrowings	-	-	-	450
Dividend paid to shareholders of the company	(1,934)	-	(1,934)	-
Dividend paid to minority shareholder of a subsidiary	(37)	-	(37)	-
Repayment of borrowings	-	(119)	-	(236)
Repayment of finance lease liabilities	(259)	(668)	(411)	(1,198)
Net cash used in financing activities	(2,230)	(787)	(2,382)	(984)

	Group		Group	
	3 Months Ended 30 June 2Q2014 S\$'000	2Q2013 S\$'000	6 Months Ended 30 June 1H2014 S\$'000	1H2013 S\$'000
Net (decrease)/increase in cash and cash equivalents	(8,290)	(1,437)	(9,893)	1,509
Cash and cash equivalents at beginning of the financial period	39,567	29,954	41,170	27,008
Cash and cash equivalents at end of the period	31,277	28,517	31,277	28,517
Cash and cash equivalents				
Short term deposits	27,071	26,822	27,071	26,822
Cash and bank balances	6,399	4,826	6,399	4,642
Bank overdraft	-	(184)	-	-
Total cash and bank balances	33,470	31,464	33,470	31,464
Less: Short term deposits pledged	(2,193)	(2,947)	(2,193)	(2,947)
Cash and cash equivalents at end of the period	31,277	28,517	31,277	28,517

During the financial year, the Group acquired plant and equipment with an aggregate cost of \$459,000 (2013: \$916,000) of which \$266,000 (2013: \$641,000) was acquired under finance leases. A cash payment of \$193,000 (2013: \$275,000) was made to purchase 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 6 MONTHS ENDED 30 JUNE						
GROUP						
Balance as at 1 January 2014	29,575	22,929	182	52,686	431	53,117
Transfer to retained earnings	-	182	(182)	-	-	-
Net (loss)/profit for the period	-	(416)	-	(416)	165	(251)
Dividend paid	-	(1,934)	-	(1,934)	(37)	(1,971)
Balance as at 30 June 2014	29,575	20,761	-	50,336	559	50,895
Balance as at 1 January 2013	29,575	20,994	182	50,751	243	50,994
Net (loss)/profit for the period	-	(1,028)	-	(1,028)	109	(919)
Balance as at 30 June 2013	29,575	19,966	182	49,723	352	50,075
COMPANY						
Balance as at 1 January 2014	29,575	15,436	-	45,011	-	45,011
Net loss for the period	-	(525)	-	(525)	-	(525)
Dividend paid	-	(1,934)	-	(1,934)	-	(1,934)
Balance as at 30 June 2014	29,575	12,977	-	42,552	-	42,552
Balance as at 1 January 2013	29,575	16,798	-	46,373	-	46,373
Net loss for the period	-	(447)	-	(447)	-	(447)
Balance as at 30 June 2013	29,575	16,351	-	45,926	-	45,926

	Share capital \$'000	Retained earnings \$'000	Capital reserve \$'000	Total \$'000	Non-controlling interests \$'000	Total \$'000
FOR 3 MONTHS ENDED 30 JUNE						
GROUP						
Balance as at 1 April 2014	29,575	22,542	182	52,299	461	52,760
Transfer to retained earnings	-	182	(182)	-	-	-
Net (loss)/profit for the period	-	(29)	-	(29)	135	106
Dividend paid	-	(1,934)	-	(1,934)	(37)	(1,971)
Balance as at 30 June 2014	29,575	20,761	-	50,336	559	50,895
Balance as at 1 April 2013	29,575	20,023	182	49,780	306	50,086
Net (loss)/profit for the period	-	(57)	-	(57)	46	(11)
Balance as at 30 June 2013	29,575	19,966	182	49,723	352	50,075
COMPANY						
Balance as at 1 April 2014	29,575	15,163	-	44,738	-	44,738
Net loss for the period	-	(252)	-	(252)	-	(252)
Dividend paid	-	(1,934)	-	(1,934)	-	(1,934)
Balance as at 30 June 2014	29,575	12,977	-	42,552	-	42,552
Balance as at 1 April 2013	29,575	16,714	-	46,289	-	46,289
Net loss for the period	-	(363)	-	(363)	-	(363)
Balance as at 30 June 2013	29,575	16,351	-	45,926	-	45,926

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.

	As at 30 June 2014	As at 31 December 2013
Number of warrants		
Beginning and end of the period/year	77,341,207	77,341,207

In year 2012, 2,500 warrants were exercised and converted into ordinary shares in the capital of the Company.

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

As at 30 June 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 30 June 2Q2014 \$'000		Group 6 Months Ended 30 June 1H2014 \$'000	
		2Q2013 \$'000		1H2013 \$'000
Profit/(Loss) per share				
(i) Based on weighted average number of ordinary shares on issue (cents)				
From continuing operations	0.01	0.04	(0.11)	0.11
From discontinued operations	-	(0.05)	-	(0.37)
(ii) On a fully diluted basis (cents) *				
From continuing operations	0.01	0.04	(0.11)	0.11
From discontinued operations	-	(0.05)	-	(0.37)
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 30 June 2014	As at 31 December 2013
GROUP		
Net asset value per ordinary shares (cents)	13.02	13.62
COMPANY		
Net asset value per ordinary shares (cents)	11.00	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 – 2Q 2014 vs 2Q 2013

Revenue decreased by \$0.5 million or 15.2% from \$3.3 million in 2Q2013 to \$2.8 million in 2Q2014 due mainly to lower revenue from its subsidiary, Resource Hardware & Trading Pte Ltd, resulting from stiffer competition.

Decrease in gross profit was in line with the decrease in revenue. Gross profit margin decreased from 59.3% in 2Q2013 to 39.0% in 2Q2014 due mainly to lower sales price from TSL Transport & Engineering Pte Ltd, resulting from stiffer competition.

Other operating income increased by \$0.1 million or 180.6% from \$67,000 in 2Q2013 to \$188,000 in 2Q2014 mainly due to gain on disposal of plant and equipment.

Selling and distribution expenses decreased by \$41,000 or 15.6% from \$263,000 in 2Q2013 to \$222,000 in 2Q2014 mainly due to decrease in manpower cost as a result of decrease in headcount.

General and administrative expenses decreased by \$0.4 million or 35.4% from \$1.2 million in 2Q2013 to \$0.8 million in 2Q2014 mainly due to decrease in manpower related cost with a decrease in headcount.

Other operating expenses decreased by \$142,000 or 75.1% from \$189,000 in 2Q2013 to \$47,000 in 2Q2014 mainly due to decrease in allowance for doubtful trade debts.

Finance costs decreased by \$31,000 or 63.3% from \$49,000 in 2Q2013 to \$18,000 in 2Q2014 mainly due to repayment of borrowings.

Income tax expenses recorded was from the subsidiary which is in a taxable profit in current financial period.

The Group recorded a profit after tax of \$106,000 in 2Q2014 compared to a profit after tax of \$197,000 in 2Q2013 from continuing operation.

Financial Performance – 1H 2014 vs 1H 2013

Revenue decreased by \$0.7 million or 10.0% from \$6.6 million in 1H2013 to \$6.0 million in 1H2014 due mainly to lower revenue from its subsidiary, Resource Hardware & Trading Pte Ltd, resulting from stiffer competition.

Decrease in gross profit was in line with the decrease in revenue. Gross profit margin decreased from 54.7% in 1H2013 to 41.4% in 1H2014 due mainly to lower sales price from TSL Transport & Engineering Pte Ltd, resulting from stiffer competition.

Other operating income increased by \$0.2 million or 76.5% from \$0.2 million in 1H2013 to \$0.35 million in 1H2014 mainly due to gain on disposal of plant and equipment and government grant received.

Selling and distribution expenses remained constant at \$0.5 million.

General and administrative expenses remained constant at \$2.4 million.

Other operating expenses decreased by \$0.1 million or 61.2% from \$0.2 million in 1H2013 to \$81,000 in 1H2014 mainly due to decrease in allowance for doubtful trade debts.

Finance costs decreased by \$10,000 or 20.4% from \$49,000 in 1H2013 to \$39,000 in 1H2014 mainly due to repayment of borrowings.

Income tax expenses recorded was from the subsidiary which is in a taxable profit in current financial period.

The Group recorded a loss after tax of \$251,000 in 1H2014 compared to net profit of \$517,000 in 1H2013 from continuing operation.

Cashflow – 2Q 2014 vs 2Q 2013

The Group's cash and cash equivalents was \$31.3 million as at 30 June 2014. Net cash used in operating activities was \$6.3 million in 2Q2014 compared to net cash used in operating activities of \$0.6 million in 2Q2013. The cash used in operating activities in 2Q2014 was mainly due to deposit placed for the proposed investment in Longmen Group Limited of \$6.3 million.

Net cash generated from investing activities was \$0.2 million in 2Q2014 compared to \$0.1 million used in 2Q2013. This was mainly due to proceeds received from disposal of plant and equipment in 2Q2014.

Net cash used in financing activities was \$2.2 million in 2Q2014 compared to \$0.8 million in 2Q2013. This was mainly due to dividend paid to shareholders of the company.

Cashflow – 1H 2014 vs 1H 2013

The Group's cash and cash equivalents was \$31.3 million as at 30 June 2014. Net cash used in operating activities was \$7.1 million in 1H2014 compared to net cash generated from operating activities of \$3.1 million in 1H2013. The cash used in operating activities in 1H2014 was mainly due to deposit placed for the proposed investment in Longmen Group Limited of \$6.3 million and payment of trade and other payables.

Net cash used in investing activities was \$0.4 million in 1H2014 compared to \$0.6 million used in 1H2013. This was mainly due to proceeds received from disposal of plant and equipment of \$282,000 in 1H2014 offset by purchase of plant and equipment of \$193,000 and increase in fixed deposit pledged of \$513,000.

Net cash used in financing activities was \$2.4 million in 1H2014 compared to \$1.0 million in 1H2013. This was mainly due to dividend paid to shareholders of the company.

Financial Position

Non-current assets remained constant at \$2.6 million.

Current assets decreased by \$3.9 million or 7.0% from \$55.5 million as at 31 December 2013 to \$51.6 million as at 30 June 2014 mainly due to reduction in cash and cash equivalents as explained in the cash flow statement above.

Non-current liabilities remained constant at \$1.1 million.

Current liabilities decreased by \$1.5 million or 40.0% from \$3.8 million as at 31 December 2013 to \$2.3 million as at 30 June 2014 mainly due 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.

Not applicable.

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.

With the disposal of PSL Engineering Pte Ltd and Rotary Piling Pte Ltd in 4Q2013, the Group's businesses now comprise of trading of hardware and repair of machinery parts, and earth moving works and excavation services. These businesses continue to face challenges in the form of increased labour constraint and stiff competition. As such, we expect the operating environment to remain difficult. The Group will continue to exercise prudence and will monitor changes in market operating conditions closely.

On 14 May 2014, the Company announced the signing of a non-binding Memorandum of Understanding ("MOU") with Longmen Group Limited ("Longmen") on the proposed investment in Longmen which holds a Production Sharing Contract with PetroChina and a Gas Extraction Contract with Hancheng Coal Mine Bureau (collectively the "Concessions"). Details of the Concessions and the terms of the MOU can be found in the Company's announcements dated 14 May 2014 and 23 May 2014. The Company will provide further details of material developments in this regard in subsequent announcements in accordance with the listing rules of the Singapore Exchange.

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. 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 earlier 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	

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 30 June 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Tang Yew Quan
Director

4 August 2014