

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

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

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

	Note	3 Months Ended 30 September			9 Months Ended 30 September		
		3Q2018 S\$'000	3Q2017 S\$'000	Increase (Decrease) %	9M2018 S\$'000	9M2017 S\$'000	Increase (Decrease) %
Revenue		766	1,726	-56%	6,459	7,363	-12%
Cost of sales		(697)	(1,392)	-50%	(5,549)	(6,094)	-9%
Gross profit		69	334	-79%	910	1,269	-28%
Other income	1(a)(ii)	87	80	9%	280	262	7%
Other losses	1(a)(ii)	(370)	(272)	36%	(190)	(937)	-80%
Expenses							
-General and administrative expenses		(1,211)	(857)	41%	(3,867)	(3,306)	17%
-Finance expenses		-	(3)	-100%	(11)	(384)	-97%
Loss before income tax	1(a)(ii)	(1,425)	(718)		(2,878)	(3,096)	
Income tax expense		(38)	-	n.m.	(222)	(8)	n.m.
Loss after tax		(1,463)	(718)		(3,100)	(3,104)	
Other comprehensive income/(loss):							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		121	40	203%	255	5	n.m.
Total comprehensive loss for the financial period		(1,342)	(678)	98%	(2,845)	(3,099)	-8%
Profit/(loss) attributable to:							
Equity holders of the Company		(1,449)	(739)	96%	(2,986)	(3,021)	-1%
Non-controlling interests		(14)	21	-167%	(114)	(83)	37%
		(1,463)	(718)	104%	(3,100)	(3,104)	0%
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		(1,322)	(699)	89%	(2,727)	(3,016)	-10%
Non-controlling interests		(20)	21	-195%	(118)	(83)	42%
		(1,342)	(678)	98%	(2,845)	(3,099)	-8%

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 September			9 Months Ended 30 September		
	3Q2018	3Q2017	Increase	9M2018	9M2017	Increase
Note	S\$'000	S\$'000	(Decrease) %	S\$'000	S\$'000	(Decrease) %
Other income:						
Interest income from loans to investee	80	59	36%	217	178	22%
Interest income from banks	4	21	-81%	25	40	-38%
Government grants	3	-	n.m	36	29	24%
Sundry income	-	-	n.m	2	15	-87%
	<u>87</u>	<u>80</u>	9%	<u>280</u>	<u>262</u>	7%
Other (losses)/gains:						
Currency exchange losses	(334)	(296)	-13%	(238)	(960)	75%
(Loss)/gain from disposal of property, plant and equipment	(36)	-	n.m	50	(4)	n.m
Bad debt written back	-	-	n.m	1	3	-67%
Impairment loss on investment in available-for-sale financial assets	-	-	n.m	(3)	-	n.m
Negative goodwill from acquisition of PT IPA	-	24	100%	-	24	-100%
	<u>(370)</u>	<u>(272)</u>	-36%	<u>(190)</u>	<u>(937)</u>	-80%
Depreciation included in:						
- cost of sales	(9)	(350)	-97%	(112)	(864)	-87%
- general and administrative expenses	(37)	(55)	-33%	(190)	(160)	19%
Interest expense	-	(3)	-100%	(11)	(384)	-97%
Property, plant and equipment written off	-	-	n.m	-	(28)	-100%
Impairment loss on investment in available-for-sale financial assets	-	-	n.m	-	(4)	-100%
Employee compensation	<u>(365)</u>	<u>(476)</u>	-23%	<u>(1,678)</u>	<u>(1,772)</u>	-5%

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 September 2018	As at 31 December 2017	As at 30 September 2018	As at 31 December 2017
Note		S\$'000	S\$'000 (Audited)	S\$'000	S\$'000 (Audited)
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	10,097	12,228	6,207	6,077
Inventories		3,263	1,158	-	-
Amounts due from subsidiaries		-	-	7,484	5,635
Cash and cash equivalents		6,364	10,978	2,643	7,659
Loans due from an investee		13,791	13,187	13,791	13,187
Total current assets		33,515	37,551	30,125	32,558
Non-current assets					
Property, plant and equipment		653	1,785	233	395
Intangible assets		101	101	-	-
Investment in subsidiaries		-	-	5,239	4,869
Available-for-sale financial assets		2	5	-	-
Deferred tax asset		13	13	-	-
Club membership		6	6	6	6
Total non-current assets		775	1,910	5,478	5,270
Total assets		34,290	39,461	35,603	37,828
LIABILITIES					
Current liabilities					
Trade and other payables	1(b)(iii)	4,558	6,349	843	1,083
Amounts due to subsidiaries		-	-	5,894	5,816
Finance lease liabilities	1(b)(iv)	26	158	-	-
Current income tax liabilities		-	13	-	-
Total current liabilities		4,584	6,520	6,737	6,899
Non-current liabilities					
Finance lease liabilities	1(b)(iv)	68	88	-	-
Total non-current liabilities		68	88	-	-
Total liabilities		4,652	6,608	6,737	6,899
NET ASSETS		29,638	32,853	28,866	30,929
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		35,763	35,763	35,763	35,763
Currency translation reserve		134	(125)	-	-
Accumulated losses		(6,448)	(3,462)	(6,897)	(4,834)
Capital reserve		146	507	-	-
		29,595	32,683	28,866	30,929
Non-controlling interests		43	170	-	-
Total equity		29,638	32,853	28,866	30,929

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

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		September 2018	December 2017	September 2018	December 2017
		S\$'000	S\$'000	S\$'000	S\$'000
Current assets					
Trade receivables (net)		1,859	2,398	-	-
Accrued service revenue		451	2,712	-	-
		2,310	5,110	-	-
Advance payment to suppliers		413	269	-	-
Tax recoverable		273	64	13	13
Contingent consideration on acquisition of PTMII		6,150	6,012	6,150	6,012
Sundry receivables (net)		523	250	-	-
		9,669	11,705	6,163	6,025
Deposits		39	274	1	4
Prepayments		389	249	43	48
		10,097	12,228	6,207	6,077

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

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		September 2018	December 2017	September 2018	December 2017
		S\$'000	S\$'000	S\$'000	S\$'000
Current liabilities					
Trade payables		1,343	2,023	-	-
Accruals		883	1,470	619	863
Shareholder's loan		2,003	2,494	-	-
GST payable		-	55	-	7
Other payables		329	307	224	213
		4,558	6,349	843	1,083

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

	Note	Group			
		As at 30 September 2018		As at 31 December 2017	
		Secured	Unsecured	Secured	Unsecured
		S\$'000	S\$'000	S\$'000	S\$'000
Amount repayable in one year or less, or on demand		26	-	158	-
Amount repayable after one year		68	-	88	-

Details of collateral

The Group's finance lease liabilities are secured by the leased assets.

1(c) A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group 3 Months Ended 30 September 2018 2017		Group 9 Months Ended 30 September 2018 2017	
Note	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Loss after tax	(1,463)	(718)	(3,100)	(3,104)
Adjustments for:				
Income tax expense	38	-	222	8
Depreciation of property, plant and equipment	46	405	302	1,024
Loss/(gain) from disposal of property, plant and equipment	36	-	(50)	4
Impairment loss on investment in available-for-sale financial assets	-	-	3	4
Property, plant and equipment written off	-	-	-	28
Unrealised currency translation losses/(gains)	500	(422)	433	(2,115)
Effect of deconsolidation of PTMII	-	-	-	2,536
Negative goodwill from acquisition of PT IPA	-	(24)	-	(24)
Interest income	(84)	(80)	(242)	(218)
Interest expense	-	3	11	384
Operating cash flows before changes in working capital	(927)	(836)	(2,421)	(1,473)
Trade receivables and other receivables	2,784	(218)	1,827	(366)
Inventories	(191)	(1,055)	(2,105)	(1,124)
Trade payables, other payables and accruals	(743)	2,419	(1,804)	2,258
Cash generated from/(used in) operations	923	310	(4,503)	(705)
Interest received	4	80	25	218
Interest paid	-	(3)	-	(384)
Income tax paid	(108)	-	(222)	-
Net cash generated from/(used in) operating activities	819	387	(4,700)	(871)
Cash flows from investing activities				
Acquisition of a subsidiary (PT IPA), net of cash acquired	-	124	-	124
Proceeds from disposal of property, plant and equipment	511	-	919	-
Purchase of property, plant and equipment	-	-	(105)	(470)
Purchase of remaining non-controlling interest in TSL	(370)	-	(370)	-
Net cash generated from/(used in) investing activities	141	124	444	(346)
Cash flows from financing activities				
Repayment of borrowings	-	-	-	(1,227)
Repayment of finance lease liabilities	(26)	(56)	(152)	(236)
(Increase)/decrease in short-term deposits pledged	(3)	301	(13)	(586)
Interest paid	-	-	(11)	-
Dividend paid to non-controlling interest by a subsidiary	-	-	-	(50)
Net cash (used in)/generated from financing activities	(29)	245	(176)	(2,099)
Net increase/(decrease) in cash and cash equivalents	931	756	(4,432)	(3,316)
Cash and cash equivalents at beginning of financial period	4,567	6,556	9,959	10,748
Effect of currency translation on cash and cash equivalents	(166)	120	(195)	-
Cash and cash equivalents at end of financial period	5,332	7,432	5,332	7,432
Cash and cash equivalents				
Cash and bank balances	6,364	11,433	6,364	11,433
Less: Fixed deposits pledged with financial institutions	(1,032)	(4,001)	(1,032)	(4,001)
Cash and cash equivalents at end of financial period	5,332	7,432	5,332	7,432

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	Retained earnings/ (accumulated losses)	Currency translation reserve	Capital reserve	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

FOR 9 MONTHS ENDED 30 SEPTEMBER

GROUP

Balance as at 1 January 2018	35,763	(3,462)	(125)	507	32,683	170	32,853
Net loss for the period	-	(2,986)	-	-	(2,986)	(114)	(3,100)
Other comprehensive (loss)/income for the period	-	-	259	-	259	(4)	255
Purchase of remaining non-controlling interest in TSL	-	-	-	(361)	(361)	(9)	(370)
Balance as at 30 September 2018	35,763	(6,448)	134	146	29,595	43	29,638
Balance as at 1 January 2017	32,533	3,534	594	182	36,843	(3,312)	33,531
Net loss for the period	-	(3,021)	-	-	(3,021)	(83)	(3,104)
Other comprehensive income for the period	-	-	5	-	5	-	5
Dividend paid to non-controlling interest by a subsidiary	-	-	-	-	-	(50)	(50)
Effect of deconsolidation of PTMII	-	(2,061)	(718)	-	(2,779)	3,791	1,012
Additions arising from acquisition of PT IPA	-	-	-	-	-	137	137
Balance as at 30 September 2017	32,533	(1,548)	(119)	182	31,048	483	31,531

COMPANY

Balance as at 1 January 2018	35,763	(4,834)	-	-	30,929	-	30,929
Net loss for the period	-	(2,063)	-	-	(2,063)	-	(2,063)
Balance as at 30 September 2018	35,763	(6,897)	-	-	28,866	-	28,866
Balance as at 1 January 2017	32,533	(1,994)	-	-	30,539	-	30,539
Net loss for the period	-	(2,525)	-	-	(2,525)	-	(2,525)
Balance as at 30 September 2017	32,533	(4,519)	-	-	28,014	-	28,014

FOR 3 MONTHS ENDED 30 SEPTEMBER

GROUP

Balance as at 1 July 2018	35,763	(4,999)	7	507	31,278	72	31,350
Net loss for the period	-	(1,449)	-	-	(1,449)	(14)	(1,463)
Other comprehensive income/(loss) for the period	-	-	127	-	127	(6)	121
Purchase of remaining non-controlling interest in TSL	-	-	-	(361)	(361)	(9)	(370)
Balance as at 30 September 2018	35,763	(6,448)	134	146	29,595	43	29,638
Balance as at 1 July 2017	32,533	(809)	(159)	182	31,747	325	32,072
Net (loss)/profit for the period	-	(739)	-	-	(739)	21	(718)
Other comprehensive income for the period	-	-	40	-	40	-	40
Additions arising from acquisition of PT IPA	-	-	-	-	-	137	137
Balance as at 30 September 2017	32,533	(1,548)	(119)	182	31,048	483	31,531

COMPANY

Balance as at 1 July 2018	35,763	(5,868)	-	-	29,895	-	29,895
Net loss for the period	-	(1,029)	-	-	(1,029)	-	(1,029)
Balance as at 30 September 2018	35,763	(6,897)	-	-	28,866	-	28,866
Balance as at 1 July 2017	32,533	(3,695)	-	-	28,838	-	28,838
Net loss for the period	-	(824)	-	-	(824)	-	(824)
Balance as at 30 September 2017	32,533	(4,519)	-	-	28,014	-	28,014

- 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 2017.

Convertible Securities

There are no outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Treasury Shares and Subsidiary Holdings

The Company did not have any treasury shares and subsidiary holdings as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

- 1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding financial year.**

Number of shares	As at 30 September 2018	As at 31 December 2017
Total number of issued shares (excluding treasury shares)	55,686,996	55,686,996

- 1(d)(iv) A statement showing all sales, transfers, 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 2017, save for the adoption of the Financial Reporting Standards ("FRSs") and Interpretation of FRS ("INT FRS") that are mandatory for financial years beginning on or after 1 January 2018. The adoption of these new FRS and INT FRS have no material impact to the results of the Group and of the Company for the current financial period reported on.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

	Group 3 Months Ended 30 September		Group 9 Months Ended 30 September	
	2018	2017	2018	2017
Loss per share				
(i) Based on weighted average number of ordinary shares on issue (cents)	(2.60)	(1.59)	(5.36)	(6.51)
(ii) On a fully diluted basis (cents) *	(2.60)	(1.59)	(5.36)	(6.51)
Number of weighted average ordinary shares used in the computation of (i) and (ii)	55,686,996	46,405,830	55,686,996	46,405,830

* 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 September 2018	As at 31 December 2017
GROUP		
Net asset value per ordinary share (dollars)	0.53	0.59
COMPANY		
Net asset value per ordinary share (dollars)	0.52	0.56

The net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings as at 30 September 2018 and 31 December 2017 of 55,686,996.

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

- (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**
- (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

In relation to PSL's announcements dated 22 August 2016, 15 September 2016, 7 October 2016, 24 November 2016, 30 November 2016, 18 January 2017, 24 January 2017, 8 June 2017, 1 November 2017, 23 November 2017, 1 March 2018 and 23 March 2018 and the dispute between, among others, Mr. Sudirman Kurniawan and PSL arising out of the Conditional Sale and Purchase Agreement dated 17 March 2015 and the Supplemental Sale and Purchase Agreement dated 3 August 2015, the Company has fully deconsolidated PT Momentum Indonesia Investama ("PTMII") from its Marine Logistics segment and reclassified its investment in PTMII as an "available-for-sale" asset.

Separately in the Construction Logistics segment, the period under review includes contribution from its 75%-owned subsidiary PT Indah Perkasa Abadi ("PT IPA"), which was acquired on 18 August 2017 through the Group's indirect subsidiary, PT PSL Commodities Indonesia, which has ongoing projects within the civil construction industry for the supply of work and materials within Indonesia.

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.

The proposed Share Transfer was undertaken as part of the settlement of disputes. Furthermore, the Group also paid Mr Koh Yew Ghee the sum of S\$370,000 which was funded through internal resources as part of the Settlement Agreement.

Financial Performance – 3Q2018 vs 3Q2017

Revenue decreased by S\$0.9 million or 56% from S\$1.7 million in 3Q2017 to S\$0.8 million in 3Q2018 mainly due to scaling down of TSL operations and lower revenue from the Construction Logistics segment contributed by PT IPA. Gross profit consequently decreased by S\$0.2 million or 79% from S\$0.3 million in 3Q2017 to S\$0.1 million in 3Q2018 mainly due to scaling down of TSL operations and lower gross margin of approximately 9% in 3Q2018 contributed by the Construction Logistics segment.

Other income increased by 9% in 3Q2018 as compared to 3Q2017, with both remaining at S\$0.1 million, consisting mainly interest income from the loan to PTMII arising from deconsolidation of PTMII, previously eliminated in the earlier quarters.

Other losses increased by S\$0.1 million or 36% from a loss of S\$0.3 million in 3Q2017 to S\$0.4 million in 3Q2018 mainly due to the foreign exchange loss from the revaluation of IDR intercompany loan and loss on disposal of trucks and equipment following the scaling down of TSL operations. This is partially offset by the foreign exchange gain arising from the revaluation of the USD loans extended to PTMII.

General and administrative expenses increased by S\$0.3 million or 41% from S\$0.9 million in 3Q2017 to S\$1.2 million in 3Q2018 mainly due to operating costs from the newly acquired subsidiary PT IPA as well as professional fees incurred in relation to PTMII legal case and TSL settlement.

Finance costs recorded marginal difference in 3Q2018 and 3Q2017.

The Group recorded a loss of S\$1.5 million after tax for 3Q2018 as compared to a loss of S\$0.7 million in 3Q2017. This was mainly due to a decrease in revenue from S\$1.7 million in 3Q2017 to S\$0.8 million in 3Q2018 mainly due to scaling down of TSL operations, lower revenue from the Construction Logistics segment contributed by PT IPA and unrealised foreign exchange losses.

Financial Performance – 9M2018 vs 9M2017

Revenue decreased by S\$0.9 million or 12% from S\$7.4 million in 9M2017 to S\$6.5 million in 9M2018 mainly due to deconsolidation of PTMII in 2Q2017 and scaling down of TSL operations, partially offset by higher revenue from the Construction Logistics segment contributed by PT IPA. Gross profit consequently decreased by S\$0.4 million or 28% from S\$1.3 million in 9M2017 to S\$0.9 million in 9M2018.

Other income increased by 7% in 9M2018 as compared to 9M2017, with both remaining at S\$0.3 million, consisting mainly interest income from the loan to PTMII arising from deconsolidation of PTMII, previously eliminated in the earlier quarters.

Other losses decreased by S\$0.7 million or 80% from S\$0.9 million in 9M2017 to S\$0.2 million in 9M2018 mainly due to the foreign exchange loss from the revaluation of IDR intercompany loan, partially offset by the foreign exchange gain arising from the revaluation of the USD loans extended to PTMII.

General and administrative expenses increased by S\$0.6 million or 17% from S\$3.3 million in 9M2017 to S\$3.9 million in 9M2018 mainly due the increase in operating costs from the newly acquired subsidiary PT IPA as well as professional fees incurred in relation to PTMII legal case and TSL settlement. The increase is partially offset by the reduction in depreciation expenses from the Marine Logistics segment due to deconsolidation of PTMII.

Finance costs decreased by S\$0.4 million or 97% in 9M2018 as compared to 9M2017 mainly due to higher bank interest incurred by the Marine Logistics segment in 9M2017.

The Group recorded a loss of S\$3.1 million after tax for 9M2018 and 9M2017.

Cash flow – 3Q2018 vs 3Q2017

The Group's cash and cash equivalents was S\$6.4 million as at 30 September 2018. Net cash generated from operating activities was S\$0.8 million in 3Q2018 compared to S\$0.4 million in 3Q2017 mainly due to (i) an increase in unrealised foreign exchange losses recorded in 3Q2018 and (ii) decrease in trade and other receivables as well as trade and other payables from the Construction Logistics segment.

Net cash generated from investing activities remained at S\$0.1 million in 3Q2018 and 3Q2017 mainly due to proceeds from disposal of trucks and equipment following the scaling down of TSL operations, partially offset by the payment of S\$0.4 million to purchase the remaining non-controlling interest in TSL as part of the settlement to resolve all outstanding disputes.

Net cash used in financing activities was S\$29,000 in 3Q2018 compared to S\$0.2 million in 3Q2017 mainly due to changes in short-term deposits pledged to secure bank facilities.

Cash flow – 9M2018 vs 9M2017

The Group's cash and cash equivalents was S\$6.4 million as at 30 September 2018. Net cash used in operating activities was S\$4.7 million in 9M2018 compared to S\$0.9 million in 9M2017 mainly due to (i) reduction in gain on deconsolidation following the deconsolidation of PTMII in 2Q2017, (ii) decrease in trade and other receivables as well as trade and other payables from the Construction Logistics segment, (iii) increase in inventories due to acquisition of PT IPA, partially offset by (iv) an increase in unrealised foreign exchange losses recorded in 9M2018.

Net cash generated from investing activities was S\$0.4 million in 9M2018 compared to net cash used in investing activities of S\$0.3 million in 9M2017 mainly due to (i) proceeds from disposal of trucks and equipment following the scaling down of TSL operations, (ii) purchase of property, plant and equipment in 9M2017 pertaining to the cost of renovation and office equipment for the new corporate office, partially offset by (iii) payment of S\$0.4 million to purchase the remaining non-controlling interest in TSL as part of the settlement to resolve all outstanding disputes.

Net cash used in financing activities was S\$0.2 million in 9M2018 compared to S\$2.1 million in 9M2017 mainly due to repayment of bank borrowings and increase in short-term deposits pledged to secure bank facilities in 9M2017.

Financial Position

Current assets decreased by S\$4.1 million or 11% from S\$37.6 million as at 31 December 2017 to S\$33.5 million as at 30 September 2018 mainly due to a decrease in cash and cash equivalents as highlighted in the cash flow statement above, (ii) a decrease in trade and other receivables from the Construction Logistics segment, partially offset by (iii) an increase in inventories from acquisition of PT IPA and (iv) a foreign exchange gain arising from the revaluation of the USD loans extended to PTMII.

Non-current assets decreased by S\$1.1 million or 59% from S\$1.9 million as at 31 December 2017 to S\$0.8 million as at 30 September 2018 mainly due to the disposal of trucks and equipment following the scaling down of TSL operations as well as depreciation charges recorded for the period.

Current liabilities decreased by S\$1.9 million or 30% from S\$6.5 million as at 31 December 2017 to S\$4.6 million as at 30 September 2018 mainly due to a decrease in trade and other payables from the Construction Logistics segment and revaluation of shareholders' loans. Non-current liabilities recorded marginal difference between 30 September 2018 and 31 December 2017.

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

There was no forecast, or prospect statement, previously disclosed to shareholders.

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

Indonesia's position as one of the largest commodity exporters in Asia is expected to accelerate the country's demand for marine logistics services.

On 19 April 2018, the Group announced that it had entered into a Binding Term Sheet as part of the global settlement to resolve all outstanding disputes with the Vendors of PT Momentum Indonesia Investama ("PTMII") in consideration to the recovery of the profit guarantee payment and the loan of US\$11.5 million extended by the former management by the Conditional Sale and Purchase Agreement dated 17 March 2015 and the Supplemental Sale and Purchase Agreement dated 3 August 2015. The Group continues to consult its professional advisors on the remedies available following the sinking of Momentum 3007, one of the PSL Escrow Period Vessels, on 3 August 2018. PSL continues to work towards a global settlement to put an end to the disputes so as to move forward to develop its Marine Logistics business with the acquisition of vessels as part of ongoing efforts to implement profitable business strategies to enhance shareholder value.

Indonesia's infrastructure needs will continue to support the country's construction logistics sector over the long term. The sector remains highly competitive due to intense competition in negotiating for new contracts, the Group continues to be cautious and selective in the type of contracts that it pursues.

Global sentiments and economic uncertainties have triggered movement in the Indonesian Rupiah. Despite external influences, Indonesia's economic fundamentals remain steadfast. PSL will continue to focus its operations in Indonesia. The Group will exercise prudence in financial management to minimise the impact of foreign exchange exposures.

On 5 July 2018, the Group announced that it had entered into a MOU to acquire 80% shares in PT. Buana Perkasa Sukses, an Indonesian Company which principally carry on coal trading and related businesses. Due diligence on the proposed acquisition continues to progress with the appointment of an independent valuer to conduct a valuation on equity interest in PT. Buana Perkasa Sukses as announced on 15 August 2018.

The Group continues to explore other business opportunities to acquire properties or other assets for long-term investment to build additional revenue sources to deliver long term sustainable values for the shareholders.

11. Dividend

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared (recommended).

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

No IPT mandate has been obtained from shareholders. There was no IPT during the current financial period reported on.

14. Use of proceeds from offerings pursuant to Chapter 8 of the Listing Manual

2016 Subscription

The Company had completed the allotment and issue of an aggregate of 7,734,000 new ordinary shares at S\$0.3825 for each subscription share in the capital of the Company (the "2016 Subscription Shares") on 31 October 2016 (the "2016 Subscription"). It had been stated in the Company's announcement dated 22 September 2016 (the "2016 Subscription Announcement") that 80% of the net proceeds of the 2016 Subscription will be used by the Company for funding growth and expansion (as and when opportunities arise) and 20% of the net proceeds of the 2016 Subscription will be used by the Company for working capital purposes.

The table below summarises the cumulative utilisation of the net proceeds of the 2016 Subscription as at the date of this announcement (the "2016 Use of Proceeds"):

Intended use of net proceeds	Amount Allocated (S\$'million) / with percentage allocation (%)	Amount utilised (S\$'million)	Balance (S\$'million)
Funding growth and expansion (as and when opportunities arise)	2.32 (80%)	2.32	-
Working capital purposes	0.58 (20%)	0.58 ¹	-
Total (approximately)	2.90 (100%)	2.90	-

¹ Out of the S\$0.58 million used for working capital purposes, approximately S\$0.47 million was used for employees' salaries and related costs and remainder was for repayment of creditors including professional fees.

The auditors of the Company have conducted an independent verification on the 2016 Use of Proceeds and have verified that the 2016 Use of Proceeds is as stated in the table above.

2017 Subscription

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

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

Intended use of net proceeds	Amount Allocated (S\$'million) / with percentage allocation (%)	Amount utilised (S\$'million)	Balance (S\$'million)
Funding growth and expansion (as and when opportunities arise)	2.56 (80%)	1.45	1.11
Working capital purposes	0.64 (20%)	0.64 ²	-
Total (approximately)	3.20 (100%)	2.09	1.11

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 September 2018 to be false or misleading in any material aspect.

16. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirms that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Tan Cheang Shiong
Chief Executive Officer

7 November 2018