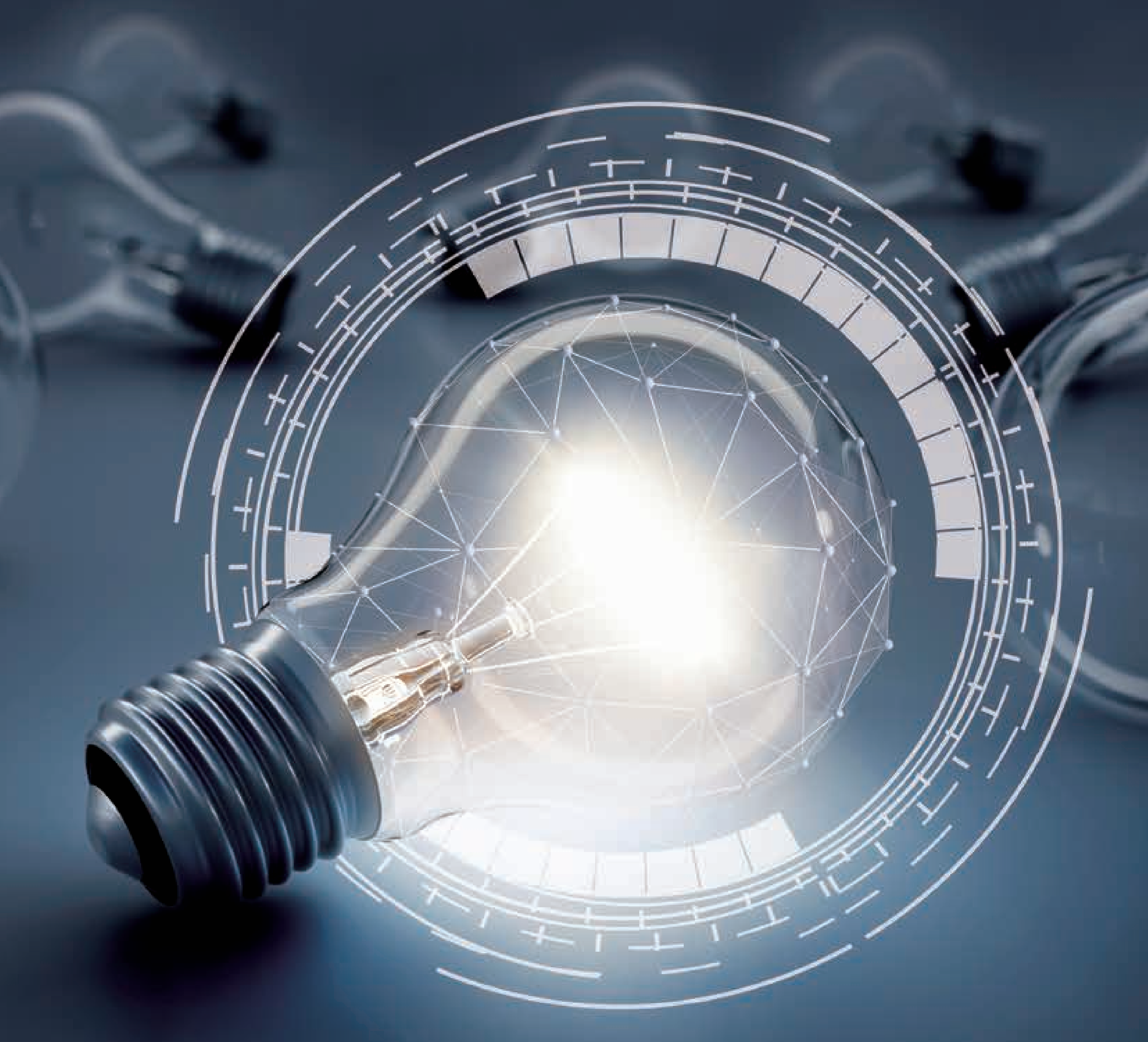
PSL Holdings LIMITED



IMPROVE THE VALUE OF INNOVATION

ANNUAL REPORT 2020

OUR VISION

TO DEVELOP AND ACQUIRE PROFITABLE BUSINESSES WHICH CAN GENERATE SUSTAINABLE RETURNS TO THE SHAREHOLDERS.

CORPORATE PROFILE

PSL Holdings Limited ("PSL") is an investment holding company.It was incorporated in Singapore as PSL Holdings Pte Ltd on 9 October 1997 and changed its name to PSL Holdings Limited on 5 August 1998. PSL was listed on Stock Exchange of Singapore Dealing and Automated Quotation System (SESDAQ) on 9 October 1998 and on 12 May 2009, its listing was transferred to the Mainboard of Singapore Exchange Securities Trading Limited (SGX-ST).

Through its operating subsidiaries, PSL is engaged in businesses relating to:
- Provision of land logistics and support services;
- Provision of marine logistics through acquisitions of Supermax vessels;
- Trade and supply of construction materials and related equipment; and
- Eventual properties development along with related activities.

PSL is looking to expand its operations through the acquisition of synergy-related business principally in Indonesia, Malaysia and the ASEAN regions to develop revenue streams for improvement of its financial performance to generate sustainable long term returns to the Shareholders.

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LETTER TO SHAREHOLDERS

DEAR VALUED SHAREHOLDERS,

On behalf of the Board of PSL Holdings Limited (the "Company" or "PSL") and together with its subsidiaries (the "Group"), I am pleased to present to you our annual report for the financial year ended 31 December 2020 ("FY2020").

FINANCIAL REVIEW

The Group more than quadrupled its revenue to S$7.9 million for FY2020 from S$1.7 million for FY2019 due to higher revenue from the Construction Logistics segment contributed by PT Indah Perkasa Abadi ("PT IPA") from the lease of heavy equipment to PT. Cahaya Riau Mandiri ("PT CRM") which commenced from mid-August 2019 as well as the revenue from the Marine Logistics segment as a result of the consolidation of PT Momentum Indonesia Investama ("PT MII"). Correspondingly, gross profit improved to S$4.6 million for FY2020 from S$0.8 million for FY2019.

Other (losses)/gains decreased from a gain of S$0.1 million for FY2019 to a loss of S$64,000 for FY2020 mainly due to exchange losses incurred. Administrative expenses increased from S$2.2 million in FY2019 to S$2.9 million in FY2020 mainly due to professional fees incurred pertaining to the ongoing delisting process, coupled with higher general and administrative expenses recorded following the consolidation of PT MII. Other operating expenses increased from S$11,000 in FY2019 to S$6.7 million in FY2020 due to impairment losses recorded on property, plant and equipment, right-of-use assets, inventories, trade receivables as well as goodwill arising from the consolidation of PT MII in 4Q2020. Finance costs increased from S$0.4 million in FY2019 to S$1.1 million in FY2020 mainly due to interest incurred on loans obtained by PT IPA to finance the purchase of heavy equipment. Owing to the above reasons, the Group recorded a loss after tax of S$6.1 million in FY2020 as compared to S$1.3 million in FY2019.

FUTURE DIRECTION

After careful deliberation, the Board of Directors has decided in January 2021 that the Group is proposing to undertake a Selective Capital Reduction exercise to cancel all the issued ordinary shares in the capital of the Company ("Shares") held by the Eligible Shareholders and return the share capital in cash to the Eligible Shareholders (the "Selective Capital Reduction"). The Board will seek the approval of the Shareholders of the Company (the "Shareholders") for the Selective Capital Reduction at an extraordinary general meeting of the Company (the "EGM") to be convened.

We have announced back in August 2020 that it was in the best interests to our Shareholders that the Company be liquidated by way of a members' voluntary liquidation. However, our business has shown signs of improvement in the second half of 2020 and that the business may be worth preserving. Nonetheless, as the shareholdings of the Company

LETTER TO SHAREHOLDERS

are fragmented, no single major Shareholder is in a position to offer a buy-out. Furthermore, following the delisting, it will become difficult for the Shareholders to realise their investment given the lack of a public market for the Company's shares. For these reasons, the Company is proposing, by way of the Selective Capital Reduction, to use its cash to cancel the shares held by Shareholders, thereby giving them an opportunity to realise the value of these shares.

APPRECIATION

I would like to take this opportunity to thank a few Board Directors who have resigned from their positions. Ms Ng Yoke Chan has been a member of the Board of Directors since August 2016. She was re-designated as the Non-Executive Non-Independent Chairman in October 2017 and held the position till May 2020. Mr Stephen Leong, BBM has been the Vice Chairman and Executive Director from November 2016 to May 2020. Mr Lee Chee Tak was appointed as a Non-Executive Independent Director in July 2019 and was re-designated as the Chief Executive Officer ("CEO") in October 2019. Mr Lee has also resigned in May 2020. I am grateful for their contributions, advice and guidance to the Group and the management team during their tenure.

I would also like to take this opportunity to welcome Mr Kee Siang Hui who has been appointed to the Board of the Company as an Executive Director with effect from May 2020. Prior to this appointment, Mr Kee was the Assistant General Manager of the Company and has worked closely with the supervisors for operations, project managers, the finance team and human resource department. The CEO's responsibilities and obligations have been handled over to Mr Kee and another Executive Director, Mr Richard Kennedy Melati.

I am honoured to be appointed the Chairman of the Board in May 2020 and I thank the rest of the Board members for their support, and the management team for their diligence and perseverance. The Board, management team and staff have worked hard to resolve the many issues of the past and to improve the Group's business.

I am equally grateful to our customers, business partners and associates for their support over us in this challenging time. On behalf of the Company and the Board, I would also wish to thank our valued Shareholders for your support, trust and confidence over the past many years.

Mr Fhifi Alfhian Ronie, SH

Non-Executive Chairman and
Independent Director

REVIEW OF FINANCIAL PERFORMANCE

REVENUE AND PROFITABILITY

For financial year ended 31 December 2020 ("FY2020"), the Group's revenue increased from S$1.7 million for FY2019 to S$7.9 million for FY2020 due to higher revenue from the Construction Logistics segment contributed by PT Indah Perkasa Abadi ("PT IPA") from lease of heavy equipment to PT. Cahaya Riau Mandiri ("PT CRM") which commenced from mid-August 2019 as well as the revenue from the Marine Logistics segment as a result of the consolidation of PT Momentum Indonesia Investama ("PT MII").

Corresponding to the higher revenue, cost of sales increased from S$0.9 million for FY2019 to S$3.2 million for FY2020, resulting in an increase in gross profit from S$0.8 million for FY2019 to S$4.6 million for FY2020.

Other operating income recorded marginal difference in FY2020 and FY2019. The slight increase is mainly due to an increase in government grants received during the Covid-19 period, an increase in sundry income due to the reversal of over-accrual of payables in relation to civil construction projects, insurance claim as well as reversal of over-accrual of employee benefits arising from the year end actuarial review, and fair value changes on profit guarantee due from Mr Sudirman Kurniawan, Mr Angelo Fernandus, PT. Triputra Senamustika (collectively, the "Sudirman Group"). This is partially offset by the elimination of interest income from the loan to PT MII following the consolidation of PT MII.

Other (losses)/gains decreased from a gain of S$0.1 million for FY2019 to a loss of S$64,000 for FY2020 mainly due to an increase in foreign exchange losses arising from the depreciation of USD against SGD on the USD denominated profit guarantee due from Sudirman Group and the depreciation of IDR against SGD on the IDR denominated loan extended to PT IPA.

General and administrative expenses increased from S$2.2 million for FY2019 to S$2.9 million for FY2020 mainly due to professional fees incurred pertaining to the ongoing delisting process, coupled with higher general and administrative recorded following the consolidation of PT MII.

Other operating expenses increased from S$11,000 for FY2019 to S$6.7 million for FY2020 due to impairment losses recorded on property, plant and equipment, right-of-use assets inventories, trade receivables as well as goodwill arising from the consolidation of PT MII in the fourth quarter of FY2020.

Finance costs increased from S$0.4 million for FY2019 to S$1.1 million for FY2020 mainly due to interest incurred on loans obtained by PT IPA to finance the purchase of heavy equipment.

Income tax expense increased from S$25,000 for FY2019 to S$0.5 million mainly due to higher loss before tax recorded by the Construction Logistics segment, and the income tax expense from the Marine Logistics segment following the consolidation of PT MII.

The Group recorded a loss after tax of S$6.1 million for FY2020 as compared to S$1.3 million for FY2019.

CASH FLOW

Net cash generated from operating activities was S$8.0 million for FY2020 compared to net cash used in operating activities of S$2.5 million for FY2019 mainly due to the higher depreciation charges for 11 and 5 units of heavy equipment purchased by PT IPA in second quarter of FY2019 and the first quarter of FY2020 respectively, as well as depreciation charges recorded for vessels arising from the consolidation of PT MII, the higher impairment losses recorded on property, plant and equipment right-of-use assets and goodwill in the fourth quarter of FY2020, the higher interest charges incurred by PT IPA to finance the purchase of heavy equipment, as well as a decrease in trade and other receivables from the Construction Logistics segment.

Net cash generated from investing activities increased from S$12,000 for FY2019 to S$1.4 million for FY2020 mainly due to the net cash acquired following the consolidation of PT MII, coupled with a decrease in the acquisition of plant and equipment due to the purchase of heavy equipment by PT IPA in the third quarter of FY2019. This was partially offset by a decrease in proceeds from the disposal of plant and equipment.

Net cash used in financing activities was S$1.3 million for FY2020 compared to net cash generated from financing activities of S$0.4 million for FY2019 mainly due to repayment of finance lease liabilities, repayment of loan due to third party (former non-controlling interest of a subsidiary), changes in short-term deposits pledged to secure bank facilities and higher interest charges incurred by PT IPA to finance the purchase of heavy equipment. This was partially offset by the partial repayment of loan and accrued interest of US$3.35 million (approximately S$4.57 million) by PT MII to PSL in FY2020.

As a result of the above, the Group's cash and cash equivalents increased from S$2.6 million as at 31 December 2019 to S$10.4 million as at 31 December 2020.

FINANCIAL POSITION

The Group's current assets decreased by S$7.5 million from S$23.5 million as at 31 December 2019 to S$16.0 million as at 31 December 2020 mainly due to the accounting elimination of loans due from PT MII following its consolidation and a decrease in trade and other receivables arising from subsequent receipts from debtors after year end. This is partially offset by an increase in cash and cash equivalents as highlighted in the cash flow statement above.

REVIEW OF FINANCIAL PERFORMANCE

Non-current assets increased by S$5.5 million from S$11.6 million as at 31 December 2019 to S$17.1 million as at 31 December 2020 mainly due to the property, plant and equipment (vessels) recorded following the consolidation of PT MII, an increase in right-of-use assets (additional 5 units of heavy equipment), partially offset by a decrease in trade and other receivables arising from a decrease in profit guarantee due from the Sudirman Group due to the reclassification from non-current to current.

Current liabilities decreased by S$0.9 million from S$4.3 million as at 31 December 2019 to S$3.4 million as at 31 December 2020 mainly due to a decrease in trade and other payables from the Construction Logistics segment arising from the repayment of loan due to third party (former non-controlling interest of a subsidiary). This was partially offset by an increase in loans obtained to finance the purchase of an additional 5 units of heavy equipment in May 2020 as well as an increase in income tax liabilities as a result of higher net profit before tax recorded by the Construction Logistics segment in FY2020.

Non-current liabilities increased by S$0.3 million from S$4.8 million as at 31 December 2019 to S$5.1 million as at 31 December 2020 due to an increase in loans obtained to finance the purchase of an additional 5 units of heavy equipment in May 2020, partially offset by the reclassification from non-current to current lease liabilities.

As a result of the above, the Group's net assets decreased by S$1.5 million from S$26.1 million as at 31 December 2019 to S$24.6 million as at 31 December 2020.

BOARD OF DIRECTORS

MR FHIFI ALFHIAN RONIE, SH

Non-Executive Chairman, Independent Director and Chairman of Remuneration Committee

Mr Fhifi Alfhian Ronie, SH was appointed on 31 May 2019 as a Non-Executive Independent Director and was on 7 May 2020 re-designated as the Non-Executive Chairman of the Company. He is also the Chairman of the Remuneration Committee and a member of the Audit and Nominating Committees.

Mr Fhifi is a Notary Specialist from Universitas Indonesia and holds a Bachelor in Civil Law from Universitas Trisakti.

MR RICHARD KENNEDY MELATI

Executive Director

Mr Richard Kennedy Melati was employed on 15 February 2017 as an Executive Officer of the Company and on 10 June 2019 appointed as an Executive Director of the Company.

Mr Melati is the Commissioner for PT Libra Melati Investment, PT Libra Melati Manufacture, PT Mega Mediatama Jaya, PT Bintan Royal International Hotel and PT Pelayaran Nasional Lestari Indoma Bahari. He is also the Director for PT Libra Melati Property and PT Headwind Indonesia.

Prior to that, he was the Head of Fleet Management in Geo Energy Resources Limited from 2009 to 2015 where he was responsible for business operations including mining and loading port operations. From 1999 to 2009, he was a Director in PT Dwi Putra Anjaya responsible for business development.

Mr Melati is responsible for strategic planning and business development of the Group.

MR KEE SIANG HUI

Executive Director

Mr Kee Siang Hui was appointed on 8 May 2020 as an Executive Director of the Company.

Mr Kee is responsible for the corporate management and operations of the Group. Prior to that, he was the Assistant General Manager of the Company, where he worked closely with the supervisors for operations, project managers, the finance team and human resource department, and is familiar with the operations and financial matters of the Company. In March 2015 to July 2015, he was an Accounts Executive Officer with Guan Chua Enterprise Sdn Bhd before he joined Ye Chiu Metal Smelting Sdn Bhd as a Sales Executive Officer in August 2015 to June 2016.

Mr Kee holds a Bachelor of Accounting and Finance degree with Honours from University of London, Singapore Institute of Management and has attended the course on Listed Company Director Essentials organised by the SID.

BOARD OF DIRECTORS

MS NG YOKE CHAN

Non-Executive Non-Independent Director

Ms Ng Yoke Chan was appointed on 31 August 2016 as a Non-Executive Director of the Company and was on 27 October 2017 re-designated as the Non-Executive Chairman of the Board.

Ms Ng resigned as the Non-Executive Non-Independent Chairman of the Board with effect from 7 May 2020 due to her other work commitments. Following her aforesaid resignation, she remains as a Non-Executive Director of the Company.

Ms Ng has experience in management, finance and business development in Southeast Asia. She is currently an Executive Director of Mega Asia Exim Sdn Bhd and Malindo Exim Sdn Bhd. She holds a directorship in Hite Jinro Marketing Sdn Bhd. She was also formerly a Director of Southeast Global (HongKong) Ltd.

Ms Ng holds a Sijil Tinggi Persekolahan Malaysia (STPM) certificate and has attended the course on Listed Company Director Essentials organised by the SID.

MR WILLIAM TEO CHOON KOW

Independent Director and Chairman of Audit Committee

Mr William Teo Choon Kow was appointed on 26 August 2011 as a Non-Executive Independent Director of the Company. He is the Chairman of the Audit Committee and a member of the Remuneration and Nominating Committees.

Mr Teo is a consultant providing corporate advisory services and currently serves as an Independent Director of Wee Hur Holdings Ltd, Kitchen Culture Holdings Ltd, Datapulse Technology Limited and Axington Inc. Prior to that, he was the Vice-President of Walden International Investment Group from 1997 to 2004 where he was responsible for the Group's investment function. From 1989 to 1997, Mr Teo was a Senior Manager with Coopers & Lybrand Management Consultants Pte Ltd, involved in corporate finance work.

Mr Teo holds a Masters in Management from Asian Institute of Management, Philippines. He is also a fellow member of the Association of Chartered Certified Accountants ("FCCA") and a member of the Institute of Singapore Chartered Accountants ("ISCA").

Mr Teo was conferred the BBM by the President of the Republic of Singapore, HE Dr Tony Tan in 2012.

MR KEVIN WONG WEI BOON

Independent Director and Chairman of Nominating Committee

Mr Kevin Wong Wei Boon was appointed on 1 June 2017 as a Non-Executive Independent Director of the Company. He is the Chairman of the Nominating Committee and a member of the Audit and Remuneration Committees.

Mr Wong is the founder of Wisom International Private Limited and serves as its Executive Chairman. He has led the growth and development of Wisom International into a regional private equity firm. He is currently also a Director of Winfill Pte Ltd where he spearheads the overall strategic direction and management of Winfill's global strategic plans.

Prior to that, from 2004 to 2016 he has served as an Associate Director of DBS Bank Ltd, Credit Suisse AG and Vice President of United Overseas Bank advising high net worth families, corporates and institutions in the region. Using various financial instruments such as equities, fixed income, derivatives and structured products, Mr Wong helped these entities create a portfolio that best suits their investment appetite.

Mr Wong has a passion for helping entrepreneurs. He sits in the committee of Singapore Institute of Director (SID) and Singapore Armed Forces Recreation Association (SAFRA) where he helps to connect and organise events for Singapore entrepreneurs. He is also a member of United Nation Association of Singapore. In September 2017, he represented Singapore to attend the China-ASEAN Agricultural Production Industry Summit where he spoke about food security.

Mr Wong holds a Bachelor in Accounting and Finance from the University of London.

BOARD OF DIRECTORS

MS LEONG TING TING
Independent Director

Ms Leong Ting Ting was appointed on 24 October 2019 as a Non-Executive Independent Director of the Company. She is a member of the Audit, Remuneration and Nominating Committees.

Ms Leong was the Sole Proprietor with M/S Ting Leong & Partners where she was the legal advisor for Dominant Opto Technologies Sdn. Bhd., a leading LED manufacturer in the world from 2017 to 2018. In 2019, she became a Partner of M/S Lim & Leong (previously M/S Ting Leong & Partners) with a new partner, handling conveyancing and corporate matters which includes sub-sale, vetting and drafting corporate agreements and general litigation.

Prior to that, she was a Legal Assistant with M/S Tunku Amiruddin & K.K. Chew from 2002 to 2015. She then joined M/S Chiong & Partners as a Senior Associate from 2015 to 2017 and moved on to M/S Chambers of Lynn Sor & Associate as a Partner in 2017.

Ms Leong holds a Certificate of Legal Practice from University of Malaya and was admitted to the Malaysian Bar in 1999.

KEY MANAGEMENT

MR SJONANTO WIDJAJA

Chief Financial Officer (CFO)

Mr Sjonanto previously held the position of Country Chief Executive Officer of PT Indah Perkasa Abadi ("**PT IPA**"), a subsidiary of the Company, and has taken on the role of CFO of the Company with effect from 17 December 2018. He will be primarily responsible for the Group's financial functions, including accounting, financial reporting, taxation and treasury management, mergers and acquisition, internal controls and risk management. He will continue to be involved in the general management, operations and business of PT IPA.

Mr Sjonanto graduated with a Bachelor of Science in Accounting from the Trisakti University Faculty of Economics in 1978 and started his career as a Senior Auditor with Kantor Akuntan SGV – Utomo (Ernst and Young) from 1978 to 1980. He then joined PT Astra Graphia Tbk as a Finance Manager from 1982 to 1986 and moved on to PT Astra International Tbk, an Indonesian conglomerate as the General Manager Finance Division Head from 1986 to 1989. From 1989 to 1992, Mr Sjonanto Widjaja was a Director of PT Summa Astra Finance. He then joined ASTRA Tour and Travel as the Managing Director in 1992 and subsequently FBM Export Center as the Managing Director in 1996. From 2001 to 2005, Mr Sjonanto Widjaja was the CFO of Guna Group.

Subsequently, he took on the roles of President Director of PT Cisadane Oleo Chemical from 2005 to 2006; President of President University from 2007 to 2011; Vice President Director of PT Tang Mas from 2011 to 2013; President Director of PT L&M Systems Indonesia from 2013 to 2016; and Director of PT Syonan Cahaya Eden from 2016 to 2017.

MS ANGELINE YAP HUI MEI

Group Financial Controller (Group FC)

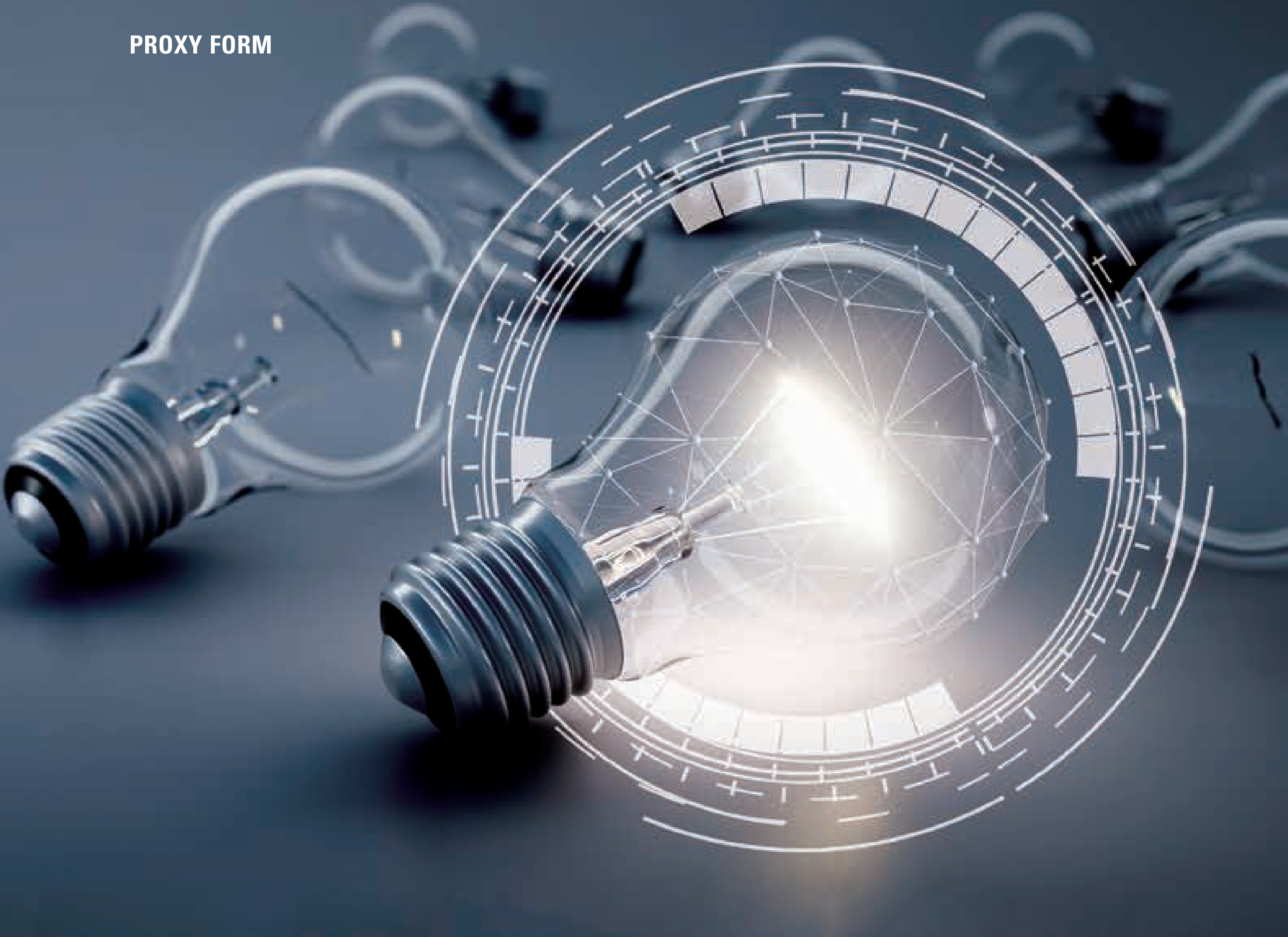
Ms Angeline Yap was appointed on 4 July 2017 as the Group FC.

Ms Yap is responsible for the Group's financial and management accounts reporting, treasury and taxation.

Prior to that, Ms Yap was a Senior Audit Manager with PricewaterhouseCoopers LLP from 2010 to 2017 where she was involved in the audits of various industries including listed companies, statutory boards, multinational corporations, manufacturing, retail and shipping. From 2007 to 2009, she was a senior associate with Ernst & Young LLP.

Ms Yap holds a Bachelor of Accountancy degree with Honours from Nanyang Technological University. She is also a member of ISCA.

FINANCIAL CONTENTS



CORPORATE GOVERNANCE

The Board of Directors (the "**Board**" or "**Directors**") and the management (the "**Management**") of PSL Holdings Limited (the "**Company**") and its subsidiaries (the "**Group**") are committed to observing and maintaining good corporate governance in complying with the Code of Corporate Governance 2018 (the "**Code**") which forms part of the continuing obligations of the Singapore Exchange Securities Trading Limited's ("**SGX-ST**") listing rules and takes effect for annual reports covering financial years commencing from 1 January 2019.

This report outlines the corporate governance processes and procedures adopted by the Group. The Board confirms that, for the financial year ended 31 December 2020 ("**FY2020**"), the Company has generally complied in all material aspects with the principles and provisions set out in the Code. Where there are deviations from the Code, appropriate explanations have been provided.

BOARD MATTERS

Principle 1: Board's Conduct of its Affairs
The Company is headed by an effective Board which is collectively responsible and works with Management for the long-term success of the Company.

Provision 1.1

The Board provides effective leadership and direction to the Group by setting strategic direction and corporate policies and procedures. Each Director brings his abundant skills, expertise, experience and sound judgment to the Board, and individually and collectively, considers and acts in the best interest of the Group and its shareholders at all times.

In respect of FY2020, the Board comprised the following members:

Fhifi Alfhian Ronie, SH(1)	Non-Executive Chairman and Independent Director
Richard Kennedy Melati	Executive Director
Kee Siang Hui(2)	Executive Director
Stephen Leong, BBM(3)	Vice Chairman and Executive Director
Ng Yoke Chan(4)	Non-Independent Non-Executive Director
William Teo Choon Kow	Independent Non-Executive Director
Wong Wei Boon, Kevin	Independent Non-Executive Director
Leong Ting Ting	Independent Non-Executive Director

Notes:

(1) Mr Fhifi Alfhian Ronie, SH was re-designated from Independent Director to Non-Executive Chairman with effect from 7 May 2020.

(2) Mr Kee Siang Hui was appointed as a Director with effect from 8 May 2020.

(3) Mr Stephen Leong, BBM, was a Director until his resignation on 31 May 2020.

(4) Ms Ng Yoke Chan was re-designated from Non-Executive Non-Independent Chairman to Non-Independent Non-Executive Director with effect from 7 May 2020.

CORPORATE GOVERNANCE

The profile of each Director is presented in the section headed “Board of Directors” of this Annual Report.

In addition to its statutory and fiduciary duties and responsibilities, the Board’s roles include, amongst others, the following:

(i) setting the policies, strategies and financial objectives of the Group;

(ii) establishing and overseeing the processes for evaluating the adequacy of internal controls, risk management systems, financial reporting systems and compliance;

(iii) approving the Group’s annual business plan including the annual budget, capital expenditure and operational plans;

(iv) approving nomination of the Board as recommended by the Nominating Committee;

(v) assuming responsibility for corporate governance;

(vi) monitoring the performance of the Management;

(vii) ensuring accurate, adequate and timely reporting to shareholders;

(viii) reviewing and approving Interested Person Transactions in accordance with guidelines; and

(ix) considering the sustainability issues, e.g. environmental, governance and social factors.

In relation to (ix) above, the Group presents its sustainability report for financial year ended 31 December 2020 (“**Sustainability Report 2020**”) on page 48 in this report.

All Directors, expected to exercise due diligence and independent judgment, are obliged to act in good faith and hold Management accountable for performance. The Board also puts in place a code of conduct and ethics, sets an appropriate tone-from-the-top and desired organisational culture, and ensures proper accountability within the Company. Directors facing conflicts of interest recuse themselves from discussions and decisions involving issues of conflict.

<u>Provision 1.2</u>

Newly appointed Directors will receive appropriate briefings to be familiarised with the Group’s businesses, financial performance, corporate strategic direction, action plans, policies and governance practices. In addition, the Company will provide a formal appointment letter detailing the duties and obligations of the newly appointed Directors.

To enable the Directors to remain updated with the law and corporate governance practices, the Company provides a training budget to the Directors to fund their participation at industry conferences, seminars, and attendance at any training courses where appropriate. The Directors are also encouraged to be members of the Singapore Institute of Directors (“**SID**”) so that they can receive journal updates and training from SID in order to stay abreast with relevant developments in financial, legal and regulatory requirements, along with the business environment and outlook.

CORPORATE GOVERNANCE

The Directors are regularly briefed on changes to the accounting standards and regulatory updates including changes to the Companies Act (Chapter 50) of Singapore ("**Companies Act**") and SGX-ST Listing Manual. Briefings, updates and trainings for the Directors in FY2020 included:

– Seminars conducted by the SID were attended by Fhifi Alfhian Ronie, SH, Richard Kennedy Melati, Kee Siang Hui, William Teo Choon Kow and Kevin Wong Wei Boon of the Company's Directors; and

– The external auditors ("**EA**") had briefed the AC on changes or amendments to accounting standards.

<u>Provision 1.3</u>

The Board decides on matters that require its approval and clearly communicates this to Management. The Board's approval is required on matters including entering into new business ventures, major acquisitions and disposals, corporate or financial restructure, shares issuance and dividend appropriation.

The Board has established PSL Enterprise Risk Management Framework and a set of guidelines setting forth matters which require the Board's approval. Matters which are specifically reserved to the Board for approval include, but not limited to, the following:

(a) any proposed material acquisition and disposal of assets;

(b) any transaction exceeding $2 million or capital expenditure commitment exceeding $1 million which are not in the ordinary course of the business; and

(c) bank facilities and mandates.

<u>Provision 1.4</u>

The Board has delegated certain functions to the Audit Committee ("**AC**"), the Nominating Committee ("**NC**") and the Remuneration Committee ("**RC**") to assist in the execution of its responsibilities. Each Committee has its own written terms of reference, which clearly sets out their composition, authority, objectives, duties, powers, responsibilities as well as the qualifications for committee membership. The actions taken by the Board Committees are reported to and monitored by the Board. Further information on the AC, NC and RC can be found on pages 27, 19 and 23 of this Annual Report respectively.

<u>Provision 1.5</u>

The Board meets periodically and as when necessary with Management to obtain updates on new developments and financial performance of the Group to address any specific significant matters that may arise. Ad-hoc meetings are also convened to deliberate on substantive matters.

Conference audio attendance or other means of similar communication equipment at Board and Board Committee meetings are provided under Regulation 97 of the Company's Constitution.

CORPORATE GOVERNANCE

The number of Board meetings and Board Committee meetings held in FY2020 and the attendance of each Director where relevant is as follows:

	Board[a]		Board Committees					
			Audit[b]		Nominating[c]		Remuneration[d]	
	Held*	Attended	Held*	Attended	Held*	Attended	Held*	Attended
Board Members								
Ng Yoke Chan	4	2	4	2#	1	1#	1	1#
Stephen Leong, BBM[(1)]	2	2	2	2	1	1#	1	1#
Kee Siang Hui[(2)]	3	3	3	3#	0	0	0	0
William Teo Choon Kow	4	4	4	4	1	1	1	1
Wong Wei Boon Kevin	4	4	4	4	1	1	1	1
Richard Kennedy Melati	4	0	4	0	1	0	1	0
Fhifi Alfhian Ronie, SH	4	1	4	1	1	0	1	0
Leong Ting Ting	4	1	4	1	1	1	1	1

Notes:

* Under this column, the number of meetings held as indicated will take into account the period of the directorship of the respective Directors, so as to exclude the meetings held on the dates within the year ended 31 December 2020 whereby the respective Directors have yet to be appointed, or have ceased to be a Director of the Company.

\# By invitation only.

a. There were four Board Meetings held within the year ended 31 December 2020 on the dates 28 February 2020, 14 May 2020, 11 August 2020,11 November 2020.

b. There were four Audit Committee Meetings held within the year ended 31 December 2020 on the dates 28 February 2020, 14 May 2020, 11 August 2020 and 11 November 2020.

c. There was one Nominating Committee Meeting held within the year ended 31 December 2020 on 28 February 2020.

d. There was one Remuneration Committee Meeting held within the year ended 31 December 2020 on 28 February 2020.

(1) Mr Stephen Leong, BBM was a Director until his resignation on 31 May 2020.

(2) Mr Kee Siang Hui was appointed as a Director with effect from 8 May 2020.

The Board is of the view that the contribution of each Director should not be focused only on his attendance at meetings of the Board and/or Board Committees. A Director's contribution also extends beyond the confines of the formal environment of such meetings, through the sharing of views, advice, experience and strategic networking relationships which would further the interest of the Company.

Directors with multiple board representations will ensure that sufficient time and attention are given to the affairs of the Group. For FY2020, none of our Directors have more than four board representations on other exchange-listed entities.

CORPORATE GOVERNANCE

Provision 1.6

Management acknowledges the importance of complete, adequate and timely supply of information to the Directors on an ongoing basis to enable them to make informed decisions to discharge their duties and responsibilities. To allow the Directors sufficient time to prepare beforehand for the meetings, the agendas, board papers and related materials, background or explanatory information relating to matters to be discussed are distributed to all Directors prior to each meeting to facilitate the effective discussion. Where necessary, information in the form of disclosure documents, budgets, forecasts and monthly internal financial statements are also provided to the Board. Any additional materials or information requested by the Directors is promptly furnished. The Board is informed of all material events and transactions as and when they occur.

Provision 1.7

All Directors have unrestricted access to the Company's records and information. The Directors liaise with Management as required and may consult with other employees to seek additional information on request. Should the Directors, either individually or as a group, in the furtherance of their duties, require independent professional advice, such advice shall be sought at the Company's expense.

The Company Secretary is responsible for, among other things, attending and preparing minutes of all Board and Board Committees meetings, and ensuring Board procedures are observed and that the relevant requirements of the Company's Constitution, Companies Act and SGX-ST Listing Manual are complied with. The Company Secretary works with Management and Directors in the discharge of its scope of work. The Directors have separate and independent access to the Company Secretary.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Principle 2: Board Composition and Guidance
The Board has an appropriate level of independence and diversity of thought and background in its composition to enable it to make decisions in the best interests of the Company.

As at the date of this Annual Report, the Board comprises seven Directors, two of whom are Executive Directors and the remaining five are Non-Executive Directors, of which four are Independent Directors:

Name of Director	Designation
Mr Fhifi Alfhian Ronie, SH	Non-Executive Chairman and Independent Director
Mr Richard Kennedy Melati	Executive Director
Mr Kee Siang Hui	Executive Director
Ms Ng Yoke Chan	Non-Executive Director
Mr William Teo Choon Kow	Independent Director
Mr Wong Wei Boon, Kevin	Independent Director
Ms Leong Ting Ting	Independent Director

CORPORATE GOVERNANCE

Provision 2.1

The independence of each Director is reviewed by the NC, based on the guidelines of the Code as well as Rule 210(5)(d) of the Mainboard Listing Rules, and any other salient factors. The independence of each Director is assessed and will be reviewed at least annually by the NC. In its deliberation as to the independence of a Director, the NC takes into account examples of relationships set out in the Code. The Board considers an "independent" Director as one who is independent in conduct, character and judgment, and has no relationship with the Company, its related corporations, its substantial shareholders ("**Substantial Shareholders**") or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment in the best interest of the Company. The NC has reviewed, determined, and confirmed the independence of each Director for FY2020.

Each independent Director is required to provide an annual confirmation of his independence based on the guidelines set out in the Code. For FY2020, the Independent Directors (namely Mr Fhifi Alfhian Ronie, SH, Mr William Teo Choon Kow, Mr Wong Wei Boon Kevin and Ms Leong Ting Ting) have confirmed that they do not have a relationship with the Company, its related corporations, its Substantial Shareholders or its officers that would interfere or, or reasonably be perceived to interfere, with the exercise of the Directors' independent judgment in the best interests of the Company. The NC will review and deliberate the independence of each Director before giving its recommendation to the Board for deliberation. The Board, based on the review of the NC, has determined that the Independent Directors of the Board, namely, Mr Fhifi Alfhian Ronie, SH, Mr William Teo Choon Kow, Mr Wong Wei Boon Kevin and Ms Leong Ting Ting are independent for FY2020.

Mr William Teo Choon Kow, was appointed as independent director of the Company on 26 August 2011. As at the end of FY2020, Mr William Teo Choon Kow has served on the Board beyond nine years from the date of his first appointment. The NC has conducted a rigorous review of his contribution to the Board to determine if he has maintained his independence. The NC and Board are satisfied with Mr William Teo Choon Kow's continued independence in character and judgment in discharging his responsibilities as a director of the Company and have found no evidence to indicate that the length of service has in any way affected his independence.

After due consideration and with the concurrence of the NC, the Board is of the view that Mr William Teo Choon Kow has demonstrated strong independent character and judgment over the years in discharging his duties and responsibilities as independent director of the Company with the utmost commitment in upholding the interests of the non-controlling shareholders. He has expressed individual viewpoints, debated issues and objectively scrutinised and challenged management of the Company. He has also sought clarification and amplification as deemed necessary, including through direct access to the management. Having gained an in-depth understanding of the business, operating environment and direction of the Company, Mr William Teo Choon Kow, has provided the Company with much needed experience and offered valuable advice.

Taking into account the above, the Board has reaffirmed the independence status of Mr William Teo Choon Kow, and resolved that he continue to be considered as an independent director notwithstanding that he has served on the Board beyond nine years from the date of his first appointment.

Provision 2.2 and 2.3

As at the date of this Annual Report and following the changes to the Board structure as announced on 9 May 2020, the Chairman of the Board is an Independent Director, and the Board comprises a majority of five Non-Executive Directors (out of a seven-member Board), of which four are independent.

CORPORATE GOVERNANCE

Provision 2.4

Matters requiring the Board's approval are discussed and deliberated with participation from each member of the Board. The decisions of the Board are based on collective decision without any individual or small group of individuals influencing or dominating the decision-making process. There is an adequate balance of power as well as safeguards in place against an uneven concentration of authority to a single or few individuals.

The Board considers that the current composition and size of the Board is appropriate for the current scope and nature of the Group's operations and provides sufficient diversity without interfering efficient decision-making.

Each Director is a professional in their respective fields and in possess of diverse competencies in different areas of businesses, including management, legal, finance and accounting. Together they bring with them a wide range of expertise and relevant experiences and an appropriate balance and diversity of gender and age to the Group. The independent element on the Board ensures that it is able to exercise objective, impartial and independent judgment on corporate affairs. The Board considers that its Directors possess the necessary competencies and knowledge to lead and govern the Group effectively. The Directors' academic and professional qualifications are presented in the section headed "Board of Directors" of this Annual Report. In identifying Director(s) to be nominated for any new appointment to the Board, the NC and the Board will take into consideration the balance and mix of skills, knowledge and experience, and other aspects of diversity such as gender and age, of the existing Board and the requirements of the Group. Further details on the process for the selection and appointment of new Board members are included on page 20 of this Annual Report.

The Company does not have a Board diversity policy, however it consists of professionals from various disciplines. The Board conducts an annual review to assess if the existing attributes and core competencies of the Board are complementary and contributes to the efficacy of the Board. This enables the Board to maintain or enhance balance and diversity within the Board.

The Board has reviewed and believes that its composition achieves diversity of skills, knowledge, experience and gender as further described as follows:

	No. of Directors	**Proportion of Board**
Core Competencies		
Accounting/Finance/Legal/Corporate governance	6	85.7%
Industry/Customer based-knowledge or experience	2	28.6%
Strategic planning experience	2	28.6%
Gender		
Male	5	71.4%
Female	2	28.6%

The Board composition is reviewed on an annual basis by the NC to ensure that the Board has the appropriate mix of expertise and experience, and collectively possesses the necessary core competence for informed decision – making and effective functioning. In respect of FY2020, the NC considers the Board's size adequate for effective decision-making, taking into account the nature and scope of the Group's operations.

CORPORATE GOVERNANCE

Provision 2.5

The Non-Executive Directors provide constructive review and assist the Board to facilitate and develop proposals on strategies, along with monitoring the performance of Management in securing agreed goals and objectives. Led by Mr Fhifi Alfhian Ronie, SH, the Non-Executive Chairman and Independent Director, they have full access to and co-operation from the Management and meet regularly without the presence of Management and to invite any Directors to the meetings as and when warranted. The chairman of such meetings provides feedback to the Board and/or Chairman as appropriate. In FY2020, the Non – Executive Directors had one meeting without the presence of the Management.

Principle 3: Chairman and Chief Executive Officer
There is a clear division of responsibilities between the leadership of the Board and Management, and no one individual has unfettered powers of decision-making.

Provision 3.1 and 3.2

In respect of FY2020, there is a clear separation of the roles and responsibilities between the Chairman and the CEO of the Company.

The Non-Executive and Independent Chairman of the Company, Mr Fhifi Alfhian Ronie, SH, performs the following responsibilities:

- lead the Board to ensure its effectiveness on all aspects of its role;
- set the agenda and ensure that adequate time is available for discussion of all agenda items, in particular strategic issues;
- promote a culture of openness and debate at the Board;
- ensure the Directors receive complete accurate, timely and clear information;
- ensure effective communication with shareholders;
- encourage constructive relations within the Board and between the Board and the Management;
- facilitate the effective contribution of Non-Executive Directors in particular; and
- promote high standards of corporate governance by ensuring the Company’s compliance with the Code and other applicable rules and regulations.

The CEO of the Company is responsible for developing and executing corporate strategies, corporate management, implementing policies, operations and business development, and management of day-to-day operations and corporate affairs of the Group. As announced by the Company on 1 June 2020, Mr Lee Chee Tak, the CEO of the Company, had resigned on 31 May 2020 and the Company had arranged for the handover of Mr Lee Chee Tak’s responsibilities and obligations to the Executive Directors, Mr Richard Kennedy Melati and Mr Kee Siang Hui.

CORPORATE GOVERNANCE

Provision 3.3

The Company does not have a Lead Independent Director given that the roles of the Chairman and CEO are separate, majority of the Board consists of Independent Directors and the Chairman, Mr Fhifi Alfhian Ronie, SH, is independent.

Principle 4: Board Membership
The Board has a formal and transparent process for the appointment and re-appointment of directors, taking into account the need for progressive renewal of the Board.

Provision 4.1 and 4.2

In respect of FY2020, the NC comprised the following four members, all of whom are Independent Non-Executive Directors:

- Mr Wong Wei Boon, Kevin (Chairman)
- Mr William Teo Choon Kow
- Mr Fhihi Alfhian Ronie, SH
- Ms Leong Ting Ting

The NC, regulated by written terms of reference which sets out its authority and duties, is responsible for making recommendations to the Board on all appointments and will use its best efforts to ensure that Directors appointed to the Board possess the relevant background, experience and knowledge to enable balanced and well-considered decisions to be made.

The key terms of reference of the NC include:

(a) reviewing and recommending the appointment of Directors;

(b) nominating Directors who retire in accordance with the Company's Constitution at each annual general meeting ("**AGM**") for re-election taking into consideration such Directors' contribution and performance at board meetings, including their attendance, level of preparedness, degree of participation and candour;

(c) reviewing the training and professional development programmes for the Directors;

(d) assessing effectiveness of an individual Director and the Board as a whole;

(e) developing a process for evaluating the performance of the Board, its Board Committees and contributions of each Director; and

(f) reviewing the Board succession plans for directors, in particular, the Chairman, Vice Chairman (if any) and the CEO.

CORPORATE GOVERNANCE

In respect of FY2020, one NC meeting was held. The purpose of the meeting was to review the performance of the Board and to confirm matters regarding the re-election and appointment of Directors at the forthcoming Annual General Meeting.

Each member of the NC shall abstain from voting on any resolutions and making any recommendation and/or participating in any deliberations of the NC in respect of the assessment of his/her own performance or re-nomination as Director.

Provision 4.3

Selection and appointment of new directors

The process for the selection and appointment of new Board members is:

- the NC evaluates the balance, skills, knowledge and experience of the existing Board and the requirements of the Group. In light of such evaluation and in consultation with the Board, the NC prepares a description of the roles and key attributes for the new appointment, which forms the criteria used to identify and evaluate potential new Board members. The channels used in searching for appropriate candidates for Board membership are recommendations from existing Directors and external professional sources;

- the NC meets with the short-listed candidate(s) to assess their suitability and to ensure that the candidates are aware of their duties and obligations; and

- the NC recommends the most suitable candidate to the Board for the appointment as Director.

The Company has not appointed any alternate directors to the Board in FY2020.

On 8 May 2020, Mr Kee Siang Hui was appointed to the Board as an Executive Director. The Board, having considered the recommendation of the NC and assessment of Mr Kee Siang Hui's qualifications and experience, is of the view that he has the requisite experience and capability to assume the responsibilities of an Executive Director as announced on 9 May 2020.

Re-appointment of Directors

The NC is charged with the responsibility of re-nomination having regard to a Director's contribution and performance (e.g. attendance and participation at meetings, preparedness and candour). The retirement of Directors is governed by (i) Rule 720(5) of the SGX-ST Listing Manual, which requires all Directors to submit themselves for re-nomination and re-appointment at least once every three years, and (ii) Regulation 89 of the Company's Constitution, which requires one-third of the Directors for the time being to retire by rotation at each AGM and if eligible, offer themselves for re-election.

In accordance with Regulation 89 of the Company's Constitution, Mr Kee Siang Hui, Mr William Teo Choon Kow and Ms Leong Ting Ting will be retiring at the forthcoming AGM. Mr Kee Siang Hui, Mr William Teo Choon Kow and Ms Leong Ting Ting have consented to offer themselves for re-election at the forthcoming AGM.

CORPORATE GOVERNANCE

The NC and the Board, after having reviewed and considered the qualifications, experience and suitability of Mr Kee Siang Hui, Mr William Teo Choon Kow and Ms Leong Ting Ting, are satisfied that Mr Kee Siang Hui, Mr William Teo Choon Kow and Ms Leong Ting Ting possess the requisite experience to carry out their duties as Directors. On the recommendation of the NC, the Board approved the appointment of Mr Kee Siang Hui, Mr William Teo Choon Kow and Ms Leong Ting Ting as Directors of the Group.

The date of each Director's initial appointment, last re-election and their directorships are:

Name of Director	Date of initial appointment	Date of last re-election	Present directorships in listed companies	Past directorships in Listed companies*
Ng Yoke Chan	31 August 2016	29 June 2020	–	–
Stephen Leong, BBM(1)	21 November 2016	29 April 2019	–	–
Mr Kee Siang Hui	8 May 2020	29 June 2020	–	–
Richard Kennedy Melati	10 June 2019	29 June 2020	–	–
William Teo Choon Kow	26 August 2011	30 May 2018	1. Wee Hur Holdings Ltd 2. Kitchen Culture Holdings Ltd 3. Datapulse Technology Limited 4. Axington Inc.	1. See Hup Seng Limited 2. Loyz Energy Limited 3. DLF Holdings Ltd
Wong Wei Boon, Kevin	1 June 2017	29 June 2020	–	–
Fhifi Alfhian Ronie, SH	31 May 2019	29 June 2020	–	–
Leong Ting Ting	24 October 2019	29 June 2020	–	–

* Within the past three years

(1) Mr Stephen Leong, BBM was a Director until his resignation on 31 May 2020.

Provision 4.4

As described under Principle 2 of this Annual Report, the Company has put in place a process to ensure the continuous monitoring of the independence of the Directors. Each Independent Director is required annually to provide a confirmation of his independence. Further the NC determines annually, and as and when circumstances require, whether a Director is independent, taking into consideration the disclosures by the Directors of any relationships with the Company, its related corporations, its Substantial Shareholders or its officers and the confirmation of independence by each Independent Director. Having made its review, the NC is of the view that all Independent Directors have satisfied the criteria for independence. In respect of Mr William Teo Choon Kow, who has served on the Board beyond nine years from the date of his first appointment, please see the discussion under Provision 2.1 above.

CORPORATE GOVERNANCE

Provision 4.5

The NC has adopted the policy addressing competing time commitments that are faced when Directors serve on multiple boards. The policy provides that, as a general rule, each Director should not hold more than seven listed company board representations.

The NC will determine annually whether a Director with multiple board representations and/or other principal commitments is able to and has been adequately carrying out his/her duties as a Director of the Company. The NC takes into account the results of the assessment of the effectiveness of each individual Director, and the respective Directors' actual conduct on the Board, in making this determination.

The NC is satisfied that for FY2020, each Director is able to and has been adequately carrying out his or her duties as a director of the Group and that sufficient time and attention have been being given by each Director to the affairs of the Group.

Principle 5: Board Performance
The Board undertakes a formal annual assessment of its effectiveness as a whole, and that of each of its board committees and individual directors.

Provision 5.1 and 5.2

The NC reviews the criteria for evaluating the Board's performance and recommends to the Board a set of objective performance criteria focusing on enhancing long-term shareholders' value. Based on the recommendations made by the NC, the Board has established processes for evaluating the effectiveness of the Board as a whole, effectiveness of its board committees and the contribution by each individual Director to the effectiveness of the Board on an annual basis.

The Directors undertake an annual evaluation of the overall effectiveness of the Board. The performance criteria for the Board evaluation includes the size and composition of the Board, Board's access to information, accountability, Board processes, Board performance in relation to discharging its principal responsibilities, communication with the Management and standards of conduct of the Directors. The performance criteria for the Board evaluation has not changed from year to year.

Each Director also undertakes a self-assessment to evaluate their contribution to the Board. This self-assessment process takes into account, amongst other things, the board commitment, standard of conduct, competency, training & development and interaction with Directors, Management & stakeholders.

The results of the Board evaluation exercise will be considered by the NC, which will then make recommendations to the Board, aimed at assisting the Board to discharge its duties more effectively.

In accordance with the processes as set out above, the NC confirms that it has assessed the performance and effectiveness of the Board as a whole and its Board Committees, as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board for FY2020, and has accordingly reported its recommendations to the Board. The NC is of the view that the performance and effectiveness of the Board as a whole and its Board Committees, as well as the contribution by the Chairman and each individual Director to the effectiveness of the Board, has been satisfactory. No external facilitator was used in the evaluation process.

REMUNERATION MATTERS

Principle 6: Procedures for Developing Remuneration Policies
The Board has a formal and transparent procedure for developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. No director is involved in deciding his or her own remuneration.

Provision 6.1 and 6.2

In respect of FY2020, the RC comprised the following four members, all of whom are Independent Non-Executive Directors:

- Fhihi Alfhian Ronie, SH (Chairman)
- William Teo Choon Kow
- Wong Wei Boon Kevin
- Leong Ting Ting

The key terms of reference of the RC are as follows:

(a) Recommend to the Board a framework of remuneration for the Directors and Management. The framework covers all aspects of remuneration, including but not limited to Directors' fees, salaries, allowance, bonuses and benefits in kind;

(b) Review and recommend to the Board the specific remuneration packages for each Executive Director as well as for the key management positions; and

(c) Review annually the remuneration of employees related to the Directors and Substantial Shareholders, if applicable, to ensure that their remuneration packages are in line with the staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities.

Provision 6.3

The RC is responsible for ensuring a formal and transparent procedure for developing policies on executive remuneration, and reviewing the remuneration packages of individual Directors, key management personnel and employees related to the CEO and Executive Directors and controlling shareholders of the Group. The RC also reviews the fairness and reasonableness of the termination clauses of the service agreements of Executive Directors and key management personnel to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous, with the aim to be fair and not rewarding poor performance.

The recommendations of the RC will be submitted to the Board for endorsement. Each RC member will abstain from voting on any resolution in respect of his own remuneration.

In respect of FY2020, one RC meeting was held. The purpose of the meeting was to review the Directors' fees payable for the financial year in review and to consider matters regarding the remuneration policies of the Company. The RC had reviewed the Directors' fees and determined that there was no change to Directors' fees.

CORPORATE GOVERNANCE

In FY2020, there was no change to the remuneration of the key management personnel.

Provision 6.4

The RC has access to expert professional advice on human resource matters whenever there is a need to consult externally. No such consultants were engaged by the Company during FY2020.

Principle 7: Level and Mix of Remuneration
The level and structure of remuneration of the Board and key management personnel are appropriate and proportionate to the sustained performance and value creation of the company, taking into account the strategic objectives of the company.

Provisions 7.1, 7.2 and 7.3

Annually, the RC reviews the remuneration of the CEO and Executive Directors and Management to ensure that their remuneration commensurate with their performance and that of the Company, giving due regard to the financial and commercial health and business needs of the Group as well as market trends within the industry.

The CEO and Executive Directors are remunerated as members of Management under their respective service contracts. Their remuneration package comprises a basic salary and a variable component, the latter of which is in the form of a bonus linked to the Group's performance as a whole and individual performance. As for the other key management personnel, the key performance indicators ("**KPI**") which has been set for them to achieve are linked to the performance to each business or project that they handle.

At the extraordinary general meeting of the Company held on 30 May 2018, Shareholders approved the adoption of the PSL Performance Share Plan, a long-term incentive scheme for, inter alia, Executive Directors and key management personnel. Further details regarding the PSL Performance Share Plan may be found in the circular to shareholders dated 15 May 2018 in relation to the resolution to adopt the PSL Performance Share Plan. No awards were granted in FY2020 under the PSL Performance Share Plan.

The RC is of the view that it is currently not necessary to use contractual provisions to allow the Company to reclaim incentive components of remuneration from its Executive Directors and key management personnel in exceptional circumstances of misstatement of financial statements, or of misconduct resulting in financial loss to the Company and the Group. The Company's Executive Directors owe a fiduciary duty to the Company. The Company should be able to avail itself to remedies against its Executive Directors in the event of such breach of fiduciary duties.

The Directors' fees payable to the Non-Executive Directors are fixed in accordance with their level of contributions, taking into account factors such as effort and time spent, as well as their responsibilities and obligations. The Directors' fees are subject to the shareholders' approval at the AGM. Each member of the RC abstains from voting on any resolution, participating in any deliberations of the RC, and making any recommendation in respect of their remuneration.

CORPORATE GOVERNANCE

Principle 8: Disclosure of Remuneration
The company is transparent on its remuneration policies, level and mix of remuneration, the procedure for setting remuneration, and the relationships between remuneration, performance and value creation.

Provision 8.1

The Company has fully disclosed the remuneration of its Non-Executive Directors (to the nearest thousand) in FY2020 below.

While the Company notes the need for corporate transparency in the remuneration of its Directors, the Company notes that the disclosure of such details may be detrimental to the Company due to concerns on potential poaching of executives in the industry in which the Group operates.

The following table summarises the remuneration paid or proposed to be paid by the Company and its subsidiaries, if any, to the Directors for FY2020:

Director	Directors' Fee	Salary	Bonus	Other Benefits	Total
	S$'000	%	%	%	%
Below S$250,000					
Ng Yoke Chan	–	–	–	–	–
Stephen Leong, BBM(1)	–	28	71	1	100
Richard Kennedy Melati	–	100	–	–	100
Kee Siang Hui(2)	–	100	–	–	100
William Teo Choon Kow	42	–	–	–	100
Wong Wei Boon Kevin	42	–	–	–	100
Fhifi Alfhian Ronie, SH	28	–	–	–	100
Leong Ting Ting	18	–	–	–	100
CEO					
Lee Chee Tak(3)	–	59	41	–	100

CORPORATE GOVERNANCE

For FY2020, the Company only identified three key management personnel of the Company (who are not Directors or the CEO) and the annual aggregate remuneration paid to the key management personnel is S$234,000.

Key Management Personnel	Salary	Bonus	Other Benefits	Total
	%	%	%	%
Below S$250,000				
Sjonanto Widjaja	100	–	–	100
Angeline Yap	97	–	3	100
Sudirman Kurniawan[(4)]	100	–	–	100

Notes:

(1) Mr Stephen Leong, BBM was a Director until his resignation on 31 May 2020.

(2) Mr Kee Siang Hui was appointed as a Director with effect from 8 May 2020.

(3) Mr Lee Chee Tak was re-designated from a Director to CEO with effect from 24 October 2019 and resigned as CEO of the Company with effect from 31 May 2020.

(4) Mr Sudirman Kurniawan resigned as Executive Officer of the Company with effect from 19 February 2020.

There are no employees who are Substantial Shareholders, or are immediate family members of a Director, CEO or a Substantial Shareholder and whose remuneration exceeds S$100,000 during the year. Where there are such employees, the Company will disclose such employee's relationship with the relevant Director, CEO or Substantial Shareholder, as the case may be.

The Company adopts a remuneration policy for employees comprising a fixed component and a variable component. The fixed component is in the form of a base salary. The variable component is in the form of a variable bonus that is linked to the performance of the Company and the performance of the individual. Save for the PSL Performance Share Plan, the Company has no other employee share schemes.

The Directors and senior management have met their respective performance conditions for FY2020 relating to their remuneration packages.

There are no termination, retirement and/or post-employment benefits granted to Directors or key management personnel during FY2020.

ACCOUNTABILITY AND AUDIT

Principle 9: Risk Management and Internal Controls
The Board is responsible for the governance of risk and ensures that Management maintains a sound system of risk management and internal controls, to safeguard the interests of the company and its shareholders

CORPORATE GOVERNANCE

Provision 9.1

The Board believes in the importance of establishing and maintaining a sound system of internal controls through a risk-based approach to safeguard the interests of the shareholders and stakeholders, the Group's assets and resources and resulting in the effectiveness and efficiency of business operations, reliability of financial reporting and compliance with applicable laws and regulations to which the Group is subject. However, the Board recognises that no cost-effective internal control system can preclude errors and irregularities as a system is designed to manage rather than eliminate the risk of failure to achieve business objective and can provide only reasonable and not absolute assurance against the occurrence of material misstatements, errors, losses and/or any other situations not currently within the contemplation or beyond the control of the Board.

Provision 9.2

The Board has received assurance from its CEO, CFO and its Group Financial Controller that the Group's financial records have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances and that adequate and effective risk management and internal control systems have been put in place. The Board has also received assurance from its CEO and its internal auditor that adequate and effective risk management and internal control systems have been put in place. In respect of FY2020, Mr Kee Siang Hui and Mr Richard Kennedy Melati, having taken over the duties of Mr Lee Chee Tak who had resigned as CEO with effect from 31 May 2020, have given the aforesaid assurances to the Board as the Company has not appointed a CEO following Mr Lee Chee Tak's resignation.

In 2018, the Board had approved an Enterprise Risk Management ("**ERM**") policy that seeks to commit the Group to readily establish and implement a COSO-based ERM process at the appropriate time when it would be necessitated in accordance to the status of the Group's business operations and risk profile. The ERM policy is centered on the development and implementation of the COSO ERM framework for managing business risks and seizing opportunities related to the achievement of the Group's business objectives.

Principle 10: Audit Committee
The Board has an Audit Committee which discharges its duties objectively.

Provision 10.2 and 10.3

In respect of FY2020, the AC comprised the following four members, all of whom are Independent Non-Executive Directors:

- William Teo Choon Kow (Chairman)
- Wong Wei Boon Kevin
- Fhifi Alfhian Ronie, SH
- Leong Ting Ting

In respect of FY2020, four AC meetings were held. The members of the AC possess many years of experience in accounting, legal, business and financial management. The Board considers that the members of the AC are appropriately qualified to objectively discharge the responsibilities of the AC. At least two members, including the AC Chairman have recent and relevant accounting or related financial management expertise or experience.

CORPORATE GOVERNANCE

Provision 10.1

The AC is regulated by its terms of reference which highlights its primarily responsibilities:

(a) to assist the Board in discharging its responsibilities to safeguard the Group's assets, maintain adequate accounting records, and develop and maintain effective systems of internal control with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group;

(b) to provide a channel of communication between the Board, the Management team, and the external auditors on matters relating to audit;

(c) to monitor Management's commitment to the establishment and maintenance of a satisfactory control environment and an effective system of internal control (including any arrangements for internal audit); and

(d) to monitor and review the scope and results of external audit and its cost effectiveness and the independence and objectivity of the external auditors.

The main functions of the AC are:

(a) review the significant financial reporting issues and judgments so as to ensure the integrity of the financial statements of the company and any announcements relating to the company's financial performance;

(b) review the external auditors' audit plans, their evaluation of the system of internal controls, their management letter and Management's response thereto;

(c) review the internal auditors' internal audit plans and their evaluation of the adequacy of the Group's internal control and accounting system before submission of the results of such review to the Board for approval;

(d) review the half yearly and, where applicable, quarterly, and annual financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the SGX-ST Listing Manual and any other relevant and statutory or regulatory requirements;

(e) review the internal control and procedures and ensure co-ordination between the external auditors and the Management, review the assistance given by the Management, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss (in the absence of the Management where necessary);

(f) review at least annually the adequacy and effectiveness of the company's internal controls and risk management systems;

(g) review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors, and approving the remuneration and terms of engagement of the external auditors;

CORPORATE GOVERNANCE

(h) review interested person transactions (if any) falling within the scope of Chapter 9 of the SGX-ST Listing Manual;

(i) review the Groups' hedging policies, procedures and activities (if any) and monitor the implementation of the hedging procedure/policies, including reviewing the instruments, processes and practices in accordance with any hedging polices approved by the Board;

(j) review potential conflicts of interest, if any, and to set out a framework to resolve or mitigate such potential conflicts of interests;

(k) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the AC;

(l) review and discuss with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results or financial position, and the Management's response thereto;

(m) review the findings of internal investigation into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any law, rule or regulation which has or is likely to have material impact on the Group's operating results and/or financial position;

(n) review arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;

(o) review the effectiveness and adequacy of the administrative, operating, internal accounting and financial control procedures;

(p) review key financial risk areas, with a view to providing an independent oversight on our Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET;

(q) review the Group's compliance with such functions and duties as may be required under the relevant statutes or the SGX-ST Listing Manual, including such amendments made thereto from time to time;

(r) review the assurance from the CEO, CFO and the Group Financial Controller on the financial records and financial statements; and

(s) make recommendations to the Board on: (i) the proposals to the shareholders on the appointment and removal of external auditors; and (ii) the remuneration and terms of engagement of the external auditors.

CORPORATE GOVERNANCE

For FY2020, the AC's activities include:

(a) reviewed quarterly, and annual financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval;

(b) reviewed the scope of work of the external auditors;

(c) reviewed the scope of work of the internal auditors;

(d) reviewed the audit plans and discussed the results of the findings and evaluation of the Company's system of internal controls;

(e) reviewed interested party transactions of the Company;

(f) met with the Company's internal and external auditors without the presence of Management;

(g) reviewed the independence of internal auditors;

(h) reviewed quarterly updates in relation to the Company's entry into the Watchlist of the SGX-ST;

(i) reviewed the independence of external auditors; and

(j) reviewed the Company's procedures for detecting fraud and whistle-blowing matters.

The AC also takes measures such as attending seminars to keep abreast of the changes to accounting standards and issues which have a direct impact on the financial statements.

The AC has the explicit authority to investigate any matter within its scope of responsibilities, full access to and cooperation of the Management, external auditors and internal auditors. It also has full discretion to invite any Director or Executive Officer to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly.

External Audit

Since 2017, the Group has engaged Foo Kon Tan LLP ("**FKT**") as its external auditor, having taken into consideration adequacy of the resources and experience of FKT and the audit engagement partner assigned to the audit, FKT's other audit engagements, the size and complexity of the Group being audited, and the number of and experience of supervisory and professional staff assigned to the Group's audit. FKT is registered with the Accounting and Corporate Regulatory Authority. The AC does not comprise any former partner or directors of the Company's existing auditing firm or auditing corporation: (a) within a period of two years commencing on the date of their ceasing to be a partner of the auditing firm or director of the auditing corporation; and in any case, (b) for as long as they have any financial interest in the auditing firm or corporation. Accordingly, the Company complied with Rule 712 and Rule 715 of the SGX-ST Listing Manual.

CORPORATE GOVERNANCE

During the year under review, the aggregate amount of fees paid or payable to the external auditors, FKT for the audit services and non-audit services are approximately $95,000 and $Nil respectively.

The AC reviews annually the independence of the external auditors. For FY2020, the AC has conducted this annual review, and is satisfied that the independence of the external auditors is not affected by the provision of any non-audit services. The Board approved the re-appointment of FKT as the external auditors of the Company at the forthcoming AGM.

Provision 10.4

Internal Audit

Since 2017, the Company has, with approval from the AC, outsourced its internal audit function to Mckell Risk Management Pte. Ltd. (formerly known as Lee Sun Yen and Associates Pte. Ltd. that owned the business division Mckell Risk Assurance), an independent risk assurance and advisory firm. The role of the internal auditor is to support the AC in ensuring that the Group maintains a sound system of internal controls by monitoring and assessing the effectiveness of key controls, policies and procedures, conducting in depth audit of significant risk areas and if necessary, undertaking special audit directed by the AC. Management has granted the Internal Auditor unrestricted access to the documents, records, properties and personnel of the Company and the Group.

The internal audit plan was submitted to the AC for review and approval prior to the commencement of the internal audit work. The internal auditors review the adequacy and effectiveness of the design of key internal controls in accordance with the internal audit plan. The internal auditor report directly to the Chairman of the AC and assist the AC in overseeing and monitoring the implementation and improvements required on internal control weaknesses identified. The internal audit is performed in accordance with the International Standards for the Professional Practice of Internal Auditing issued by the Institute of Internal Auditors. To ensure the adequacy of the internal audit functions, the AC has reviewed the internal auditor’s qualifications, experience, activities, resources and standing in the Company, and the AC is satisfied that the internal audit function of the Group is adequate and effective.

All the audit findings and recommendations made by the internal and external auditors are reported to the AC and significant findings are discussed during the AC meetings. The AC will review the findings and recommendations by the auditors and ensure that the Management follows up on the recommendations made by the auditors, if any, during the audit process.

Pursuant to Rule 1207(10) of the SGX-ST Listing Manual, based on the internal controls established and maintained by the Group and the work performed by the Group’s external auditors, internal auditors and Management reviews, the Board with the concurrence of the AC, is of the opinion that the Group’s internal controls, including financial, operational, compliance and information technology controls, and risk management systems, are adequate and effective in addressing the financial, operational, compliance and information technology risks of the Group in its current business environment.

CORPORATE GOVERNANCE

Whistle-blowing policy

The Company has adopted a whistle-blowing policy which provides well-defined and accessible channels in the Group through which employees may raise concerns in the event that they may encounter any improper conduct within the Group. The Company's whistle blowing policy is detailed in its Employee Handbook and accessible to all employees. Various avenues are provided for the employees to raise concerns and define a way to handle these concerns. For example, in the situation whereby an employee is unable to report to his/her immediate supervisor due to the any issue involving his or her immediate supervisor, or for any reason the employee would prefer the immediate supervisor not be to informed, the employee may report it to an Executive Director of the Company. Where none of these channels are suitable, the whistle-blower can address his or her concerns to any of the members of the AC. The contact details of the members of the AC are set out in the Employee Handbook. There were no whistle blowing reports received by the AC in FY2020.

Provision 10.5

The external auditors have unrestricted access to the AC. Both the external auditors and internal auditors report directly to the AC in respect of their findings and recommendation. During FY2020, the AC met with the internal and the external auditors without the presence of the Management. The AC reviews the findings from the auditors and assistance given to the auditors by the Management.

On an annual basis, the external auditors carry out, in the course of their statutory audit the review of the effectiveness of the Group's key internal controls including financial, operational, compliance, information technology controls as well as risk management systems to the extent of the scope of their audit plan. Any material weaknesses in internal controls together with recommendations will be reported to the AC.

SHAREHOLDER RIGHTS AND ENGAGEMENT

Principle 11: Shareholder Rights and Conduct of General Meetings
The company treats all shareholders fairly and equitably in order to enable them to exercise shareholders' rights and have the opportunity to communicate their views on matters affecting the company. The company gives shareholders a balanced and understandable assessment of its performance, position and prospects.

Provision 11.1

The Company encourages active shareholder participation at its general meetings. Notices of general meetings are published in the newspapers and reports or circulars are dispatched to all shareholders by post before the scheduled general meeting date. At the general meetings of the Company, shareholders are informed of the rules, including voting procedures before the Company puts all resolutions to vote by poll and an announcement of the detailed results of the number of votes cast for and against each resolution and the respective percentages are made on the same day.

Shareholders are invited to attend the general meetings and are provided the opportunity to participate effectively in and vote at the general meetings, as well as to put forth any questions that they may have on the motions to be debated and decided upon. The Board and Management, including the Chairmen of the respective Board Committees, together with the Company Secretary and independent auditor, would be present at the general meetings to address queries from the shareholders.

CORPORATE GOVERNANCE

In view of the current COVID-19 situation, the Annual Report, Notice of AGM and Proxy form will be made available to shareholders solely by electronic means via publication on SGXNET. Our coming AGM will be held by way of electronic means. Shareholders may submit questions in advance of the AGM and appoint the Chairman of the Meeting as proxy to attend, speak and vote on their behalf at the AGM.

Shareholders who are unable to attend are allowed to appoint proxies to attend, speak and vote on their behalf. A shareholder who is a relevant intermediary (as defined in Section 181 of the Companies Act) may appoint more than two proxies to speak, attend and vote at general meetings.

Provision 11.2

Matters which require Shareholder's approval are presented and proposed as far as possible, structured separately and voted on independently. Where the resolutions are "bundled", the company explains the reasons and material implications in the notice of meeting. For FY2020, there were no "bundled" resolution.

In addition, each item of special business in the notice of general meeting will be accompanied by an explanatory note, where appropriate. This is to enable the Shareholders to understand the nature and effect of the proposed resolutions.

Provision 11.3

The Board maintains regular dialogue with shareholders e.g. AGM, EGM, to gather views and inputs and address shareholders' concerns. All Directors attend general meetings of shareholders and the external auditors are also present to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report. Directors' attendance at such meetings held during the financial year is disclosed at page 14 of this Annual Report.

Provision 11.4

The Company's Constitution, under Regulation 73, provides for the Directors to have the discretion to implement, subject to such security measures as may be deemed necessary or expedient, such voting methods to allow shareholders to vote in absentia, such as voting by mail, email or fax.

Provision 11.5

The minutes of general meetings record substantial and relevant comments or queries from shareholders relating to the agenda of the general meeting, and responses from the Board and Management. The Company has encountered delays in resolving the technical issues in relation to its corporate website, and as such, it does not publish the minutes of general meetings on its corporate website. However, these minutes will be made readily available to shareholders upon their request in accordance with applicable laws.

Notwithstanding the above, as the Company will be holding its coming AGM by way of electronic means pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020, in accordance with the press release dated 1 October 2020 by the Singapore Exchange Regulation titled "Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation", the Company will publish minutes of the coming AGM within one month after the AGM on SGXNET.

CORPORATE GOVERNANCE

Provision 11.6

Dividend Policy

Presently, the Company does not have a dividend policy in place. The Board may consider adopting a dividend policy in the future. The form, frequency and amount of dividends declared each year will take into consideration the Group's profit growth, cash position, positive cash flow generated from operations, projected capital requirements for business growth and other factors as the Board may deem appropriate.

For FY2020, the Company will not be paying dividends to shareholders due to the financial performance of the Group.

Principle 12: Engagement with Shareholders
The company communicates regularly with its shareholders and facilitates the participation of shareholders during general meetings and other dialogues to allow shareholders to communicate their views on various matters affecting the company.

Provisions 12.1, 12.2 and 12.3

The Group recognises the importance of maintaining transparency and accountability to its shareholders, and values dialogue with its shareholders. As such, the Group has in place an investor relations and communication framework policy that disseminates on a timely basis relevant financial data, price sensitive information and material developments to shareholders. Quarterly and full year financial results and all other material information are disseminated to the SGX-ST's website via SGXNET. During the course of FY2020, the Group's Executive Vice Chairman and Executive Director were available to respond to shareholders' enquiries, if any, during the course of their appointment as Executive Vice Chairman and Executive Director of the Company. The investor relations and communication framework policy sets out the mechanism through which shareholders may contact the company with questions and through which the company may respond to such questions. Shareholders may contact the Company's Investor Relations team via email at el.lee@rhtgoc.com for assistance.

The Company engages a third-party investor relationship consultant, with the objective of advising the Company on how to convey performance insights and share its strategic plans with investors and shareholders through various communication channels, such as additional press releases via SGXNET. With the help of its relationship consultant, moving forward, the Company intends to ramp up on its efforts to communicate with its investors and shareholders and to solicit and understand the views of Shareholders, so as to actively engage and promote regular, effective and fair communication with shareholders.

Principle 13: Engagement with Stakeholders
The Board adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders, as part of its overall responsibility to ensure that the best interests of the company are served.

CORPORATE GOVERNANCE

Provisions 13.1 and 13.2

The Group has arrangements in place to identify and engage with its material stakeholder groups and to manage its relationships with such groups, including engaging with stakeholders via its sustainability reports. The Group identifies stakeholders as groups that have an impact or have the potential to be impacted by its business, as well as those external organisations that have expertise in aspects that the Group considers material. The key concerns of stakeholders, and the Group's strategy and key areas of focus in relation to the management of stakeholder relationships during the relevant reporting period are disclosed in the Sustainability Report 2020 on page 48 of this Annual Report.

Provision 13.3

The Company has encountered delays in resolving the technical issues in relation to is corporate website, and as such, currently does not have a functional corporate website at this time of this Annual Report. The Company has been and will continue to update its shareholders' in a timely manner on any material developments of the Group through SGXNET.

Interested Persons Transactions

The Company has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the AC to ensure that those transactions are carried out on normal commercial terms and are not prejudicial to the interests of the shareholders.

In order to achieve this objective, the Board and AC meet on a quarterly basis to review whether the Company or any member in the Group is entering or intends to enter into any potential interested persons transactions so as to ensure the Company complies with Chapter 9 of the SGX-ST Listing Manual on interested person transactions. In the absence of the AC, the Group Financial Controller monitors and reviews any interested person transactions of the Company and reports on the same to the Board on a regular basis. There were no interested person transactions with a value of S$100,000 and above entered into for FY2020. Hence, the information required pursuant to Listing Rules 907 and 1207(17) are as follows:

Name of interested person	Aggregate value of all interested person transactions during the FY2020 under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S$100,000)
None	Nil	Nil

CORPORATE GOVERNANCE

Internal Code of Dealing in Securities

In compliance with Rule 1207(19) of the SGX-ST Listing Manual on best practices in respect of dealing in securities, the Group has in place an internal code of conduct which prohibits the Directors, key management personnel of the Group and their connected persons from dealing in the Company's shares during the "black-out" period. The black-out period is two weeks and one month immediately preceding the announcement of the Company's quarterly and full year financial results respectively, or if they are in possession of unpublished price-sensitive information of the Group. In addition, Directors, key management personnel and connected persons are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.

Material Contracts

There is no material contract of the Company and its subsidiaries involving the interests of any CEO, Director or controlling shareholder for FY2020.

ADDITIONAL INFORMATION ON DIRECTORS NOMINATED FOR RE-ELECTION – APPENDIX 7.4.1 TO THE MAINBOARD LISTING RULES

Pursuant to Rule 720(6) of the Mainboard Listing Rules, the information as set out in Appendix 7.4.1 to the Mainboard Listing Rules relating to Mr Kee Siang Hui, Mr William Teo Choon Kow and Ms Leong Ting Ting being the Directors who are retiring in accordance with the Company's Constitution at the forthcoming AGM, is set out below:

Name of Directors	**Mr Kee Siang Hui ("Mr Kee")**	**Mr William Teo Choon Kow ("Mr Teo")**	**Ms Leong Ting Ting ("Ms Leong")**
Date of appointment	8 May 2020	26 August 2011	24 October 2019
Date of last re-appointment (if applicable)	Nil	30 May 2018	29 June 2020
Age	29	74	45
Country of principal residence	Malaysia	Singapore	Malaysia

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
The Board’s comments on this appointment (including rationale, selection criteria, and the search and nomination process)	The re-election of Mr Kee as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Kee’s qualifications, skills expertise, past experiences and overall contribution since he was appointed as a Director of the Company.	The re-election of Ms Teo as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Mr Teo’s qualifications, skills, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.	The re-election of Ms Leong as a Director of the Company was recommended by the NC and the Board has accepted the recommendation, after taking into consideration Ms Leong’s qualifications, skills, expertise, past experiences and overall contribution since she was appointed as a Director of the Company.
Whether appointment is executive, and if so, the area of responsibility	Yes Mr Kee will be responsible for corporate management and operations of the Group.	No	No
Job Title (e.g. Lead ID, AC Chairman, AC member etc.)	Executive Director	Independent Director	Independent Director
Professional qualifications	BSC Accounting and Finance (2nd Class Honours) University of London, Singapore Institute of Management	Fellow member of the Association of Chartered Certified Accountants Member of the Institute of Singapore Chartered Accountants. Master in Management from Asian Institute of Management, Philippines	Certificate of Legal Practice – University of Malaya

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
Working experience and occupation(s) during the past 10 years	May 2020 – Current PSL Holdings Limited, Executive Director May 2017 – September 2020 TSL Transport & Engineering Pte Ltd, Assistant General Manager August 2015 – June 2016 Ye Chiu Metal Smelting Sdn Bhd, Sales Executive Officer March 2015 – July 2015 Guan Chua Enterprise Sdn Bhd, Accounts Executive Officer	November 2020 – Current Axington Inc, Independent Director August 2019 – Current Datapulse Technology Limited, Independent Director February 2019 – Current Kitchen Culture Holdings Ltd, Independent Director December 2007 to Current Wee Hur Holdings Ltd, Independent Director May 2019 – November 2019 DLF Holdings Limited, Independent Director July 2008 – June 2017 Loyz Energy Limited, Independent Director January 2006 – April 2015 See Hup Seng Limited, Independent Director	January 2019 – Current Lim & Leong, Partner September 2017 – December 2018 Ting Leong & Partners, Sole Proprietor April 2017 – September 2017 Chambers of Lynn Sor & Associate, Partner October 2015 – March 2017 Chiong & Partners, Senior Associate April 2002 – September 2015 Tunku Amiruddin & K.K.Chew, Legal Assistant March 2000 – March 2020 Low & Lee, Legal Assistant

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
Shareholding interest in the listed issuer and its subsidiaries	No	No	No
Any relationship (including immediate family relationships) with any existing director, existing executive officer, the issuer and/or substantial shareholder of the listed issuer or of any of its principal subsidiaries	Spouse of Melda Veronica, a Substantial Shareholder of the Company.	Nil	Nil
Conflict of interest (including any competing business)	Nil	Nil	Nil
Undertaking (in the format set out in Appendix 7H) under Rule 720(1) has been submitted to the listed issuer	Yes	Yes	Yes

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui ("Mr Kee")	Mr William Teo Choon Kow ("Mr Teo")	Ms Leong Ting Ting ("Ms Leong")
Other Principal Commitments* Including Directorships# * "Principal Commitments" has the same meaning as defined in the Code # These fields are not applicable for announcements of appointments pursuant to Listing Rule 704(8)	Nil	Directorships Axington Inc, Independent Director Datapulse Technology Limited, Independent Director Kitchen Culture Holdings Ltd, Independent Director Wee Hur Holdings Ltd, Independent Director Other Principal Commitments Sengkang West Community Development and Welfare Fund – Chairman Ang Mo Kio Town Council – Chairman of Finance Management Committee Pei Hwa Secondary School – School Advisory Council Member	Lim & Leong, Partner
Past (for the last 5 years)	Ye Chiu Metal Smelting Sdn Bhd, Sales Executive Officer Guan Chua Enterprise Sdn Bhd, Account Executive Officer	DLF Holdings Limited, Independent Director Loyz Energy Limited, Independent Director	Ting Leong & Partners, Sole Proprietor Chambers of Lynn Sor & Associate, Partner

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
Present	PSL Holdings Limited, Executive Director	Axington Inc, Independent Director Datapulse Technology Limited, Independent Director Kitchen Culture Holdings Ltd, Independent Director Wee Hur Holdings Ltd, Independent Director	Lim & Leong, Partner
Disclose the following matters concerning an appointment of director, chief executive officer, chief financial officer, chief operating officer, general manager or other officer of equivalent rank. If the answer to any question is “yes”, full details must be given.			
(a) Whether at any time during the last 10 years, an application or a petition under any bankruptcy law of any jurisdiction was filed against him or against a partnership of which he was a partner at the time when he was a partner or at any time within 2 years from the date he ceased to be a partner?	No	No	No

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
(b) Whether at any time during the last 10 years, an application or a petition under any law of any jurisdiction was filed against an entity (not being a partnership) of which he was a director or an equivalent person or a key executive, at the time when he was a director or an equivalent person or a key executive of that entity or at any time within 2 years from the date he ceased to be a director or an equivalent person or a key executive of that entity, for the winding up or dissolution of that entity or, where that entity is the trustee of a business trust, that business trust, on the ground of insolvency?	No	No	No
(c) Whether there is any unsatisfied judgment against him?	No	No	No
(d) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving fraud or dishonesty which is punishable with imprisonment, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such purpose?	No	No	No

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui ("Mr Kee")	Mr William Teo Choon Kow ("Mr Teo")	Ms Leong Ting Ting ("Ms Leong")
(e) Whether he has ever been convicted of any offence, in Singapore or elsewhere, involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or has been the subject of any criminal proceedings (including any pending criminal proceedings of which he is aware) for such breach?	No	No	No
(f) Whether at any time during the last 10 years, judgment has been entered against him in any civil proceedings in Singapore or elsewhere involving a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, or a finding of fraud, misrepresentation or dishonesty on his part, or he has been the subject of any civil proceedings (including any pending civil proceedings of which he is aware) involving an allegation of fraud, misrepresentation or dishonesty on his part?	No	No	No

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
(g) Whether he has ever been convicted in Singapore or elsewhere of any offence in connection with the formation or management of any entity or business trust?	No	No	No
(h) Whether he has ever been disqualified from acting as a director or an equivalent person of any entity (including the trustee of a business trust), or from taking part directly or indirectly in the management of any entity or business trust?	No	No	No
(i) Whether he has ever been the subject of any order, judgment or ruling of any court, tribunal or governmental body, permanently or temporarily enjoining him from engaging in any type of business practice or activity?	No	No	No

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
(j) Whether he has ever, to his knowledge, been concerned with the management or conduct, in Singapore or elsewhere, of the affairs of:– (i) any corporation which has been investigated for a breach of any law or regulatory requirement governing corporations in Singapore or elsewhere; or (ii) any entity (not being a corporation) which has been investigated for a breach of any law or regulatory requirement governing such entities in Singapore or elsewhere; or (iii) any business trust which has been investigated for a breach of any law or regulatory requirement governing business trusts in Singapore or elsewhere; or	No	No	No

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui (“Mr Kee”)	Mr William Teo Choon Kow (“Mr Teo”)	Ms Leong Ting Ting (“Ms Leong”)
(iv) any entity or business trust which has been investigated for a breach of any law or regulatory requirement that relates to the securities or futures industry in Singapore or elsewhere, in connection with any matter occurring or arising during that period when he was so concerned with the entity or business trust?			
(k) Whether he has been the subject of any current or past investigation or disciplinary proceedings, or has been reprimanded or issued any warning, by the Monetary Authority of Singapore or any other regulatory authority, exchange, professional body or government agency, whether in Singapore or elsewhere?	No	No	No

CORPORATE GOVERNANCE

Name of Directors	Mr Kee Siang Hui ("Mr Kee")	Mr William Teo Choon Kow ("Mr Teo")	Ms Leong Ting Ting ("Ms Leong")
Disclosure applicable to the appointment of Director only.			
Any prior experience as a director of an issuer listed on the Exchange? If yes, please provide details of prior experience. If no, please state if the director has attended or will be attending training on the roles and responsibilities of a director of a listed issuer as prescribed by the Exchange.	No Not applicable.	Yes Mr Teo was a Director of the following companies listed on the SGX-ST: • See Hup Seng Limited • Loyz Energy Limited • DLF Holdings Ltd	No Not applicable.
Please provide details of relevant experience and the nominating committee's reasons for not requiring the director to undergo training as prescribed by the Exchange (if applicable).	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.	Not applicable. This is a re-election of a Director.

SUSTAINABILITY REPORT

In this year's report, the Sustainability Steering Work Group ("the Work Group") focuses on the sustainability efforts and practices that address the material impact of the Covid-19 pandemic outbreak on the safety, health and well-being of operators and workers deployed by the Group's 75%-owned indirect subsidiary, PT Indah Perkasa Abadi ("PT IPA") for the coal mining project located at South Sumatra of Indonesia.

Another sustainability topic that is assessed and disclosed for the first time in the sustainability report is the wastes handling and disposal practices followed by PT IPA to manage the toxic maintenance wastes from the heavy equipment operations in the aforementioned mining project.

Portions of topics specific GRI standards that were adopted in the preparation of this GRI-referenced report include GRI 403: Occupational Health and Safety 2018, GRI 305-1 of GRI 305: Emissions 2016, and GRI 306-2 & GRI 306-4 of GRI 306: Effluents and Waste 2016.

1. Current Practices

(i) Occupational Health & Safety – Covid-19

Since the beginning of 2020, the Indonesian government has taken numerous measures to respond to the COVID-19 pandemic that has resulted in more than 858,000 confirmed cases and 25,000 deaths in the country as of 13 January 2021. PT IPA is fully committed in supporting the Indonesian government and national Covid-19 task force by adhering fully to the Covid-19 directives so as to protect the health and well-being of its workers deployed for the heavy equipment operations in the coal mining project.

PT IPA follows a strict system of Covid-19 pandemic prevention in accordance with the Indonesia Ministry of Health's regulation in preventing and containing the transmission of the coronavirus among project workers at the mining site.

A management-led Covid-19 task force had been set up to administer and enforce the abovementioned policy through the implementation of a formal Covid-19 Pandemic Prevention Program comprising these 12 major components and measures:

No	Covid-19 Pandemic Prevention Program
1	Training & education for all workers on COVID-19 hazard & preventive measures
2	Installation of health & hygiene banners at work site
3	Sterilization post at site entrance
4	Temperature measurement for workers & visitors
5	Mandatory hand washing for workers & visitors
6	Social distancing measures for all workers & visitors
7	Training & education for all subcontractors & suppliers on Covid-19 prevention policy
8	Morning exercise program for all office staff
9	Health & immunity improvement program
10	Quarantine program & resetting of employee leave
11	Regular use of disinfectants
12	Mandatory wearing of mask

SUSTAINABILITY REPORT

The system of gathering workers' health data for the timely tracking and accurate reporting of suspected and confirmed Covid-19 cases would continually be improved so as to achieve the maximum effectiveness from implementing and operationalizing the Covid-19 prevention policy.

(ii) Wastes Management System

Government in Indonesia has been maximizing its effort to strengthen the legal framework to resolve the country's waste issues. Toxic and hazardous waste from the mining operations could increase pollution of the air environment and lead to risk of respiratory problems that can be fatal for Covid-19 patients in the country.

In the mining project, PT IPA handles and disposes the B3 wastes from the heavy equipment operations in accordance with the Waste Management Guideline that was developed and implemented according to the Indonesia regulation on Hazardous Waste Management issued by the Ministry of Environment.

At the mining site, external service providers licensed by the Indonesia Ministry of Transportation and Ministry of Environment are engaged for carrying out the services of transportation and collection, processing, utilization and destruction of B3 wastes in a regulatory compliance, safe, and efficient way.

(iii) Fuel Control & Management System

PT IPA has evaluated the current situation concerning fuel usage at the site and considered that the quantities of fuel emission from the heavy equipment operations is not significant according to the regulation issued by the Indonesia Ministry of Environment and the supplies of fuel used for the heavy equipment operation are 'Pertamina Standard' fuel. As part of the fuel quality control process in place, the last laboratory- fuel testing was carried out in December 2018 and the next test procedure has been scheduled to be carried out by PT IPA in April 2021.

PT IPA would continue to monitor the fuel usage closely and if it may exceed the threshold beyond which it is considered material, its operations team will implement appropriate action plans to ensure that the heavy equipment business is not in contravention of Indonesia's carbon emission regulation.

SUSTAINABILITY REPORT

2. Performance Data

Generated from the operation database of PT IPA, the followings are the key performance data relating to the heavy equipment operations during 2020:

(A) OCCUPATIONAL HEALTH & SAFETY			
ESG Factors	**Unit of Measurement**	**FY 2020 Actual**	**FY 2021 Target**
Major Accident or Incident	Numbers	Nil	Nil
Workplace Injury	Numbers	Nil	Nil
Fatalities	Numbers	Nil	Nil
Occupational Diseases Incidence – General	Numbers	Nil	Nil
Occupational Diseases Incidence – Covid-19	Numbers	Nil	Nil
(B) WASTES MANAGEMENT			
ESG Factors	**Unit of Measurement**	**FY 2020 Actual**	**FY 2021 Target**
Toxic and Hazardous (B3) Wastes Disposed	Kg	20,210	21,000

(i) Performance Variances Analysis

The slight increase (4%) in B3 wastes disposed amount from 2020 to 2021 is due to changes to the maintenance schedule caused by expected increase in operations needs relating to the heavy equipment usage in 2021.

3. Board Statement

The Board is committed in upholding the safety and well-being of workers involved in the heavy equipment operations in Indonesia and pledges its full supports to PT IPA for its continual adherence to the high standard of health measures to safeguard all workers against the Covid-19 infection at the mining site.

It also affirms that the mission and pursued values of the Group toward corporate social responsibility with respect to the heavy equipment operations in Indonesia are duly fulfilled through the implementation of a transparent and systematic sustainability reporting process for the measurement of the relevant ESG performance and disclosure of sustainability goals setting according to the SGX Guide and GRI-referenced reporting practices.

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

The directors are pleased to present their statement to the members together with the audited financial statements of PSL Holdings Limited (the "Company") and its subsidiaries (collectively the "Group") for the financial year ended 31 December 2020.

In the opinion of the directors,

(a) the consolidated financial statements of the Group and the statement of financial position of the Company are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2020 and the financial performance, changes in equity and cash flows of the Group for the financial year ended on that date, in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards (International); and

(b) at the date of this statement, having regard to Note 2(a) of the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors have, on the date of this statement, authorised these financial statements for issue.

Names of directors

The directors of the Company in office at the date of this statement are:

Fhifi Alfhian Ronie, SH (Chairman)
Richard Kennedy Melati
Kee Siang Hui (appointed on 8 May 2020)
Ng Yoke Chan
William Teo Choon Kow
Kevin Wong Wei Boon
Leong Ting Ting

Directors' interest in shares or debentures

According to the Register of Directors' Shareholdings kept by the Company under Section 164 of the Act, none of the directors who held office at the end of the financial year had any interest in the shares or debentures of the Company or its related corporations, except as follows:

	Number of ordinary shares			
	Holdings registered in the name of director		Holdings in which director is deemed to have an interest	
The Company - PSL Holdings Limited	As at 1.1.2020	**As at 31.12.2020**	As at 1.1.2020	**As at 31.12.2020**
Ng Yoke Chan (1)	-	**-**	1,353,700	**1,353,700**
Kee Siang Hui (2)	-	**-**	-	**5,002,500**

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Directors' interest in shares or debentures (Cont'd)

Notes:

(1) Ng Yoke Chan is deemed to have an interest in the shareholding of PSL Holdings Limited by virtue of the shares held under Maybank Kim Eng Securities Pte Ltd.

(2) Kee Siang Hui is deemed to have an interest in the shareholding of PSL Holdings Limited by virtue of the shares held under his spouse, Melda Veronica, a substantial shareholder of the Company.

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2021.

Except as disclosed in this statement, no director who held office at the end of the financial year had interests in shares, debentures, warrants or share options of the Company or its related corporations, either at the beginning or at the end of the financial year.

Share options

No options were granted during the financial year to subscribe for unissued shares of the Company or its subsidiaries.

No shares were issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option at the end of the financial year.

Audit Committee

The Audit Committee at the end of the financial year comprises the following members:

William Teo Choon Kow (Chairman)
Kevin Wong Wei Boon
Fhifi Alfhian Ronie, SH
Leong Ting Ting

The Audit Committee performs the functions set out in Section 201B(5) of the Act, the SGX Listing Manual and the Code of Corporate Governance. In performing those functions, the Audit Committee reviewed the following:

(a) the external auditors' audit plans, their evaluation of the system of internal controls, their management letter and management's response thereto;
(b) the internal auditors' internal audit plans and their evaluation of the adequacy of the Group's internal control and accounting system before submission of the results of such review to the Board for approval;
(c) the half yearly and, where applicable, quarterly, and annual financial statements and any formal announcements relating to the Group's financial performance before submission to the Board for approval, focusing in particular, on changes in accounting policies and practices, major risk areas, significant adjustments resulting from the audit, compliance with accounting standards and compliance with the Listing Manual and any other relevant statutory or regulatory requirements;
(d) effectiveness of the Company's material internal controls, including financial, operational and compliance controls and information technology controls and risk management systems via reviews carried out by the internal auditors;
(e) the internal control and procedures and ensure co-ordination between the external auditors and the management, review the assistance given by the management, and discuss problems and concerns, if any, arising from the interim and final audits, and any matters which the external auditors may wish to discuss (in the absence of the management where necessary);

DIRECTORS' STATEMENT

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Audit Committee (Cont'd)

(f) review and consider the appointment or re-appointment of the external auditors and matters relating to resignation or dismissal of the auditors;
(g) interested person transactions (if any) falling within the scope of Chapter 9 of the Listing Manual;
(h) potential conflicts of interest (if any) and to set out a framework to resolve or mitigate such potential conflicts of interests;
(i) undertake such other reviews and projects as may be requested by the Board and report to the Board its findings from time to time on matters arising and requiring the attention of the Audit Committee;
(j) review and discuss with investigators, any suspected fraud, irregularity, or infringement of any relevant laws, rules or regulations, which has or is likely to have a material impact on the Group's operating results and/or financial position, and the management's response thereto;
(k) the findings of internal investigation into matters where there is any suspected fraud or irregularity, or failure of internal controls or infringement of any laws, rules or regulations which has or is likely to have material impact on the Group's operating results and/or financial position;
(l) arrangements by which the Group's staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting and to ensure that arrangements are in place for the independent investigations of such matter and for appropriate follow-up;
(m) the effectiveness and adequacy of the Group's administrative, operating, internal accounting and financial control procedures; and
(n) the key financial risk areas, with a view to providing an independent oversight on the Group's financial reporting, the outcome of such review to be disclosed in the annual reports or if the findings are material, to be immediately announced via SGXNET.

The Audit Committee has full access to management and is given the resources required for it to discharge its functions. It has full authority and discretion to invite any director or executive officer, and the internal and external auditors, to attend its meetings.

The Audit Committee is satisfied with the independence and objectivity of the external auditor and has recommended to the Board of Directors that the auditor, Foo Kon Tan LLP, be nominated for re-appointment as auditor at the forthcoming Annual General Meeting of the Company.

In appointing our auditors for the Company and subsidiaries, Rules 712 and 715 of the SGX Listing Manual have been complied.

Independent auditor

The independent auditor, Foo Kon Tan LLP, Chartered Accountants, has expressed its willingness to accept re-appointment.

On behalf of the directors

....
KEE SIANG HUI

....
RICHARD KENNEDY MELATI

Dated: 8 April 2021

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of PSL Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2020, and the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the financial year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position of the Company are properly drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 (the "Act") and Singapore Financial Reporting Standards (International) ("SFRS(I)s") so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 31 December 2020 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Key Audit Matters (Cont'd)

Key Audit Matters	Risks	How our audit addressed the Key Audit Matter
1 Accounting for PT Momentum Indonesia Investama ("PTMII") as a subsidiary 1A Assessing control over PTMII Management had deconsolidated PTMII from the Group with effect from 1 January 2017 due to lack of control over PTMII and reclassified its investment in PTMII as financial assets at FVOCI from that date. The Company was holding 49% interest in PTMII then. During the financial year ended 31 December 2020 (FY2020), the management made a decision to acquire the remaining 51% equity interests in PTMII from the previous shareholders via the settlement and variation agreements ("the Agreements"). The Company has entered into 2 loan-for-security arrangements with Fhifi Alfhian Ronie, SH ("Fhifi") and Melda Veronica to acquire 2% and 49% of the shares in PTMII. These Agreements are governed by 2 Powers of Attorney to exercise rights over the 2% and 49% shares in PTMII to ascertain that the Group has control over PTMII on the basis that these Agreements granted the rights and benefits to the Company in respect of the shares held by Fhifi and Melda Veronica in PTMII. The Agreements for the 2% shares held by Fhifi were effective on 30 June 2020 and the Group consolidated PTMII with effect from 1 July 2020. The 49% shares of Melda Veronica took effect on 1 October 2020 and the Group used 100% to perform consolidation of PTMII from 1 October 2020.	1A Assessing control over PTMII The Group has reassessed that it has control over PTMII in FY2020 and accounted for PTMII as a subsidiary in FY2020. Management reviewed its rights and power over the investment in PTMII and concluded that it gained control over PTMII on 1 July 2020. In accordance with SFRS(I) 10 Consolidated Financial Statements, the gaining of control represented a significant economic event that required the parent to start consolidating the subsidiary at the date when control was gained. The previous Indonesian shareholders and directors of PTMII have already resigned from the board The Group also took over the accounting functions and control over the bank account of PTMII in FY2020. The assessment of the management's judgement in determining whether the Group has control over PTMII is a key focus area of our audit because this judgement has significant effect on the amounts recognised in the consolidated financial statements.	We reviewed and evaluated management's assessment on whether the Group has the practical ability and substantive right to direct the relevant activities of PTMII in accordance with SFRS(I) 10 Consolidated Financial Statements. We corroborated the management's assessment with the review of the following: 1. Copies of the Agreements signed between Fhifi and the Company in FY2020 for the 2% share in PTMII. 2. Copies of the Agreements signed between Melda Veronica and the Company in FY2020 for the 49% share in PTMII. 3. Legal confirmation from the lawyer to confirm that the 2 Powers of Attorney which allowed the Company to exercise its rights in respect of the 2% shares held by Fhifi and 49% shares held by Melda Veronica are legally valid in Indonesia. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements. The Group's disclosures on the consolidation of the subsidiary is included in Note 6 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Key Audit Matters (Cont'd)

Key Audit Matters	Risks	How our audit addressed the Key Audit Matter
1 Accounting for PT Momentum Indonesia Investama ("PTMII") as a subsidiary 1(B) Accounting for the purchase price allocation exercise of PTMII The Company has accounted for PTMII as a subsidiary with effect from July 2020. Management performed a purchase price allocation exercise ("PPA") as at the acquisition date to determine the appropriate fair values of the net identifiable assets and liabilities at the acquisition date on 1st July 2020.	1(B) Accounting for the purchase price allocation exercise of PTMII SFRS(I) 3, Business Combinations, requires the Group to recognise the identified assets, liabilities and contingent liabilities at fair value at the date of acquisition, with the excess of the acquisition cost over identified fair value of recognised assets and liabilities as goodwill. Such transactions could be complex and judgement was required from management in determining if the acquisition resulted in the Group obtaining control over the investee. There was also inherent uncertainty in the determination of the fair values of the contingent consideration, assets transferred, identified assets acquired and liabilities assumed in the transactions. Management has engaged an independent valuer to provide the fair values of the identified assets and liabilities at acquisition date. The purchase price allocation ("PPA") exercise was completed before the reporting date and goodwill of S$4.9 million was recognised. This process involves estimation and judgement of fair values of the adjusted net assets.	In our audit procedures, we have obtained the legal and contractual information to understand the acquisition and we have engaged our valuation expert to review the PPA report and reasonableness of the underlying key assumptions. Based on our procedures, we had also assessed the independence and competencies of both the auditors and management's experts performing the valuation for PPA in PTMII. We had also evaluated the appropriateness of the key assumptions used in the PPA report. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements. The Group's disclosures of the business combination accounting applied to the Acquisition of PTMII is included in Note 6 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Key Audit Matters (Cont'd)

Key Audit Matters	Risks	How our audit addressed the Key Audit Matter
2 Impairment of goodwill on acquisition of PTMII During FY2020, the Group completed the PPA for PTMII and recorded a goodwill of S$4.9 million in FY2020. The Group recorded an impairment loss of S$4.9 million on the goodwill of PTMII in the profit or loss for FY2020.	Under SFRS(I) 36, Impairment of Assets, the Group is required to annually test the amount of goodwill for impairment. This annual impairment test is important to our audit as the balance of S$4.9 million is material to the consolidated financial statements. We focus on goodwill impairment testing of cash generating units ("CGU") of PTMII based on higher of fair value less costs to sell and estimated value-in-use ("VIU"). The VIU was not adopted as there is no reason to believe that the goodwill's VIU would materially exceed its fair value less costs to sell. The fair value less cost to sell was determined based on the financials of PTMII which comprised mainly property, plant and equipment, cash balances, trade and other receivables and trade and other payables. Based on the impairment testing, an impairment loss of S$4.9 million in respect of goodwill was recognised under other operating expenses in profit or loss of the Group for FY2020. The key assumptions used are the fair values of identified assets and liabilities for PTMII.	We focused on evaluating and reviewing the assessment of key assumptions used by management in conducting the impairment review. In addition, we evaluated the key assumptions used by management in assessment of the reasonableness of the fair values of the identified assets and liabilities related to PTMII for the goodwill impairment recorded in FY2020 for PTMII. We have also assessed and validated the adequacy and appropriateness of the disclosures made in the financial statements. The Group's disclosures on goodwill and its impairment testing are included in Note 6 to the financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Key Audit Matters (Cont'd)

Key Audit Matters	Risks	How our audit addressed the Key Audit Matter
3. Recoverability assessment of loan receivable from PTMII and contingent consideration on the previous acquisition of PTMII (A) Loans due from PTMII of S$7.166 million As of 31 December 2019, there were loans due from PTMII of S$14.013 million at the Company level. From FY2017 to FY2019, PTMII was not consolidated as a subsidiary. In FY2020, the Group accounted for PTMII as a subsidiary following its acquisition. As there were impairment indicators for the loans due from PTMII, the management has engaged valuation experts to carry out a fair value assessment of the vessels owned by PTMII which forms bulk of the underlying assets owned by PTMII as at 31 December 2020. The management computed the estimated recoverable amount based on the adjusted net assets and recorded an impairment loss of S$2.31 million in the profit or loss of the Company for FY2020.	We consider the recoverability of the loans receivable from PTMII and contingent consideration as a key audit matter because of the application of significant judgement by management and the significance of their carrying values to the total assets of the Group as at 31 December 2020. Management also engaged an independent valuer to issue a valuation report on the 5.5 sets of vessels of PTMII. Significant judgement used in ascertaining the fair values of the 5.5 sets of vessels of PTMII to assess the valuation of the loans due from PTMII and fair values of the vessels owned by Sudirman for the recoverability of the contingent consideration receivable.	We have assessed the appropriateness of management's judgement used in the recoverability assessment on the loans due from PTMII and the contingent consideration receivable. We have assessed the appropriateness of the valuation report provided by the management by evaluating the valuation method applied and considered recent sales from comparable vessels for both valuation reports for the loans due from PTMII and contingent consideration receivable. We corroborated the management's assessment with the review of the desktop valuations on the fair values of both PTMII vessels and Sudirman vessels performed independently by an external valuer. We have also assessed the competency, capability and objectivity of the external valuer.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Key Audit Matters (Cont'd)

Key Audit Matters	**Risks**	**How our audit addressed the Key Audit Matter**
3. Recoverability assessment of loan receivable from PTMII and contingent consideration on the previous acquisition of PTMII (B) Contingent consideration receivable of S$3.6 million The Company has received instalments totalling US$2.22 million (equivalent to S$3.06 million) of repayments up to March 2021. As the contingent consideration receivable is secured by a pledge in favour of the Company of the title deeds of the Sudirman Vessels, management assessed that there is no issue in the recoverability of the contingent consideration. In the event of default, the vessels can be sold to repay the outstanding balance. Management also engaged independent expert to issue a valuation report on the vessels owned by Sudirman (previous shareholder of PTMII) as at 31 December 2020 and ascertained that there is no impairment required on the contingent consideration receivable as at 31 December 2020.		We have obtained legal confirmation from the lawyer to confirm that the Company has the right to exercise the pledge. Management's expert's valuation report of the vessels has a higher fair value than the outstanding amount of S$3.6 million due from the contingent consideration. Additionally, repayments made have been timely and as per schedule laid out. We also assessed the disclosures relating to loans due from PTMII and contingent consideration receivable in the financial statements. The Group's disclosures on the contingent consideration and the loans due from PTMII are included in Notes 8 and 12 to the financial statements respectively.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Other Information

Management is responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or the Company or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PSL HOLDINGS LIMITED

Auditor's Responsibilities for the Audit of the Financial Statements (Cont'd)

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

The audit report for the previous financial year ended 31 December 2019 contained a disclaimer of opinion on the recoverability of loans due from PTMII and contingent consideration receivable by the Company.

Loans due from PTMII of S$9.5 million has been impaired as at 31 December 2020 to the net liquid assets less liabilities of PTMII. Total impairment of S$2.31 million is recognised in profit and loss during the current financial year ended 31 December 2020.

We have obtained management's valuation report on the Sudirman Vessels related to the contingent consideration receivable by the Company. The fair value of the underlying assets is higher than the outstanding amount of contingent consideration receivable and repayments based on the schedule set out for the contingent consideration receivable has been timely.

We are satisfied that the above 2 issues have been resolved.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company and by those subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Ang Soh Mui.

Foo Kon Tan LLP
Public Accountants and
Chartered Accountants

Singapore, 8 April 2021

STATEMENTS OF FINANCIAL POSITION

AS AT 31 DECEMBER 2020

		The Group		The Company	
		31 December 2020	31 December 2019	**31 December 2020**	31 December 2019
	Note	**$'000**	$'000	**$'000**	$'000
ASSETS					
Non-Current Assets					
Property, plant and equipment	3	**7,761**	617	**280**	352
Right-of-use assets	4	**8,131**	7,299	**28**	85
Goodwill	5	**-**	-	**-**	-
Investments in subsidiaries	6	**-**	-	**155**	200
Financial assets, at FVOCI	7	**-**	-	**-**	-
Trade and other receivables	8	**1,172**	3,699	**1,172**	3,699
Deferred tax asset	9	**-**	16	**-**	-
Club membership		**6**	6	**6**	6
		17,070	11,637	**1,641**	4,342
Current Assets					
Trade and other receivables	8	**5,548**	6,914	**2,492**	2,391
Inventories	10	**72**	21	**-**	-
Amounts due from subsidiaries	11	**-**	-	**3,930**	4,369
Loans due from PTMII	12	**-**	14,013	**7,166**	14,013
Cash and cash equivalents	13	**10,410**	2,552	**6,289**	1,019
		16,030	23,500	**19,877**	21,792
Total assets		**33,100**	35,137	**21,518**	26,134
EQUITY AND LIABILITIES					
Capital and Reserves					
Share capital	14	**35,763**	35,763	**35,763**	35,763
Currency translation reserve	14	**(79)**	(116)	**-**	-
Accumulated losses		**(15,618)**	(9,414)	**(15,012)**	(10,181)
Capital reserve	14	**4,669**	146	**-**	-
Attributable to equity holders of the Company		**24,735**	26,379	**20,751**	25,582
Non-controlling interests	6	**(176)**	(320)	**-**	-
Total equity		**24,559**	26,059	**20,751**	25,582
Non-Current Liabilities					
Lease liabilities	15	**5,135**	4,798	**19**	29
		5,135	4,798	**19**	29
Current Liabilities					
Amounts due to subsidiaries	11	**-**	-	**141**	150
Lease liabilities	15	**2,231**	1,374	**10**	57
Trade and other payables	16	**816**	2,894	**597**	316
Current tax liabilities		**359**	12	**-**	-
		3,406	4,280	**748**	523
Total liabilities		**8,541**	9,078	**767**	552
Total equity and liabilities		**33,100**	35,137	**21,518**	26,134

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	**Year ended 31 December 2020 $'000**	Year ended 31 December 2019 $'000
Revenue	17	**7,851**	1,665
Cost of sales		**(3,219)**	(889)
Gross profit		**4,632**	776
Other operating income	18	**454**	429
Other (losses)/gains – net	19	**(64)**	116
General and administrative expenses	20(a)	**(2,894)**	(2,160)
Other operating expenses	20(b)	**(6,695)**	(11)
Finance costs	21	**(1,070)**	(405)
Loss before income tax		**(5,637)**	(1,255)
Income tax expense	22	**(491)**	(25)
Loss for the year, net of tax		**(6,128)**	(1,280)
Other comprehensive (loss)/income, net of tax			
Items that will not be reclassified to profit or loss:			
Currency translation differences, at nil tax		**14**	(150)
		14	(150)
Total comprehensive loss for the year		**(6,114)**	(1,430)
(Loss)/income attributable to:			
Equity holders of the Company		**(6,204)**	(1,329)
Non-controlling interests		**76**	49
		(6,128)	(1,280)
Total comprehensive (loss)/income attributable to:			
Equity holders of the Company		**(6,167)**	(1,469)
Non-controlling interests		**53**	39
		(6,114)	(1,430)
Loss per share attributable to equity holders of the Company (Cents)			
- Basic and diluted loss per share	23	**(11.14)**	(2.39)

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Share capital $'000	Accumulated losses $'000	Currency translation reserve $'000	Fair value reserve $'000	Capital reserve $'000	Total attributable to equity holders of the Company $'000	Non-controlling interests $'000	Total equity $'000
At 1 January 2019	35,763	(8,082)	24	(3)	146	27,848	(359)	27,489
(Loss)/income for the year	-	(1,329)	-	-	-	(1,329)	49	(1,280)
Other comprehensive (loss)/income for the year								
- De-recognition of equity instruments at FVOCI upon liquidation of subsidiary	-	(3)	-	3	-	-	-	-
- Currency translation differences	-	-	(140)	-	-	(140)	(10)	(150)
Total comprehensive (loss)/income for the year	-	(1,332)	(140)	3	-	(1,469)	39	(1,430)
At 31 December 2019	35,763	(9,414)	(116)	-	146	26,379	(320)	26,059
At 1 January 2020	**35,763**	**(9,414)**	**(116)**	**-**	**146**	**26,379**	**(320)**	**26,059**
(Loss)/profit for the year	**-**	**(6,204)**	**-**	**-**	**-**	**(6,204)**	**76**	**(6,128)**
Other comprehensive (loss)/income for the year								
- Currency translation differences	**-**	**-**	**37**	**-**	**-**	**37**	**(23)**	**14**
Total comprehensive (loss)/income for the year	**-**	**(6,204)**	**37**	**-**	**-**	**(6,167)**	**53**	**(6,114)**
Consolidation of a subsidiary (Note 6)	**-**	**-**	**-**	**-**	**-**	**-**	**4,614**	**4,614**
Acquisition of non-controlling interests (Note 6)	**-**	**-**	**-**	**-**	**4,523**	**4,523**	**(4,523)**	**-**
At 31 December 2020	**35,763**	**(15,618)**	**(79)**	**-**	**4,669**	**24,735**	**(176)**	**24,559**

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

	Note	Year ended 31 December 2020 $'000	Year ended 31 December 2019 $'000
Cash Flows from Operating Activities			
Loss before taxation		**(5,637)**	(1,255)
Adjustments for:			
Depreciation of property, plant and equipment	3	**312**	132
Depreciation of right-of-use assets	4	**1,468**	447
Loss from disposal of property, plant and equipment	19	**-**	9
Impairment loss on property, plant and equipment	3	**53**	8
Impairment loss on right-of-use assets	4	**1,548**	-
Impairment loss on goodwill	20(b)	**4,854**	-
Fair value changes on profit guarantee due from vendors	18	**7**	78
Interest income	18	**(197)**	(482)
Interest expense	21	**1,010**	318
Operating income/(loss) before working capital changes		**3,418**	(745)
Changes in inventories		**25**	21
Changes in trade and other receivables		**4,766**	(845)
Changes in trade payables, other payables and accruals		**(93)**	(850)
Cash generated from/(used in) operations		**8,116**	(2,419)
Income tax paid		**(194)**	(44)
Net cash generated from/(used in) operating activities		**7,922**	(2,463)
Cash Flows from Investing Activities			
Interest received		**104**	166
Consolidation of a subsidiary, net of cash acquired	6	**1,452**	-
Acquisition of property, plant and equipment	3	**(120)**	(335)
Proceeds from disposal of property, plant and equipment		**-**	181
Net cash generated from investing activities		**1,436**	12
Cash Flows from Financing Activities			
Receipt of loans and accrued interest due from PTMII		**4,569**	-
Repayment of obligations under finance lease		**-**	(61)
Repayment of lease liabilities		**(2,740)**	(1,892)
Repayment / Increase of loan due to third party (former non-controlling interest of a subsidiary		**(2,119)**	58
Changes in short-term deposits pledged		**-**	2,640
Interest paid		**(1,010)**	(318)
Net cash (used in)/generated from financing activities		**(1,300)**	427
Net increase/(decrease) in cash and cash equivalents		**8,058**	(2,024)
Cash and cash equivalents at beginning of year		**2,552**	4,546
Effects of currency translation on cash and cash equivalents		**(200)**	30
Cash and cash equivalents at end of year	13	**10,410**	2,552

The annexed notes form an integral part of and should be read in conjunction with these financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

Reconciliation of liabilities arising from financing activities:

2020	At beginning of the year $'000	Adoption of SFRS(I)16 $'000	Cash flow- lease payment $'000	New leases $'000	Interest Expense $'000	Foreign exchange movement $'000	**At end of the year $'000**
Lease liabilities	**6,172**	**-**	**(2,740)**	**2,924**	**1,010**	**-**	**7,366**

2019							
Obligations under finance lease	61	-	(61)	-	-	-	-
Lease liabilities	-	137	(1,892)	7,561	318	48	6,172

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

1 General information

The financial statements of PSL Holdings Limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 December 2020 were authorised for issue in accordance with a resolution of the directors on the date of the Directors' Statement.

The Company is incorporated as a limited liability company and domiciled in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The registered office of the Company is located at 37 Jalan Pemimpin #07-16, Mapex, Singapore 577177.

The principal activities of the Company are investment holding and the provision of management services to its subsidiaries. The principal activities of the subsidiaries are disclosed in Note 6 to the financial statements.

2(a) Basis of preparation

Going concern

The Group is placed under SGX's watchlist financial criteria. The Group has incurred a loss for the year of S$6,128,000 (2019 - S$1,280,000) and a total comprehensive loss of S$6,114,000 (2019 - S$1,430,000). The Group's and the Company's accumulated losses amounted to S$15,618,000 (2019 - S$9,414,000) and S$15,012,000 (2019 - S$10,181,000), respectively.

These factors indicate the existence of a material uncertainty which may cast significant doubt about the Group's and the Company's ability to continue as going concern. Management had assessed the assumptions of the use of going concern by performing a cash flow projection for the next 12 months based on the sales and related forecast.

The cash flow projection for the next 12 months from the reporting date prepared by management resulted in a net cash inflow of S$2,555,000. In addition, the Group and the Company have current liabilities of S$3.4 million and S$0.7 million, respectively as at 31 December 2020, which can be repaid by the cash balances of S$10.4 million and S$6.3 million of the Group and the Company, respectively. In addition, the Group has generated net cash of S$7.9 million from operating activities.

On 12 January 2021, the Group announced that it is proposing to undertake a Selective Capital Reduction exercise to cancel all the issued ordinary shares in the capital of the Company ("**Shares**") held by the Eligible Shareholders and return the share capital in cash to the Eligible Shareholders (the "**Selective Capital Reduction**"). The Board will seek the approval of the shareholders of the Company (the "**Shareholders**") for the Selective Capital Reduction at an extraordinary general meeting of the Company (the "**EGM**") to be convened.

The Selective Capital Reduction will serve as the exit offer, and the Company intends that it be fair and reasonable in compliance with SGX Listing Manual. In the event that the special resolution for the Selective Capital Reduction is not approved by shareholders at the EGM, the Board undertakes to pursue other options to provide a fair and reasonable exit offer to facilitate the delisting exercise.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(a) Basis of preparation (Cont'd)

These consolidated financial statements are drawn up in accordance with the provisions of the Singapore Companies Act, Chapter 50 and Singapore Financial Reporting Standards (International) ("SFRS(1)"), and have been prepared on the historical cost basis except as described in the notes below.

The financial statements are presented in Singapore dollars which is the Company's functional currency. All financial information is presented in Singapore dollars to the nearest thousand ($'000), unless otherwise stated.

The preparation of financial statements in conformity with SFRS(I) requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements, are disclosed below.

2(b) Adoption of new and revised SFRS(I) effective for the current financial year

On 1 January 2020, the Group and the Company have adopted all the new and revised SFRS(I), SFRS(I) interpretations ("SFRS(I) INT") and amendments to SFRS(I), effective for the current financial year that are relevant to them. The adoption of these new and revised SFRS(I) pronouncements does not result in significant changes to the Group's and the Company's accounting policies and has no material effect on the amounts or the disclosures reported for the current or prior reporting periods, except as discussed below:

Reference	**Description**	**Effective date (Annual periods beginning on or after)**
Amendments to SFRS(I) 3	*Definition of a Business*	1 January 2020
Amendments to SFRS(I) 1-1 and SFRS(I) 1-8	*Definition of Material*	1 January 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7	*Interest Rate Benchmark Reform*	1 January 2020
Revised Conceptual Framework for Financial Reporting		1 January 2020

<u>Amendments to SFRS(I) 3 Definition of a Business</u>
The amendments clarify that, while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business, an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs.

The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets.

The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Amendments to SFRS(I) 3 Definition of a Business (Cont'd)
The Group has applied the amendments relating to definition of a business to any acquired set of activities and assets whose acquisition date is on or after 1 January 2020 in assessing whether the Group has acquired a business or a group of assets. Details of the Group's acquisition of subsidiary during the year are disclosed in Note 6(A) to the financial statements.

Amendments to SFRS(I) 1-1 and SFRS(I) 1-8 Definition of Material
The amendments include clarifications to the definition of 'material' and the related guidance:
- the threshold of 'could influence' has been replaced with 'could reasonably be expected to influence;
- the term of 'obscuring information' has been included in the definition of 'material' to incorporate the existing concept in SFRS(I) 1-1 and examples have been provided of circumstances that may result in information being obscured; and
- the scope of 'users' has been clarified to mean the primary users of general purpose financial statements and their characteristics have been defined.

The amendments are to be applied prospectively and are effective for annual periods beginning on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform
The amendments provide temporary relief from applying specific hedge accounting requirements to hedging relationships that are directly affected by the global reform initiative with respect to the inter-bank offered rate ("IBOR"). The reliefs have the effect that the IBOR reform should not generally cause hedge accounting to terminate. The amendments modify specific hedge accounting requirements to allow hedge accounting to continue for affected hedges during the period of uncertainty before the hedged items or hedging instruments affected by the current interest rate benchmarks are amended as a result of the ongoing IBOR reform.

Any hedge ineffectiveness continues to be recorded in the income statement. The reliefs will cease to apply when the uncertainties arising from the IBOR reform are no longer present. The amendments also introduce new disclosure requirements in SFRS(I) 7 for hedging relationships that are subject to the exceptions introduced by the amendments to SFRS(I) 9 and SFRS(I) 1-39. The amendments are mandatory for all hedges within scope and are to be applied retrospectively for annual reporting periods beginning on or after 1 January 2020.

The amendments are relevant for the following types of hedging relationships and financial instruments of the Group, all of which extend beyond 2021, the date by which the reform is expected to be implemented:
- cash flow hedges where IBOR-linked derivatives are designated as a cash flow hedge of IBOR-linked cash flows (in SGD);
- fair value hedges where IBOR-linked derivatives are designated as a fair value hedge of fixed rate debt in respect of the IBOR risk component (in SGD);
- net investment hedge where an IBOR-linked derivative hedges the foreign currency risk of its net investment in foreign operations in China; and
- loans to joint ventures, bank borrowings and lease liabilities which reference IBOR and are subject to the IBOR reform.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(b) Adoption of new and revised SFRS(I) effective for the current financial year (Cont'd)

Amendments to SFRS(I) 9, SFRS(I) 1-39 and SFRS(I) 7 Interest Rate Benchmark Reform (Cont'd)
The application of the amendments impacts the Group's accounting in the following ways.

- Hedge accounting relationships shall continue despite the following:
  - for cash flow hedge of IBOR cash flows: there is uncertainty about the timing and amount of the hedged cash flows due to the IBOR reform;
  - for IBOR fair value hedge: the benchmark interest rate component may not be separately identifiable; and
  - for net investment hedge: there is uncertainty about the replacement of the IBOR reference rate included in the hedging derivative.
- The Group shall not discontinue hedge accounting even if the retrospective assessment of hedge effectiveness for a hedging relationship that is subject to the IBOR reform falls outside the range of 80% to 125% in accordance with SFRS(I) 1-39.
- The Group shall retain the cumulative gain or loss in the cash flow hedging reserve for designated IBOR cash flow hedges that are subject to the IBOR reform even though there is uncertainty arising with respect to the timing and amount of the cash flows of the hedged items.

There is no impact to the Group's and the Company's financial statements.

Revised Conceptual Framework for Financial Reporting
The purpose of the Conceptual Framework is to assist in developing financial reporting standards. The Conceptual Framework is not a standard itself and none of the concepts contained therein override the requirements in any standard. The main changes to the Conceptual Framework's principles have implications for how and when assets and liabilities are recognised and derecognised in the financial statements. These revisions affect those entities which had developed their accounting policies based on the Conceptual Framework in the absence of specific SFRS(I) requirements. In such cases, the entities shall review those policies and apply the new guidance retrospective for annual periods beginning on or after 1 January 2020.

Some SFRS(I), their accompanying documents and SFRS(I) practice statements contain references to, or quotations from the Conceptual Framework. The Amendments to References to the Conceptual Framework in SFRS(I), issued together with the revised Conceptual Framework, sets out updates to SFRS(I), their accompanying documents and SFRS(I) practice statements to reflect the issue of the revised Conceptual Framework. These amendments are effective for annual periods beginning on or after 1 January 2020.

There is no impact to the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(c) New and revised SFRS(I) in issue but not yet effective

At the date of authorisation of these financial statements, the Group and the Company have not adopted the new and revised SFRS(I), SFRS(I) INT and amendments to SFRS(I) that have been issued but are not yet effective to them. Management anticipates that the adoption of these new and revised SFRS(I) pronouncements in future periods will not have a material impact on the Group's and the Company's accounting policies in the period of their initial application, except as discussed below:

Reference	Description	Effective date (Annual periods beginning on or after)
Amendments to SFRS(I) 16	*COVID-19 Related Rent Concessions*	1 June 2020
Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16	*Interest Rate Benchmark Reform – Phase 2*	1 January 2021
Amendments to SFRS(I) 3	*Reference to the Conceptual Framework*	1 January 2022
Amendments to SFRS(I) 1-16	*Property, Plant and Equipment – Proceeds before Intended Use*	1 January 2022
Amendments to SFRS(I) 1-37	*Onerous Contracts – Cost of Fulfilling a Contract*	1 January 2022
Amendments to SFRS(I) 1-1	*Classification of Liabilities as Current or Non-current*	1 January 2023

<u>Amendments to SFRS(I) 16 COVID-19 Related Rent Concessions</u>
The amendments provide relief to lessees from applying SFRS(I) 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under SFRS(I) 16 if the change were not a lease modification. The amendments are applicable on a modified retrospective basis for annual reporting periods beginning on or after 1 June 2020. Early application is permitted.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

<u>Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2</u>
The amendments address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The changes relate to the modification of financial assets, financial liabilities and lease liabilities, specific hedge accounting requirements, and disclosure requirements applying SFRS(I) 7 to accompany the amendments regarding modifications and hedge accounting.

On modification of financial assets, financial liabilities and lease liabilities, a practical expedient is available to allow for modifications required by the IBOR reform as a direct consequence and made on an economically equivalent basis to be accounted for by updating the effective interest rate prospectively. All other modifications are accounted for using current SFRS(I) requirements. A similar practical expedient is provided for lessee accounting applying SFRS(I) 16. SFRS(I) 4 is also amended to require insurers that apply the temporary exemption from SFRS(I) 9 to apply the amendments in accounting for modifications directly required by the reform.

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 9, SFRS(I) 1-39, SFRS(I) 7, SFRS(I) 4 and SFRS(I) 16 Interest Rate Benchmark Reform – Phase 2 (Cont'd)

On hedge accounting, certain amendments are made to generally permit hedge accounting continuation solely because of the IBOR reform provided that the amended hedging relationships meet all the qualifying criteria to apply hedge accounting including effectiveness requirements. The amendments enable entities to amend the formal designation and documentation of a hedging relationship to reflect changes required by the IBOR reform without discontinuing the hedging relationship or designating a new hedging relationship. Permitted changes include designating an alternative benchmark rate (contractually or non-contractually specified) as a hedged risk, amending the description of the hedged item, including the description of the designated portion of the cash flows or fair value being hedged, or amending the description of the hedging instrument to refer to an alternative benchmark rate, and for those applying SFRS(I) 1-39, amending the description of how the entity shall assess hedge effectiveness.

Amendments to SFRS(I) 7 outline disclosure requirements to allow users to understand the nature and extent of risks arising from the IBOR reform to which the entity is exposed to and how the entity manages those risks as well as the entity's progress in transitioning from IBOR to alternative benchmark rates, and how the entity is managing this transition.

The amendments are effective for annual periods beginning on or after 1 January 2021 with early application permitted. The amendments apply retrospectively but provide relief from restating comparative information. An entity may restate prior period figures if, and only if, it is possible to do so without the use of hindsight.

It is currently impracticable to disclose any further information on the known or reasonably estimable impact to the Group's and the Company's financial statements in the period of initial application.

Amendments to SFRS(I) 3 Reference to the Conceptual Framework

The amendments update SFRS(I) 3 so that it refers to the 2018 Conceptual Framework instead of the 1989 Conceptual Framework. According to the amendments, for obligations within the scope of SFRS(I) 1-37, the acquirer shall apply SFRS(I) 1-37 to determine whether a present obligation exists at the acquisition date as a result of past events, and for a levy within the scope of SFRS(I) INT 21 Levies, the acquirer shall apply SFRS(I) INT 21 to determine whether the obligating event giving rise to a liability to pay the levy has occurred by the acquisition date. The amendments also add an explicit statement that an acquirer shall not recognise contingent assets acquired in a business combination.

The amendments are effective for business combinations for which the date of acquisition is on or after the beginning of the first annual period beginning on or after 1 January 2022. Early application is permitted if the entity also applies all other updated references (published together with the updated Conceptual Framework) at the same time or earlier.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 1-16 Property, Plant and Equipment – Proceeds before Intended Use
The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise such sales proceeds and related costs in profit or loss and measure the cost of those items in accordance with SFRS(I) 1-2 Inventories.

The amendments also clarify the meaning of 'testing whether an asset is functioning properly' and specify this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes.

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments are applied retrospectively, but only to items of property, plant and equipment that are brought to the location and condition necessary for them to be capable of operating in the manner intended by management on or after the beginning of the earliest period presented in the financial statements in which the entity first applies the amendments. The entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the beginning of that earliest period presented.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

Amendments to SFRS(I) 1-37 Onerous Contracts – Cost of Fulfilling a Contract
The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (e.g. direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (e.g. depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

The amendments are effective for annual periods beginning on or after 1 January 2022, with early application permitted. The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings (or other component of equity, as appropriate) at the date of initial application.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(c) New and revised SFRS(I) in issue but not yet effective (Cont'd)

Amendments to SFRS(I) 1-1 Classification of Liabilities as Current or Non-current
The amendments affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items.

The amendments clarify that the classification of liabilities as current or non-current is based on the rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise the right to defer settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer of cash, equity instruments, other assets or services to the counterparty.

The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.

There is no material impact expected to the Group's and the Company's financial statements on initial application.

2(d) Critical accounting judgements and key sources of estimation uncertainty

The preparation of the financial statements in conformity with SFRS(I) requires the use of judgements, estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the reporting period in which the estimate is revised and in any future reporting periods affected. The areas involving significant judgement and critical accounting estimates and assumptions used are described below.

(i) Significant judgements used in applying accounting policies
The following are the critical judgements, apart from those involving estimations (which are presented separately below), that have been made in the process of applying the Group's accounting policies and that have the most significant effect on the amounts recognised in financial statements.

Assessment of ability to exercise control over PTMII
Management had taken into consideration of the triggering events which indicated a change in circumstances that resulted in the Group with neither any participation nor practical ability to exercise its rights in the affairs and operations of PT Momentum Indonesia Investama nor any influence on PTMII's management. In accordance with SFRS(I) 10, the loss of control represents a significant economic event that requires the parent to stop consolidating the subsidiary at the date when control is lost. Accordingly, management had deconsolidated PT Momentum Indonesia Investama from the Group with effect from 1 January 2017 and reclassified its investment in PT Momentum Indonesia Investama as financial assets at FVOCI from that date.

In accordance with Paragraph 2.3(a) of the Announcement dated 24 June 2020, the Sudirman Group completed the transfer of 2% of the total issued and paid-up capital of PT MII (the "**2% PT Momentum Indonesia Investama Shares**") to Mr Fhifi Alfhian Ronie SH on 30 June 2020. Mr Sudirman Kurniawan also stepped down and fully discharged his management responsibilities as the President Director of PT Momentum Indonesia Investama on 30 June 2020. Following his resignation, the Company has taken over the accounting function of PT Momentum Indonesia Investama and the board control has also been taken over by the two Nominee Directors appointed by PSL, Mr Richard Kennedy Melati and Mr Satria Walensa, allowing the Company to establish "control" of PT Momentum Indonesia Investama as defined in SFRS(I) 10. This was done through a Power of Attorney to Vote the Shares.

As announced on 6 October 2020, the Sudirman Group further completed the transfer of 49% of the total issued and paid-up capital of PT MII (the "**49% PT Momentum Indonesia Investama Shares**") to Ms Melda Veronica on 3 October 2020. This was done through a Power of Attorney to Vote the Shares.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(i) Significant judgements used in applying accounting policies (Cont'd)

Assessment of ability to exercise control over PTMII (Cont'd)

Management had taken into consideration the above triggering events which indicated a change in circumstances which allowed the Group to have the practical ability to exercise its rights in the affairs and operations of PT MII as well as to exercise influence on PT MII's management. In accordance with SFRS(I) 10, management has accounted for PT MII as a subsidiary of the Company and has consolidated 51% and 100% of the results of PT MII with effect from 1 July 2020 and 1 October 2020 respectively.

Income tax
Significant judgement is involved in determining the group-wide provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities for expected tax issue based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such a determination is made.

Determination of operating segments
Management identifies the Chief Operating Decision Maker ("CODM") as well as their business activities (which may not necessarily earn revenue or incur expenses). Management has further determined whether discrete financial information is available for the business activities and whether that information is regularly reviewed by the CODM. Judgement is applied by management in the allocation of resources to the operating segments.

Determination of the lease term
In determining the lease term, management considers all facts and circumstances that create an economic incentive to exercise an extension option, or not exercise a termination option. Extension options (or periods after termination options) are only included in the lease term if the lease is reasonably certain to be extended (or not terminated). The lease term is reassessed if an option is actually exercised (or not exercised) or the Group becomes obliged to exercise (or not exercise) it. The assessment of reasonable certainty is only revised if a significant event or a significant change in circumstances occurs, which affects the assessment, and that is within the control of the lessee. For leases of the office premise and plant and equipment, the following factors are normally the most relevant:

- If there are significant penalties to terminate (or not extend), the Group is typically reasonably certain to extend (or not terminate).
- If any leasehold improvements are expected to have a significant remaining value, the Group is typically reasonably certain to extend (or not terminate).
- Otherwise, the Group considers other factors including historical lease durations and the costs and business disruption required to replace the leased asset.

(ii) Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period, are discussed below.

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Impairment tests for cash-generating units containing goodwill (Note 6)
Goodwill is allocated to the Group's cash-generating units ("CGU") according to the individual subsidiary as follows:

	31 December 2020 $'000
PTMII (2019: PT IPA)	
Cost	**4,854**
Less: impairment loss	**(4,854)**
	-

The recoverable amount of a CGU is determined based on the higher of fair value less cost to sell ("FVLCTS") and value-in-use ("VIU") calculations.

Based on the impairment assessment, an impairment loss of S$4,854,000 was recognised on goodwill allocated to PTMII in the financial year ended 31 December 2020. Following the impairment loss recognised, the recoverable amount was equal to the carrying amount.

The carrying amount of goodwill as at 31 December 2020 amounted to S$Nil.

Impairment tests for property, plant and equipment and right-of-use assets (Notes 3 and 4)
These assets are tested for impairment whenever there is any objective evidence or indication that these assets may be impaired.

The recoverable amounts of these assets and, where applicable, cash-generating units, have been determined based on value-in-use calculations. These calculations require the use of estimates. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating unit (or group of cash-generating units) and also to use many estimates and assumptions such as future market growth, forecast revenue and costs, useful lives of utilisation of the assets, discount rates and other factors.

A decrease of 5% (2019 - 5%) in the recoverable amount of the Group's property, plant and equipment and right-of-use assets would have decreased the Group's profit by S$388,000 (2019 - S$31,000) and S$407,000 (2019 - S$365,000), respectively. The carrying amounts of the Group's and the Company's property, plant and equipment and right-of-use assets are disclosed in Notes 3 and 4 to the financial statements.

Allowance for expected credit losses ("ECL") on trade and other receivables (Note 8)
Allowance for ECL of trade and other receivables are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the ECL calculation, based on the Group's past collection history, existing market conditions as well as forward looking estimates at each reporting date. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

The Group uses a provision matrix to calculate ECL for trade receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns. The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECL is a significant estimate. The amount of ECL is sensitive to changes in circumstances and forecast economic conditions.

The Group and the Company apply the 3-stage general approach to determine ECL for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Allowance for expected credit losses ("ECL") on trade and other receivables (Note 8) (Cont'd)
ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward-looking information. Lifetime ECL represents ECL that will result from all possible default events over the expected life of a financial instrument whereas 12-month ECL represents the portion of lifetime ECL expected to result from default events possible within twelve months after the reporting date.

The carrying amount of the Group's and the Company's trade and other receivables are disclosed in Note 8. A decrease of 10% in the estimated future cash inflows will not lead to further allowance for impairment on the Group's and the Company's trade and other receivables.

Estimation of the incremental borrowing rate ("IBR")
For the purpose of calculating the right-of-use asset and lease liability, an entity applies the interest rate implicit in the lease ("IRIIL") and, if the IRIIL is not readily determinable, the entity uses its IBR applicable to the lease asset. The IBR is the rate of interest that the entity would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. For most of the leases whereby the Group is the lessee, the IRIIL is not readily determinable. Therefore, the Group estimates the IBR relevant to each lease asset by using observable inputs (such as market interest rate and asset yield) when available, and then making certain lessee specific adjustments (such as a group entity's credit rating). The carrying amount of the Group's right-of-use assets and lease liabilities are disclosed in Notes 4 and 15, respectively. An increase/decrease of 50 basis points in the estimated IBR will not have a significant impact on the Group's right-of-use assets and lease liabilities.

Depreciation of property, plant and equipment and right-of-use assets (Notes 3 and 4)
Property, plant and equipment and right-of-use assets are depreciated on a straight-line basis over their estimated useful lives. The Group's management estimates the useful lives of these assets to be within 1 to 25 years. Changes in the expected level of usage and technological developments could impact the economic useful lives and the residual values of these assets, therefore future depreciation charges could be revised.

If depreciation on the Group's property, plant and equipment and right-of-use assets changes by 10% (2019 - 10%) from management's estimates, the Group's loss for the year will increase/decrease by approximately S$178,000 (2019 - S$58,000). The carrying amounts of the Group's and the Company's property, plant and equipment and right-of-use assets are disclosed in Note 3 and Note 4, respectively, to the financial statements.

Impairment of amounts due from subsidiaries (Note 11)
The Company held non-trade receivables from its subsidiaries of S$3,930,000 (2019 - S$4,369,000) as at the end of the reporting period. The impairment of the amounts due from its subsidiaries are based on the expected credit loss model using general approach which considers the availability of highly accessible liquid assets of the subsidiaries to repay these amounts if demanded repayment at the end of the reporting period. As a result of management's assessment, the Company is not exposed to significant credit loss arising from amounts due from subsidiaries.

Impairment of investments in subsidiaries (Note 6)
Determining whether investments in subsidiaries are impaired requires an estimation of the recoverable amount of the investments. The value-in-use calculation requires the Company to estimate the future cash flows expected from the cash-generating units and an appropriate discount rate in order to calculate the present value of the future cash flows.

At the reporting date, the carrying amounts of investments in subsidiaries are S$155,000 (2019 - S$200,000). Management has evaluated the recoverability of the investment based on such estimates. If the present value of estimated future cash flows decreases by 10% (2019 - 10%) from management's estimates, the Company's allowance for impairment of investments in subsidiaries will increase by S$16,000 (2019 - S$20,000).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(d) Critical accounting judgements and key sources of estimation uncertainty (Cont'd)

(ii) Key sources of estimation uncertainty (Cont'd)

Allowance for inventory obsolescence (Note 10)
The Group reviews the ageing analysis of inventories at each reporting date and makes provision for obsolete and slow-moving inventory items identified that are no longer suitable for sale. The net realisable values for such inventories are estimated based primarily on the latest invoice prices and current market conditions. Possible changes in these estimates could result in revisions to the valuation of inventories.

If the net realisable values of the inventory decrease/increase by 10% (2019 - 10%) from management's estimates, the Group's loss for the year will increase/decrease by S$7,000 (2019 - S$2,000). The carrying amounts of the Group's inventories are disclosed in Note 10 to the financial statements.

Recoverability of loans due from PTMII and contingent consideration (Notes 12 and 8)
As at 31 December 2020, the Company's loans due from PTMII and contingent consideration amounted to S$7.2 million (2019 - S$14.0 million) (Note 12) and S$3.6 million (2019 - S$6.1 million) (Note 8), respectively. Management has evaluated the expected credit loss to be insignificant based on considerations as detailed in Note 12 to the financial statements.

2(e) Significant accounting policies

Consolidation
(i) Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and investees (including structured entities) controlled by the Company and its subsidiaries. Control is achieved when the Company or its subsidiary:

- has power over the investee;
- is exposed, or has rights, to variable returns from its involvement with the investee; and
- has the ability to use its power to affect its returns.

The Company or its subsidiary reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control listed above.

When the Company or its subsidiary has less than a majority of the voting rights of an investee, it has power over the investee when the voting rights are sufficient to give it the practical ability to direct the relevant activities of the investee unilaterally. The Company or its subsidiary considers all relevant facts and circumstances in assessing whether or not the Company's or its subsidiary's voting rights in an investee are sufficient to give it power, including:

- size of the Company's or its subsidiary's holding of voting rights relative to the size and dispersion of holdings of the other vote holders;
- potential voting rights held by the Company or its subsidiary, other vote holders or other parties;
- rights arising from other contractual arrangements; and
- any additional facts and circumstances which indicate that the Company or its subsidiary has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Consolidation (Cont'd)

(i) Basis of consolidation (Cont'd)

Consolidation of a subsidiary begins when the Company or its subsidiary obtains control over the subsidiary or investee and ceases when the Company or its subsidiary loses control of the subsidiary or investee. Specifically, income and expenses of a subsidiary or an investee acquired or disposed of during the year are included in the consolidated statement of profit or loss and other comprehensive income from the date the Company or its subsidiary gains control until the date when the Company or its subsidiary ceases to control the subsidiary or investee.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries and investees are attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries or investees to bring their accounting policies in line with the Group's accounting policies.

(ii) Changes in the Group's ownership interests in existing subsidiaries

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to the owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill) and liabilities of the subsidiary, and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable SFRS(I)). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under SFRS(I) 9, or when applicable, the cost on initial recognition of an investment in an associate.

In the Company's separate financial statements, investments in subsidiaries are carried at cost less any impairment in net recoverable value that has been recognised in profit or loss. On disposal of such investments, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

Business combinations

Business combination is accounted for using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether it includes, at a minimum, an input and substantive process, and whether the acquired set has the ability to produce outputs.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Business combinations (Cont'd)
The Group has an option to apply a 'concentration test' that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional 'concentration test' is met, and the acquired set of activities and assets is not a business, if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration for each acquisition is measured at the aggregate of the acquisition date fair values of assets given, liabilities incurred by the Group to the former owners of the acquiree, and equity interests issued by the Group in exchange for control of the acquiree. Acquisition-related costs are recognised in profit or loss as incurred.

Where applicable, the consideration for the acquisition includes any asset or liability resulting from a contingent consideration arrangement, measured at its acquisition-date fair value. Subsequent changes in such fair values are adjusted against the cost of acquisition where they qualify as measurement period adjustments. The subsequent accounting for changes in the fair value of the contingent consideration that do not qualify as measurement period adjustments depends on how the contingent consideration is classified. Contingent consideration that is classified as equity is not remeasured at subsequent reporting dates and its subsequent settlement is accounted for within equity. Contingent consideration that is classified as an asset or a liability is remeasured at subsequent reporting dates at fair value, with changes in fair value recognised in profit or loss.

Where a business combination is achieved in stages, the Group's previously held interests in the acquired entity are remeasured to fair value at the acquisition date (i.e. the date on which the Group attains control) and the resulting gain or loss, if any, is recognised in profit or loss. Amounts arising from interests in the acquiree prior to the acquisition date that have previously been recognised in other comprehensive income are reclassified to profit or loss, where such treatment would be appropriate if that interest were disposed of.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition are recognised at their fair value at the acquisition date, except that:

- deferred tax assets or liabilities and liabilities or assets related to employee benefit arrangements are recognised and measured in accordance with SFRS(I) 1-12 *Income Taxes* and SFRS(I) 1-19 *Employee Benefits* respectively;
- liabilities or equity instruments related to share-based payment transactions of the acquiree or the replacement of an acquiree's share-based payment awards transactions with share-based payment awards transactions of the acquirer in accordance with the method in SFRS(I) 2 *Share-based Payment* at the acquisition date; and
- disposal groups that are classified as held for sale in accordance with SFRS(I) 5 *Non-current Assets Held for Sale and Discontinued Operations* are measured in accordance with that standard.

Non-controlling interests that are present ownership interests and entitle their holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the recognised amounts of the acquiree's identifiable net assets. The choice of measurement basis is made on a transaction-by-transaction basis.

If the initial accounting for a business combination is incomplete by the end of the reporting period in which the combination occurs, the Group reports provisional amounts for the items for which the accounting is incomplete. Those provisional amounts are adjusted during the measurement period, or additional assets or liabilities are recognised, to reflect new information obtained about facts and circumstances that existed as of the acquisition date that, if known, would have affected the amounts recognised as of that date.

The measurement period is the period from the date of acquisition to the date the Group obtains complete information about facts and circumstances that existed as of the acquisition date and is subject to a maximum of one year from acquisition date.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Intangible assets
Intangible assets are accounted for using the cost model with the exception of goodwill. Capitalised costs are amortised on a straight-line basis over their estimated useful lives for those considered as finite useful lives. After initial recognition, they are carried at cost less accumulated amortisation and accumulated impairment losses, if any. In addition, they are subject to annual impairment testing. Indefinite life intangibles are not amortised but are subject to annual impairment testing.

Intangible assets are written off where, in the opinion of the directors, no further future economic benefits are expected to arise.

Goodwill
Goodwill on acquisition of subsidiaries represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Gains and losses on the disposal of subsidiaries and joint ventures include the carrying amount of goodwill relating to the entity sold.

Investment in subsidiaries
Subsidiaries are entities controlled by the Company. In the Company's separate statement of financial position, subsidiaries are stated at cost less allowance for any impairment losses on an individual subsidiary basis.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses, if any. Depreciation is computed utilising the straight-line method to write off the depreciable amount of these assets over their estimated useful lives as follows:

Leasehold improvement	2 to 10 years (depreciated over shorter of the period of the lease terms or useful lives)
Building	10 years
Furniture and fittings	3 to 10 years
Heavy equipment	8 years
Office and other equipment	3 to 10 years
Motor vehicles	1 to 10 years
Vessels	25 years

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the asset. Cost may also include transfers from equity of any gains/losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent expenditure relating to property, plant and equipment that has been recognised is added to the carrying amount of the asset when it is probable that future economic benefits in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Property, plant and equipment (Cont'd)
For acquisitions and disposals during the financial year, depreciation is provided from the month of acquisition and to the month before disposal respectively. Fully depreciated property, plant and equipment are retained in the books of accounts until they are no longer in use.

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate, at the end of each reporting period as a change in estimates.

Impairment of non-financial assets
As at each reporting date, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment annually, and whenever there is an indication that the asset may be impaired.

Financial instruments
A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets
Measurement
Initial recognition and measurement
Financial assets are recognised when, and only when, the entity becomes party to the contractual provisions of the instruments.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of financial asset not at fair value through profit or loss, transaction costs. Trade receivables are measured at the amount of consideration to which the Group expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party if the trade receivables do not

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)
contain a significant financing component at initial recognition. Refer to the accounting policies in this section Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are "solely payments of principal and interest (SPPI)" on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Purchase or sales of financial assets that required delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e. the date that the Group commits to purchase or sell the asset.

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in four categories:
- Financial assets at amortised cost (debt instruments)
- Financial assets at fair value through OCI with recycling of cumulative gains and losses (debt instruments)
- Financial assets designated at fair value through OCI with no recycling of cumulative gains and losses upon derecognition (equity instruments)
- Financial assets at fair value through profit or loss

Financial assets at amortised cost (debt instruments)
Subsequent measurement of debt instruments depends on the Group's business model with the objective to hold financial assets in order to collect contractual cash flows and the contractual cash terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal and interest on the principal amount outstanding on the asset.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through amortisation process.

The Group's and the Company's financial assets at amortised cost include trade and other receivables, loans due from PTMII, amounts due from subsidiaries, excluding prepayments.

Fair value through other comprehensive income (debt instruments)
Financial assets that are held for collection of contractual of cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at FVOCI. Financial assets measured at FVOCI are subsequently measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except for impairment losses, foreign exchange gains and losses and interest calculated using the effective interest method are recognised in profit or loss and computed in the same manner as for financial assets measured at amortised cost. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is de-recognised. The Group does not have financial assets at FVOCI (debt instruments).

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Financial assets designated at fair value through OCI (equity instruments)
The Group subsequently measures all equity instruments at fair value. On initial recognition of an equity instruments that is not held for trading, the Group may irrevocably elect to present subsequent changes in fair value in OCI. The classification is determined on an instrument-by-instrument basis. Dividends from such investments are to be recognised in profit or loss when the Group's right to receive payments is established.

Changes in fair value of financial assets at fair value through profit or loss are recognised in profit or loss. Changes in fair value of financial assets at FVOCI are recognised in OCI are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the Group benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

The Group elected to classify irrevocably its listed equity investments under this category.

Financial assets at fair value through profit and loss
Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. Financial assets at fair value through profit or loss include financial assets held for trading, financial assets designated upon initial recognition at fair value through profit or loss, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term. Derivatives, including separated embedded derivatives, are also classified as held for trading unless they are designated as effective hedging instruments. Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at fair value through profit or loss, irrespective of the business model. Notwithstanding the criteria for debt instruments to be classified at amortised cost or at FVOCI, as described above, debt instruments may be designated at fair value through profit or loss on initial recognition if doing so eliminates, or significantly reduces, an accounting mismatch. A gain or loss on a debt instruments that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss statement in the period in which it arises. Interest income from these financial assets is included in the finance income.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss.

Dividends on listed equity instruments are also recognised as other income in the statement of comprehensive income when the right of payment has been established. The Group does not have financial assets at fair value through profit or loss.

Derecognition
A financial asset (or, where applicable, part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired; or

- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a "pass-through" arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

Derecognition (Cont'd)
When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if, and to what extent, it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of its continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Continuing involvement that takes form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

Impairment of financial assets
The Group assesses on a forward-looking basis the expected credit losses (ECLs) associated with its debt instrument assets carried at amortised cost. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12 months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

For trade receivables, the Group measures the loss allowance at an amount equal to the lifetime expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The Group considers a financial asset in default when contractual payments are 90 days due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

<u>Credit-impaired financial assets</u>
A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the borrower;
- a breach of contract, such as a default or past due event;
- the lender of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession that the lender would not otherwise consider;
- it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or

2(e) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(a) Financial assets (Cont'd)

- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy
The Group writes off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery (e.g. when thecounterparty has been placed under liquidation or has entered into bankruptcy proceedings), or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised initially at fair value less directly attributable transaction costs.

The financial liabilities include trade and other payables, amounts due to subsidiaries and lease liabilities.

Subsequent measurement
The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss.

Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by SFRS(I) 9. Separate embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the statement of profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in SFRS(I) 9 are satisfied. The Group has not designated any financial liability at fair value through profit or loss.

Financial liabilities that are not carried at fair value through profit or loss
After initial recognition, financial liabilities that are not carried at fair value through profit or loss are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Financial instruments (Cont'd)

(c) Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Cash and cash equivalents
Cash and cash equivalents comprise cash on hand and bank deposits with financial institutions which are subject to an insignificant risk of changes in value and are used by the Group in the management of its short-term commitments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents exclude cash restricted in use, and are presented net of bank overdraft which is repayable on demand and which forms an integral part of cash management.

Share capital
Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against the share capital account.

Inventories
Inventories are stated at the lower of cost and net realisable value. Cost is determined using weighted average method and includes all costs in bringing the inventories to their present location and condition. The cost of work-in-progress comprises raw materials, direct labour, other direct costs and related overheads, but excludes borrowing costs.

Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs necessary to make the sale.

Defined contribution option
Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities such as Central Provident Fund in Singapore on a mandatory, contractual or voluntary basis. The Group has no further payment obligations once the contributions have been paid. Obligations for contributions to defined contribution pension plans are recognised as an employee benefit expense in profit or loss in the periods during which related services are rendered by employees.

Employee leave entitlements
Employee entitlements to annual leave are recognised when they accrue to employees. Accrual is made for the unconsumed leave as a result of services rendered by employees up to the end of the reporting period.

Government grants
Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions.

Government grants receivable are recognised as income or cost recovery over the periods necessary to match them with the related costs which they are intended to compensate, on a systematic basis. Government grants relating to expenses are shown separately as offset against the related expenses.

Grants relating to income should be presented as a credit to profit or loss, either separately or under a general heading such as “Other income”. Alternatively, they may be deducted in reporting the related expense.

Grants related to assets shall be presented in the statement of financial position either by setting up the grant as deferred income or by deducting the grant in arriving at the carrying value of the asset.

2(e) Significant accounting policies (Cont'd)

Revenue from contracts with customers

Goods and services sold
Revenue from sale of goods and services in the ordinary course of business is recognised when the Group satisfies a performance obligation (PO) by transferring control of a promised good or service to the customer. The amount of revenue recognised is the amount of the transaction price allocated to the satisfied PO.

The transaction price is allocated to each PO in the contract on the basis of the relative stand-alone selling prices of the promised goods or services. The individual standalone selling price of a good or service that has not previously been sold on a stand-alone basis, or has a highly variable selling price, is determined based on the residual portion of the transaction price after allocating the transaction price to goods and/or services with observable stand-alone selling prices. A discount or variable consideration is allocated to one or more, but not all, of the performance obligations if it relates specifically to those performance obligations.

Transaction price is the amount of consideration in the contract to which the Group expects to be entitled in exchange for transferring the promised goods or services. The transaction price may be fixed or variable and is adjusted for time value of money if the contract includes a significant financing component. Consideration payable to a customer is deducted from the transaction price if the Group does not receive a separate identifiable benefit from the customer. When consideration is variable, the estimated amount is included in the transaction price to the extent that it is highly probable that a significant reversal of the cumulative revenue will not occur when the uncertainty associated with the variable consideration is resolved.

Revenue is recognised at a point in time.

Rental income from leasing of equipment
The Group leases out its equipment under operating lease and recognises rental income proportionately over the lease term. Rental income from equipment is recognised as 'revenue' on a straight-line basis over the term of the lease.

Rental income from leasing of equipment
The Group charters its vessels and recognises charter income proportionately over the charter period. Charter income from vessels is recognised as 'revenue' on a straight-line basis over the term of the charter.

Leases

(i) The Group as lessee
The Group assesses whether a contract is or contains a lease at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of twelve months or less) and leases of low value assets. For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease (including extension option) unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

(a) Lease liability
The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses the incremental borrowing rate specific to the lessee. The incremental borrowing rate is defined as the rate of interest that the lessee would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)
(a) Lease liability (Cont'd)

Lease payments included in the measurement of the lease liability comprise:

- fixed lease payments (including in-substance fixed payments), less any lease incentives;
- variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- the amount expected to be payable by the lessee under residual value guarantees;
- exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

Variable lease payments that are not based on an index or a rate are not included as part of the measurement and initial recognition of the lease liability. The Group shall recognise those lease payments in profit or loss in the periods that trigger those lease payments.

For all contracts that contain both lease and non-lease components, the Group has elected to not separate lease and non-lease components and account these as one single lease component.

The lease liabilities are presented as a separate line item in the statement of financial position.

The lease liability is subsequently measured at amortised cost, by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

The Group remeasures the lease liability (with a corresponding adjustment to the related right-of-use asset or to profit or loss if the carrying amount of the right-of-use asset has already been reduced to nil) whenever:

- the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate;
- the lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using the initial discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used); or
- a lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate at the effective date of the modification.

(b) Right-of-use asset
The right-of-use asset comprises the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under SFRS(I) 1-37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Leases (Cont'd)

(i) The Group as lessee (Cont'd)
(b) Right-of-use asset (Cont'd)
Depreciation on right-of-use assets is calculated using the straight-line method to allocate their depreciable amounts over the shorter period of lease term and useful life of the underlying asset, as follows:

Office premise	: 2 years
Office and other equipment	: 3 to 5 years
Heavy equipment	: 8 years

If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease.

The right-of-use assets are presented as a separate line item in the statement of financial position.

The Group applies SFRS(I) 1-36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss.

(ii) The Group as lessor
Generally, the accounting policies applicable to the Group as a lessor in the comparative period were not different from SFRS(I) 16, except for the classification of the sublease entered into that resulted in a finance lease classification

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices. If an arrangement contains lease and non-lease components, then the Group applies SFRS(I) 15 to allocate the consideration in the contract.

The Group applies the derecognition and impairment requirements in SFRS(I) 9 to the net investment in the lease. The Group further regularly reviews estimated unguaranteed residual values used in calculating the gross investment in the lease.

The Group recognises lease payments received from sublease of heavy equipment under operating leases as income on a straight- line basis over the lease term within "revenue" in profit or loss.

Intermediate lessor in sublease

When the Group is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. It assesses the lease classification of a sublease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short-term lease to which the Group applies the recognition exemption or when the sublease does not transfer substantially all of the risks and rewards incidental to the ownership of the assets, then it classifies the sublease as an operating lease.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Leases (Cont'd)

(ii) The Group as lessor (Cont'd)
When the sublease is assessed as a finance lease, the Group derecognises the right-of-use asset relating to the head lease that it transfers to the sublessee and recognised the net investment in the sublease within "finance lease receivables" in the statement of financial position. Any differences between the right-of-use asset derecognised and the net investment in sublease is recognised in profit or loss. Lease liability relating to the head lease is retained in the statement of financial position, which represents the lease payments owed to the head lessor.

Income taxes
Income tax expense represents the sum of the tax currently payable and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the consolidated statement of profit or loss and other comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and subsidiaries operate by the end of the reporting period.

Deferred tax is recognised on the differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed as at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Current and deferred tax are recognised as an expense or income in profit or loss, except when they relate to items credited or debited outside profit or loss (either in other comprehensive income or directly in equity), in which case the tax is also recognised outside profit or loss (either in other comprehensive income or directly in equity, respectively), or where they arise from the initial accounting for a business combination. In the case of a business combination, the tax effect is taken into account in calculating goodwill or determining the excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over cost.

2(e) Significant accounting policies (Cont'd)

Related parties
A related party is defined as follows:

(a) A person or a close member of that person's family is related to the Group and the Company if that person:

(i) has control or joint control over the Company;
(ii) has significant influence over the Company; or
(iii) is a member of the key management personnel of the Group or the Company or of a parent of the Company.

(b) An entity is related to the Group and the Company if any of the following conditions applies:

(i) the entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
(ii) one entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
(iii) both entities are joint ventures of the same third party;
(iv) one entity is a joint venture of a third entity and the other entity is an associate of the third entity;
(v) the entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
(vi) the entity is controlled or jointly controlled by a person identified in (a);
(vii) a person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity); or
(viii) the entity, or any member of a group of which it is a part, provides key management personnel services to the Company or to the parent of the Company.

Key management personnel
Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Directors and certain management executives are considered key management personnel.

Dividends
Final dividends proposed by the directors are not accounted for in shareholders' equity as an appropriation of retained profit, until they have been approved by the shareholders in a general meeting. When these dividends have been approved by the shareholders and declared, they are recognised as a liability.

Interim dividends are simultaneously proposed and declared, because the articles of constitution of the Company grant the directors the authority to declare interim dividends. Consequently, interim dividends are recognised directly as a liability when they are proposed and declared.

Functional currency
The individual financial statements of each group entity are measured and presented in the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements of the Group and the statement of financial position of the Company are presented in Singapore dollar, which is the functional currency of the Company and the presentation currency for the consolidated financial statements.

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency are recorded at the rate of exchange prevailing on the date of the transaction. As at each reporting date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the end of the reporting period. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Foreign currency transactions and translation (Cont'd)
was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are included in profit or loss for the period. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised in other comprehensive income. For such non-monetary items, any exchange component of that gain or loss is also recognised in other comprehensive income.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Singapore dollar using exchange rates prevailing at the end of the reporting period. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuate significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, if any, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

On the disposal of a foreign operation (i.e. disposal of the Group's entire interest in a foreign operation, or disposal involving loss of control over a subsidiary that includes a foreign operation, loss of significant influence over an associate that includes a foreign operation, or loss of joint control over a jointly controlled entity that includes a foreign operation), all of the accumulated exchange differences in respect of that operation attributable to the Group are reclassified to profit or loss. Any exchange differences that have previously been attributed to non-controlling interests are derecognised, but they are not reclassified to profit or loss.

In the case of a partial disposal (i.e. no loss of control) of a subsidiary that includes a foreign operation, the proportionate share of accumulated exchange differences is re-attributed to non-controlling interests and are not recognised in profit or loss. For all other partial disposals (i.e. of associates or jointly controlled entities that do not result in the Group losing significant influence or joint control), the proportionate share of the accumulated exchange differences is reclassified to profit or loss.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are recognised in other comprehensive income and accumulated in a separate component of equity under the header of currency translation reserve.

Goodwill and fair value adjustments arising on the acquisition of a foreign operation are treated as assets and liabilities of the foreign operation and translated at the closing rate.

Segment reporting

Operating segment
An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. All operating segments' operating results are reviewed regularly by the Group's Executive Director ("ED") to make decisions about resources to be allocated to the segment and to assess its performance, and for which discrete financial information is available.

Segment results that are reported to the ED include items directly attributable to a segment as well as those that can be allocated on a reasonable basis.

Segment capital expenditure is the total cost incurred during the financial period to acquire property, plant and equipment.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

2(e) Significant accounting policies (Cont'd)

Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary shareholders of the Company by the weighted average number of ordinary shares outstanding during the financial period.

Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, for the effect of all dilutive potential ordinary shares, which comprise any convertible bonds and warrants.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Property, plant and equipment

The Group	Leasehold improvement $'000	Land and building $'000	Furniture and fitting $'000	Office and other equipment $'000	Motor vehicles $'000	Heavy equipment $'000	Vessels $'000	Construction in-progress $'000	Total $'000
Cost									
At 1 January 2019	352	-	13	403	438	180	-	-	1,386
Additions	-	-	-	37	298	-	-	-	335
Disposals	(3)	-	-	(63)	(247)	-	-	-	(313)
Currency translation differences	-	-	-	2	6	5	-	-	13
At 31 December 2019	**349**	**-**	**13**	**379**	**495**	**185**	**-**	**-**	**1,421**
Additions arising from acquisition of subsidiary (Note 6)	-	136	-	**20**	**-**	**-**	**7,476**	**-**	**7,632**
Additions	**-**	**14**	**-**	**20**	**45**	**-**	**5**	**36**	**120**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Currency translation differences	**-**	**(2)**	**-**	**(2)**	**(2)**	**(4)**	**(224)**	**-**	**(234)**
At 31 December 2020	**349**	**148**	**13**	**417**	**538**	**181**	**7,257**	**36**	**8,939**
Accumulated depreciation									
At 1 January 2019	337	-	13	338	87	9	-	-	784
Depreciation for the year	8	-	-	32	69	23	-	-	132
Disposals	(2)	-	-	(45)	(76)	-	-	-	(123)
Currency translation differences	-	-	-	1	1	1	-	-	3
At 31 December 2019	**343**	**-**	**13**	**326**	**81**	**33**	**-**	**-**	**796**
Depreciation for the year	**6**	**2**	**-**	**32**	**72**	**23**	**177**	**-**	**312**
Disposals	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Currency translation differences	**-**	**-**	**-**	**-**	**-**	**(1)**	**10**	**-**	**9**
At 31 December 2020	**349**	**2**	**13**	**358**	**153**	**55**	**187**	**-**	**1,117**
Accumulated impairment									
At 1 January 2019	-	-	-	-	-	-	-	-	-
Impairment for the year	-	-	-	-	-	8	-	-	8
At 31 January 2019	-	-	-	-	-	8	-	-	8
Impairment for the year	**-**	**-**	**-**	**-**	**-**	**39**	**14**	**-**	**53**
At 31 December 2020	**-**	**-**	**-**	**-**	**-**	**47**	**14**	**-**	**61**
Net book value									
At 31 December 2020	**-**	**146**	**-**	**59**	**385**	**79**	**7,056**	**36**	**7,761**
At 31 December 2019	6	-	-	53	414	144	-	-	617

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

3 Property, plant and equipment (Cont'd)

The Company	Leasehold improvement $'000	Office and other equipment $'000	Motor vehicles $'000	Total $'000
Cost				
At 1 January 2019	351	43	198	592
Additions	-	2	230	232
Disposals	(1)	(4)	-	(5)
Transfer upon strike off of a subsidiary	-	64	-	64
At 31 December 2019 and 31 December 2020	**350**	**105**	**428**	**883**
Accumulated depreciation				
At 1 January 2019	336	30	30	396
Depreciation for the year	7	10	58	75
Disposals	-	(3)	-	(3)
Transfer upon strike off of a subsidiary	-	63	-	63
At 31 December 2019	**343**	**100**	**88**	**531**
Depreciation for the year	**7**	**3**	**62**	**72**
Disposals	**-**	**-**	**-**	**-**
At 31 December 2020	**350**	**103**	**150**	**603**
Net book value				
At 31 December 2020	**-**	**2**	**278**	**280**
At 31 December 2019	7	5	340	352

(1) In 2019, plant and equipment transferred at net book value to the Company from its subsidiary amounted to S$1,000.

(2) There were impairment indicators for the Group's and the Company's property, plant and equipment. Refer to Note 6 for the impairment assessment on property, plant and equipment.

(3) The Group's depreciation of the property, plant and equipment is allocated as follows:

The Group	**2020 $'000**	2019 $'000
Cost of sales	**135**	-
General and administrative expenses	**177**	132
	312	132

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4 Right-of-use assets

The Group	Office premise $'000	Office and other equipment $'000	Heavy equipment $'000	Total $'000
Cost				
Adoption of SFRS(I) 16:				
- Initial recognition	91	46	-	137
At 1 January 2019	91	46	-	137
Additions	-	-	7,561	7,561
Currency translation differences	-	-	50	50
At 31 December 2019	**91**	**46**	**7,611**	**7,748**
Additions	**-**	**84**	**3,922**	**4,006**
Currency translation differences	**-**	**-**	**(158)**	**(158)**
At 31 December 2020	**91**	**130**	**11,375**	**11,596**
Accumulated depreciation				
At 1 January 2019	-	-	-	-
Depreciation for the year	45	7	395	447
Currency translation differences	-	-	2	2
At 31 December 2019	**45**	**7**	**397**	**449**
Depreciation for the year	**46**	**45**	**1,377**	**1,468**
Impairment	**-**	**-**	**1,548**	**1,548**
At 31 December 2020	**91**	**52**	**3,322**	**3,465**
Net book value				
At 31 December 2020	**-**	**78**	**8,053**	**8,131**
At 31 December 2019	46	39	7,214	7,299

The Company	Office premise $'000	Office and Other Equipment $'000	Total $'000
Cost			
Adoption of SFRS(I) 16:			
- Initial recognition	91	46	137
At 1 January 2019	91	46	137
At 31 December 2019 and 31 December 2020	**91**	**46**	**137**
Accumulated depreciation			
At 1 January 2019	-	-	-
Depreciation for the year	45	7	52
At 31 December 2019	**45**	**7**	**52**
Depreciation for the year	**46**	**11**	**57**
At 31 December 2020	**91**	**18**	**109**
Net book value			
At 31 December 2020	**-**	**28**	**28**
At 31 December 2019	46	39	85

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

4 Right-of-use assets (Cont'd)

The Group's depreciation of the right-of-use asset is allocated as follows:

The Group	**2020 $'000**	2019 $'000
Cost of sales	**1,468**	**447**

Information about the Group's leases are disclosed in Note 24.

There were impairment indicators for the Group's and the Company's right-of-use assets. Refer to Note 6 for the impairment assessment on right-of-use assets.

5 Goodwill

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Goodwill arising on consolidation	**-**	-

(a) Goodwill arising on consolidation

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Cost		
Beginning of financial year	**101**	101
Additions arising from acquisition of a subsidiary (Note 6)	**4,854**	-
End of financial year	**4,955**	101
Accumulated impairment		
Beginning of financial year	**(101)**	(101)
Impairment loss (Note 20(b))	**(4,854)**	-
End of financial year	**(4,955)**	(101)
Net book value	**-**	-

Please refer to Note 6 for the impairment assessment of goodwill for the Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investments in subsidiaries

The Company	**31 December 2020 $'000**	31 December 2019 $'000
Unquoted equity investments, at cost		
At beginning of year	**799**	5,451
Strike off (Note B)	**-**	(4,652)
At end of year	**799**	799
Allowance for impairment losses		
At beginning of year	**(599)**	(599)
Impairment loss	**(45)**	-
At end of year	**(644)**	(599)
Carrying amount	**155**	200

Impairment tests for investments in subsidiaries, property, plant and equipment, right-of-use assets and goodwill

For the financial years ended 31 December 2020 and 2019, management of the Group had carried out an impairment assessment over the investments in subsidiaries, property, plant and equipment, right-of-use assets and goodwill and identified certain significant cash generating units ("CGUs") to have indications of possible impairment issues at 31 December 2020 and 2019 as they were loss-making for the past few years and with net cash outflow from operations.

Impairment of property, plant and equipment and right-of-use assets
As at 31 December 2020, the carrying amount of the Group's and the Company's property, plant and equipment amounted to S$7,761,000 (2019 - S$617,000) and S$280,000 (2019 - S$352,000), respectively. As at 31 December 2020, the carrying amount of the Group's and the Company's right-of-use assets amounted to S$8,131,000 (2019 - S$7,299,000) and S$28,000 (2019 - S$85,000), respectively.

For the financial years ended 31 December 2020 and 2019, the Group has identified that there are triggers of impairment for:

- The Indonesia subsidiaries as they were in a net deficit position and with net cash outflow from operations.
- The Company as it was having accumulated losses and incurred losses for the year.

The recoverable amount of the property, plant and equipment and right-of-use assets was based on the higher of fair value less costs to sell and value-in-use.

In the financial year ended 31 December 2020, management had assessed the recoverable amounts of property, plant and equipment and right-of-use assets based on professional external valuer's appraisal values, representing the fair value less costs to sell, which is the higher of fair value less costs to sell and value-in-use. Management had compared the carrying value of the property, plant and equipment and right-of-use assets with the recoverable amounts and had determined an impairment loss of S$53,000 (2019 - S$8,000) and S$1,548,000 (2019 – Nil) on property, plant and equipment and right-of-use assets, respectively, to be recognised in the profit or loss for the financial year ended 31 December 2020.

Impairment of cost of investment in subsidiaries
As at 31 December 2020, the carrying amount of the investment in subsidiaries amounted to S$155,000 (2019 - S$200,000).

The recoverable amount of the cost of investment in subsidiaries was based on the higher of fair value less costs to sell and value-in-use. The fair value less cost to sell is determined based on the fair values of each of the identified assets and liabilities of each subsidiary. The financials of the identified subsidiaries comprised mainly current assets and current liabilities with short term to maturity and approximated their fair values at year end. The non-current assets approximated to their fair values based on market quotes for the vessels, equipment and vehicles from reliable sources in Indonesia.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investments in subsidiaries (Cont'd)

Impairment tests for investments in subsidiaries, property, plant and equipment, right-of-use assets and goodwill (Cont'd)

Impairment of cost of investment in subsidiaries (Cont'd)
The carrying amount of the revalued net assets, which approximated the fair value of the net assets, would be deemed as the recoverable amount of the subsidiaries. Recoverable amount is determined based on the fair value less costs to sell, which is the higher of fair value less costs to sell and value-in-use. Based on management's evaluation, An impairment loss amounted S$45,000 (2019 – Nil) was recognised in profit or loss of the Company, being the shortfall between the carrying amount and the recoverable amount.

Impairment of goodwill
In the financial year ended 31 December 2020, the Group had carried out an impairment assessment over the investment in goodwill to have indications of possible impairment issues at 31 December 2020 as PTMII was loss-making for the past few years and with net cash outflow from operations. Based on the price purchase allocation exercise on PTMII, there was goodwill amounting to S$4,854,000. Management had estimated the recoverable amount of PTMII based on the higher of fair value less cost to sell and value-in-use. The fair value less cost to sell was determined based on the financials of PTMII which comprised mainly cash balances, trade and other receivables and trade and other payables which were current and approximated fair value at year end. Based on the impairment testing, an impairment loss of S$4,854,000 in respect of goodwill was recognised under other operating expenses in profit or loss of the Group for the financial year ended 31 December 2020.

Details of investments in subsidiaries as at 31 December 2020 and 2019 are as follows:

Name	Country of incorporation/ place of business	Attributable to equity Interest of the Group		Principal activities
		2020 %	2019 %	
Held by the Company				
KCL Logistics Pte Ltd [(a)]	Singapore	**100**	100	Investment holding
PSL Maritime Strategic Pte. Ltd. [(a)]	Singapore	**100**	100	Investment holding
PSL Maritime Logistics Holdings Pte. Ltd. [(a)]	Singapore	**100**	100	Logistics provider
PSL Properties Pte Ltd [(a)]	Singapore	**100**	100	Real estate activities with own or leased properties
Held by KCL Logistics Pte Ltd				
PT PSL Commodities Indonesia [(b)]	Indonesia	**99**	99	Investment holding
Held by PT PSL Commodities Indonesia				
PT Indah Perkasa Abadi ("PT IPA") [(c)]	Indonesia	**74.3**	74.3	Construction and infrastructure activities
Held by PSL Maritime Strategic Pte. Ltd.				
PT Jaya Sukses Investasi [(b)]	Indonesia	**99.9**	99.9	Investment holding
Held by PT Jaya Sukses Investasi				
PT Selaras Sukses Selalu [(b)]	Indonesia	**99.99**	99.99	Investment holding

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investments in subsidiaries (Cont'd)

Name	Country of incorporation/ place of business	Attributable to equity Interest of the Group		Principal activities
		2020	2019	
Held by PT Selaras Sukses Selalu		**%**	%	
PT Momentum Indonesia Investama ("PTMII") [(c),(d)]	Indonesia	**100**	-	Engaged in shipping including transport and shipping cargo and rental of vessels

[(a)] Audited by Foo Kon Tan LLP, principal member firm of HLB International in Singapore.
[(b)] Not required to be audited under the laws of the country of incorporation.
[(c)] Audited by HLB Hadori Sugiarto Adi & Rekan.
[(d)] Following management's evaluation and conclusion to consolidate PTMII with effect from 1 July 2020, the investment in PTMII was reclassified from financial assets, at FVOCI to a subsidiary of the Company.

Carrying value of non-controlling interests ("NCI")

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Non-material NCI	**1**	1
PT Indah Perkasa Abadi ("PT IPA")	**(177)**	(321)
	(176)	(320)

Interest in a subsidiary with material non-controlling interest
Summarised financial information of subsidiaries that have a material non-controlling interest (NCI) is set out below. These are presented before inter-company eliminations.

There were no transactions with non-controlling interests for the financial years ended 31 December 2020 and 2019 apart from those disclosed in Note 25.

Summarised balance sheet

31 December 2020

	PT IPA $'000	**Non-material NCI $'000**	**Total $'000**
Current			
Assets	**4,139**	**6,261**	**10,400**
Liabilities	**(8,439)**	**(5,316)**	**(13,755)**
Total net current (liabilities)/assets	**(4,300)**	**945**	**(3,355)**
Non-current			
Assets	**8,701**	**204**	**8,905**
Liabilities	**(5,122)**	**-**	**(5,122)**
Total net non-current assets	**3,579**	**204**	**3,783**
Net (liabilities)/assets	**(721)**	**1,149**	**428**
Net (liabilities)/assets attributable to NCI	**(177)**	**1**	**(176)**

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investments in subsidiaries (Cont'd)

Summarised balance sheet (Cont'd)

31 December 2019

	PT IPA $'000	Non-material NCI $'000	Total $'000
Current			
Assets	5,779	6,403	12,182
Liabilities	(9,800)	(5,437)	(15,237)
Total net current (liabilities)/assets	(4,021)	966	(3,055)
Non-current			
Assets	7,495	204	7,699
Liabilities	(4,769)	-	(4,769)
Total net non-current assets	2,726	204	2,930
Net (liabilities)/assets	(1,295)	1,170	(125)
Net (liabilities)/assets attributable to NCI	(321)	1	(320)

Summarised statement of comprehensive income

31 December 2020

	PTMII $'000	**PT IPA $'000**
Revenue	**818**	**6,052**
Profit before income tax	**(316)**	**692**
Income tax expense	**(10)**	**(147)**
Profit after tax	**(326)**	**545**
Other comprehensive income	**765**	**29**
Total comprehensive income	**439**	**574**
Total comprehensive income allocated to non-controlling interest	**215**	**144**

31 December 2019

	PT IPA $'000
Revenue	1,665
Profit before income tax	222
Income tax expense	(25)
Profit after tax	197
Other comprehensive loss	(40)
Total comprehensive income	157
Total comprehensive income allocated to non-controlling interest	39

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investments in subsidiaries (Cont'd)

Summarised cash flow statement

31 December 2020	**PT IPA $'000**
Cash flows from operations	**3,372**
Interest income	**39**
Income tax refund	**87**
Net cash generated from operating activities	**3,498**
Net cash used in investing activities	**(1,177)**
Net cash used in financing activities	**(1,966)**
Net increase in cash and cash equivalents	**355**

31 December 2019	PT IPA $'000
Cash flows from operations	1,704
Interest paid	(322)
Income tax paid	(619)
Net cash generated from operating activities	763
Net cash used in investing activities	(2,353)
Net cash used in financing activities	(963)
Net decrease in cash and cash equivalents	(2,553)

A. Acquisition of a subsidiary (PTMII)

On 30 June 2020, Mr Sudirman Kurniawan, Mr Angelo Fernandus, PT. Triputra Senamustika (collectively, the "**Sudirman Group**") completed the transfer of 2% of the total issued and paid-up capital of PT MII (the "**2% PT MII Shares**") to Mr Fhifi Alfhian Ronie SH.

For the 2% and 49% of the total issued and paid-up share capital transferred to Fhifi Alfhian Ronie and Melda Veronica, respectively, they are supported by the Power of Attorney to Vote the Shares which are legally enforceable in Indonesia.

On 2 October 2020, Melda Veronica acquired 49% of PTMII from Surdirman Kurniawan, Angelo Fernadus and PT Trpiuta Senamustika for a purchase consideration of US$1.

There is a consolidation of 51% of PTMII from 1 July 2020 and 100% from 1 October 2020.

On 1 July 2020, the Group has completed the purchase price allocation exercise for PTMII and a goodwill of S$4,854,000 was recognised. The amount of S$4,854,000 was fully impaired in the profit or loss for the financial year ended 31 December 2020.

6 Investments in subsidiaries (Cont'd)

A. Acquisition of a subsidiary (Cont'd)

Details of the consideration paid, the assets acquired and liabilities assumed, the non-controlling interest recognised and the effects of the cash flows of the Group, at the acquisition date, are as follows:

(i) Consideration transferred	$'000
Cash paid	-
Settlement of pre-existing rights	5,043
Existing interest in acquire	4,614
Consideration transferred for the business	9,657

(ii) Effect on cash flows of the Group	$'000
Cash paid	-
Add: Cash and cash equivalents in subsidiary acquired	1,452
Cash inflow on acquisition	1,452

(iii) Identifiable assets acquired and liabilities assumed	At fair value $'000
Property, plant and equipment (b)	7,632
Inventories	76
Trade receivables (c)	596
Other receivables (c)	127
Cash and cash equivalents	1,452
Trade and other payables	(402)
Provision for taxation	(24)
Non-current liabilities	(40)
Total identifiable net assets	9,417
Less: Non-controlling interest at fair value (d)	(4,614)
Add: Goodwill (e) (Note 5)	4,854
Consideration transferred for the business	9,657

On 1 July 2020, the Company completed the acquisition of 51% of the rights, title and interest of PTMII and the effective date of control of the subsidiary is on 1 July 2020. The total purchase consideration for the acquisition on is S$9.657 million and the breakdown is as follows:

(a) Acquisition-related costs

The Group incurred acquisition-related costs of $200,000 on legal advice sought for the acquisition of PTMII. These costs have been included in 'professional fees' in the consolidated profit or loss.

(b) Property, plant and equipment

The fair value of the property, plant and equipment acquired of S$7,632,000 has been determined based on valuation report from the independent valuer by using income, market and cost approaches.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investments in subsidiaries (Cont'd)

A. Acquisition of a subsidiary (Cont'd)

(c) Trade and other receivables

Trade and other receivables acquired comprise gross trade and other receivables amounting to S$723,000 which approximated their fair value. It was expected that full contractual amount of the receivables will be collected.

(d) Non-controlling interest

The Group recognised the 49% non-controlling interest based on PTMII's identifiable net assets at its fair value of S$9,417,000 as at the acquisition date.

(e) Goodwill

The goodwill of S$4,854,000 arising from the acquisition of represents the excess of the consideration transferred and the amount of the non-controlling interest in the acquiree over the fair value of the identifiable net assets acquired.

(f) Revenue and profit contribution

The acquired business contributed revenue of S$1,541,000 and net loss of S$2,664,000 to the Group for the financial year ended 31 December 2020.

Assets acquired	**Valuation technique**
Plant and equipment	Fair market value
Inventories	Fair value based on book value

B. Acquisition of non-controlling interests

The following schedule shows the effects of changes in the Group's ownership interest in a subsidiary, PTMII that did not result in change of control, on the equity attributable to owners of the parent.

	2020 $'000
Amount paid on changes in ownership interest in a subsidiary	**-**
Non-controlling interest acquired	**(4,523)**
Difference recognised in capital reserves	**4,523**

Changes in the Group's interest in a subsidiary that do not result in a loss of control were accounted for as transactions with owners in their capacity as owners. During the financial year ended 31 December 2020, the Group acquired the remaining 49% interest in PTMII and recorded an increase in capital reserve of S$4,523,000, representing the difference between the carrying value of the non-controlling interest and the purchase consideration in October 2020.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

6 Investments in subsidiaries (Cont'd)

C. Strike-off of entities

For the financial year ended 31 December 2019, the Company had struck-off 3 subsidiaries. These subsidiaries are consolidated until the date they are struck off and ceased to be subsidiaries of the Company. The gain on disposal of the subsidiaries amounted to S$763,000 at the Company level.

	Gain/(Loss) on strike- off at Company level 2019 $'000
PSL Metal Pte. Ltd.	713
TSL Transport & Engineering Pte. Ltd.	66
PSL Construction Logistics Holdings Pte. Ltd.	(16)
	763

7 Financial assets, at FVOCI

The Group	**2020 $'000**	2019 $'000
Equity instrument designated at fair value through other comprehensive income ("FVOCI")		
At 1 January	-	2
De-recognition of equity instruments at FVOCI upon liquidation of entity	-	(2)
At 31 December	-	-
Fair value of FVOCI	-	-
Presented as:		
Non-Current Assets		
Financial assets, at FVOCI	-	-

Equity instrument designated at fair value through OCI
At 1 January 2018, the Group designated the investments shown below as equity investments as at FVOCI because these equity investments represent investments that the Group intends to hold for long-term investments.

These equity investments are de-recognised upon liquidation of the invested entity, any related balance within the FVOCI reserve was reclassified to retained earnings.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

8 Trade and other receivables

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	**31 December 2020 $'000**	31 December 2019 $'000
Current				
Trade receivables				
- Non-related parties (a)	**2,165**	735	**-**	-
Allowance for impairment losses	**(159)**	(1)	**-**	-
	2,006	734	**-**	-
Contingent consideration on acquisition of PTMII (b)	**2,461**	2,357	**2,461**	2,357
Value-added tax (VAT) recoverable	**717**	889	**2**	1
Sundry receivables	**324**	1,640	**-**	-
Allowance for impairment losses	**(199)**	(184)	**-**	-
	125	1,456	**-**	-
Deposits	**36**	19	**14**	14
	5,345	5,455	**2,477**	2,372
Advance payments to suppliers	**37**	1,304	**-**	-
Prepayments	**166**	155	**15**	19
	5,548	6,914	**2,492**	2,391
Non-Current				
Contingent consideration on acquisition of PTMII (b)	**1,172**	3,699	**1,172**	3,699
	6,720	10,613	**3,664**	6,090

(a) Trade receivables are non-interest bearing and are generally granted 30 to 90 days (2019 - 30 to 90 days) credit term.

(b) As at 31 December 2020, contingent consideration of S$3,633,000 (2019 - S$6,056,000) comprised net profit guarantee from the vendors of PTMII. The vendors of PTMII had provided a guarantee to the Group that PTMII will achieve an aggregate of approximately S$17,300,000 (US$12,245,000). Net Profit after Tax ("NPAT") over a 24-month period following completion date in November 2015. The actual NPAT achieved will be compared against the targeted NPAT. In the event that the targeted NPAT is not achieved, the vendors of PTMII are obliged to compensate the shortfall amount in cash based on the 49% Group's ownership interest in PTMII. Refer to Note 12 for details of the settlement agreement and term sheet entered into in 2020 and 2019.

Movement in contingent considerations on previous acquisition of PTMII are as follows:

The Group and The Company	**31 December 2020 $'000**	31 December 2019 $'000
At 1 January	**6,056**	6,134
Payments received from the vendors of PTMII	**(2,416)**	-
Fair value changes on profit guarantee due from Vendors (Note 18)	**(7)**	(78)
At 31 December	**3,633**	6,056

8 Trade and other receivables (Cont'd)

The Group – Allowance for impairment losses of trade receivables	31 December 2020 $'000	31 December 2019 $'000
As at 1 January	**(1)**	(819)
Increase in loss allowance recognised in profit or loss during the year (Note 20(b))	**(165)**	(1)
Impairment reversed (Note 19)	**1**	20
De-recognition upon liquidation of entities	**-**	799
Write-off during the year	**6**	-
As at 31 December	**(159)**	(1)

The movement in allowance for impairment losses of sundry receivables is as follows:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	**31 December 2020 $'000**	31 December 2019 $'000
Beginning of financial year	**184**	212	**-**	-
De-recognition upon liquidation of entities	**-**	(28)	**-**	-
Consolidation of a subsidiary	**15**	-	**-**	-
End of financial year	**199**	184	**-**	-

9 Deferred tax asset

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	**31 December 2020 $'000**	31 December 2019 $'000
Deferred tax asset	**-**	16	**-**	-

Movement in deferred income tax asset/ (liabilities) is as follows:

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	**31 December 2020 $'000**	31 December 2019 $'000
At beginning of year	**16**	-	**-**	-
Reversal of deferred tax asset (Note 22)	**(16)**	-	**-**	**-**
Tax credited to profit or loss (Note 22)	**-**	16	**-**	-
At end of year	**-**	16	**-**	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

9 Deferred tax asset (Cont'd)

The movement in deferred tax asset and liabilities (prior to offsetting of balances within the same tax jurisdiction) is as follows:

The Group	Unutilised capital allowance $'000	Total $'000
At 1 January 2019	-	-
Tax credited to profit or loss (Note 22)	16	16
At 31 December 2019	**16**	**16**
Reversal of deferred tax asset (Note 22)	**(16)**	**(16)**
At 31 December 2020	**-**	**-**

Deferred taxation is mainly attributable to the tax effect of the temporary differences between the carrying amount and tax written down values of qualifying property, plant and equipment.

10 Inventories

The Group	**2020 $'000**	2019 $'000
Fuel and spare parts	**72**	21

The costs of inventories recognised as an expense and included in "cost of sales" amounted to S$74,830 (2019 - S$64,700) for the financial year ended 31 December 2020.

Inventories have been written down by S$75,000 (2019 - S$2,000) due to obsolete inventories. The write-down is included in 'other operating expenses'.

11 Amounts due from/(to) subsidiaries

The Company	**31 December 2020 $'000**	31 December 2019 $'000
Current		
Amounts due from subsidiaries:		
- non-trade	**1,385**	1,367
Loan due from a subsidiary (PT IPA)	**5,726**	6,183
Allowance for impairment loss	**(3,181)**	(3,181)
	3,930	4,369
Amounts due to subsidiaries:		
- non-trade (Note A)	**(141)**	(150)

Note A: The amounts due to subsidiaries of S$5.4 million as at 31 December 2018 was partially set-off against the carrying value of the cost of investment of the 3 subsidiaries that were struck-off in the financial year ended 31 December 2019.

Trade balances with subsidiaries relate to management fee receivables. Non-trade balances with subsidiaries and loan due from a subsidiary are unsecured, interest-free and repayable on demand.

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FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

11 Amounts due from/(to) subsidiaries (Cont'd)

Impairment of amounts due from PT IPA
For the financial year ended 31 December 2019 and 2020, based on management's assessment, PT IPA did not have sufficient liquid assets to repay the loan and there is no collateral pledged or other security over the loan. Management has adopted a 'repay over time' strategy. Management has prepared an estimation of the future cash flows in respect of the repayment of the amounts due from PT IPA for the purpose of assessing the level of expected credit losses required at year end. Based on the assessment, no impairment is required for the amounts due from PT IPA at the reporting dates.

The Company	**2020 $'000**	2019 $'000
Movements in impairment of amount due from subsidiaries:		
At beginning	**(3,181)**	(3,181)
At end	**(3,181)**	(3,181)

12 Loans due from PTMII

The loans due from PTMII are unsecured and bears interest at 0.25% above the six-month Singapore Interbank Offered Rate.

The Company (2019: The Group and the Company)	**31 December 2020 $'000**	31 December 2019 $'000
Loans receivable	**16,568**	16,582
Repayment of loan and accrued interest from PTMII	**(4,569)**	-
Allowance for impairment	**(4,833)**	(2,569)
Balance at end of year	**7,166**	14,013

The Company	**31 December 2020 $'000**	31 December 2019 $'000
Allowance for impairment		
Balance at beginning of year	**2,569**	**2,602**
Impairment loss	**2,310**	**-**
Effect of translation	**(46)**	**(33)**
Balance at end of year	**4,833**	**2,569**

In 2019, the Company had an intention to enter into a settlement agreement with the Indonesian shareholders of PTMII to resolve all disputes arising out of/or in connection with all the agreements and legal proceedings between the Company and PTMII. The settlement agreement was signed on 19 February 2020. The key details of the settlement agreement are as follows:

Loans receivable (PTMII Vessels)
Based on the settlement agreement, PTMII will repay US$11.5 million (S$15.4 million). This will be settled via the following:

- US$3 million (S$4.0 million) which has been received before the date of the audit report, and
- US$8.5 million (S$11.4 million) will be settled via sales proceeds from the proposed sale of PTMII Vessels.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

12 Loans due from PTMII (Cont'd)

Contingent consideration (Shareholder Vessels)

- US$4.5 million (S$6.1 million) has been recognised in the financial statements as at 31 December 2019. The interest rate for contingent consideration is at 3% per annum. This agreed amount will be repaid over a three-year period and in 36 monthly instalments. The contingent consideration is secured by a pledge in favour of the Company, over the title deeds of Shareholder Vessels. In the event of default on timely payment of any of the instalments of the contingent consideration, the Company is entitled to sell Shareholder Vessels to set-off against the outstanding contingent consideration. As at the date of the audit report, fourteen instalments totalling US$2,220,000 were received.

Management has carried out a year end impairment assessment on the loans due from PTMII and contingent consideration. The proceeds shall be considered as a repayment of the balance of the loans due from PTMII. Based on management's evaluation, the fair values of the PTMII and Shareholder Vessels are higher than the carrying amount of the loans due from PTMII and contingent consideration at the reporting date. Accordingly, no further impairment loss is provided for the financial year ended 31 December 2019.

In the financial year ended 31 December 2020, in respect of the contingent consideration receivable from the Indonesian shareholders of PTMII, legal confirmation was obtained from the legal counsel of the Company. Based on the legal advice, the legal counsel had confirmed on the validity and legal enforceability of the definitive agreements.

In the financial year 31 December 2020, the Company has received US$3 million from PTMII. The remaining loan balance of US$8.5 million is initially supposed to be repaid by PTMII to the Company after the sale of the 5.5 sets of the vessels to PTMIS. However, the vessels were not sold eventually by PTMII. The carrying value of the loan was higher than the net liquid assets of PTMII as at 31 December 2020. Accordingly, the above loan is impaired to the amount of net liquid assets which include the liquidation value of the vessels as at 31 December 2020, amounting to an impairment loss of S$2,310,000 recognised in the profit or loss.

The Company has received instalments totalling US$2.22 million of repayments up to March 2021. As the contingent consideration receivable is secured by a pledge in favour of the Company of the title deeds of Sudirman Vessels. Management assessed that there is no issue in the recoverability of the contingent consideration. In the event of default, the vessels can be sold to repay the outstanding balance. Management also engaged independent expert to issue a valuation report on the vessels owned by Sudirman (previous shareholder of PTMII) as at 31 December 2020 and ascertained that there is no impairment required on the contingent consideration receivable as at 31 December 2020.

13 Cash and cash equivalents

	The Group		The Company	
	31 December 2020 $'000	31 December 2019 $'000	**31 December 2020 $'000**	31 December 2019 $'000
Cash at banks and on hand	**7,767**	1,930	**6,289**	1,019
Fixed deposits with financial institutions	**2,643**	622	**-**	-
	10,410	2,552	**6,289**	1,019

For the purpose of presenting the consolidated statement of cash flows, consolidated cash and cash equivalents comprise the following:

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Cash and cash equivalents per consolidated statement of cash flows	**10,410**	2,552

The interest rate of fixed deposits with financial institutions of the Group is 3.5% per annum (2019 - 6.36% per annum).
The maturity periods for the fixed deposits with financial institutions of the Group is 30 days (2019 - 90 days) from the date of placement.

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14 Share capital

The Group and The Company	31 December 2020	31 December 2019	31 December 2020	31 December 2019
	No. of ordinary shares		**$'000**	$'000
Issued and fully paid with no par value				
Balance at beginning of year and at end of year	**55,686,996**	55,686,996	**35,763**	35,763

The holders of ordinary shares are entitled to receive dividends as and when declared from time to time and are entitled to one vote per share at the meetings of the Company. All shares rank equally with regard to the Company's residual assets.

Currency translation reserve
Currency translation reserve arises from the translation of financial statements of foreign entities whose functional currencies are different from the Group's presentation currency.

Capital reserve
Capital reserve arose from bonus issue of ordinary shares in prior years and are not available for dividend distribution to shareholders. Capital reserve also represented the difference between consideration paid and the adjustment to non-controlling interest arising from changes in Group's interest in a subsidiary that do not result in a loss of control which are accounted for as transaction with owners.

	2020 $'000
Amount paid on changes in ownership interest in a subsidiary	**-**
Non-controlling interest acquired	**4,523**
Difference recognised in capital reserves	**4,523**

Changes in the Group's interest in a subsidiary that do not result in a change of control status were accounted for as transactions with owners in their capacity as owners. During the financial year ended 31 December 2020, the Group acquired the remaining 49% interest in PTMII and recorded an increase in capital reserve of S$4,523,000, representing the difference between the carrying value of the non-controlling interest and the purchase consideration in October 2020.

15 Lease liabilities

	The Group		**The Company**	
	31 December 2020 $'000	31 December 2019 $'000	**31 December 2020 $'000**	31 December 2019 $'000
Undiscounted lease payments due:				
- Year 1	**3,125**	2,219	**11**	59
- Year 2	**3,096**	2,171	**9**	11
- Year 3	**2,390**	2,169	**7**	9
- Year 4	**409**	1,447	**3**	7
- Year 5	**-**	3	**-**	3
	9,020	8,009	**30**	89
Less: Unearned interest cost	**(1,654)**	(1,837)	**(1)**	(3)
Lease liabilities	**7,366**	6,172	**29**	86
Presented as:				
- Non-current	**5,135**	4,798	**19**	29
- Current	**2,231**	1,374	**10**	57
	7,366	6,172	**29**	86

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

15 Lease liabilities (Cont'd)

Interest expense on lease liabilities of S$1,010,000 (2019 - S$318,000) is recognised within "finance expenses" in profit or loss.

Rental expenses not capitalised in lease liabilities but recognised within "general and administrative expenses" in profit or loss are set out below:

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Short-term leases	**6**	7

Total cash outflows for all leases in the year amount to S$2,740,000 (2019 - S$1,892,000).

The Group's lease liabilities are secured by the lessors' title to the leased assets.

Information about the Group's leases are disclosed in Note 24.

Further information about the financial risk management as disclosed in Note 27.

16 Trade and other payables

	The Group		**The Company**	
	31 December 2020 $'000	31 December 2019 $'000	**31 December 2020 $'000**	31 December 2019 $'000
Current				
Trade payables - non-related parties	**105**	122	**-**	-
Other payables				
- non-related parties	**82**	257	**11**	9
Loan owing to third party (former non-controlling shareholder of a subsidiary [(i)]	**-**	2,119	**-**	-
Accrued staff cost	**54**	34	**54**	34
Accrued expenses	**561**	332	**518**	243
Accruals for directors' fee	**14**	30	**14**	30
Total	**816**	2,894	**597**	316

Trade payables to non-related parties are non-interest bearing and are normally settled within 30 to 90 days (2019 - 30 to 90 days).

Note:
(i) These pertain to an interest-free loan from the former non-controlling shareholder of PT IPA. The loan was unsecured and repayable on demand. The full loan was fully repaid as at 31 December 2020.

NOTES TO THE FINANCIAL STATEMENTS

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17 Revenue

The Group derives its revenue from the transfer of goods and services over time and at a point in time in the following major product or service lines. The Group leases out its equipment under operating lease and recognises rental income proportionately over the lease term. The Group also charter its vessels and recognises charter income proportionately over the charter period.

The Group	**2020 $'000**	2019 $'000
Construction logistics:		
- Rental income from leasing of heavy equipment	**6,052**	1,620
- Trading	**-**	45
Marine logistics:		
- Vessel charter income	**1,799**	-
	7,851	1,665

Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by primary geographical markets and timing of revenue recognition. The table also includes a reconciliation of the disaggregated revenue with the Group's reportable segments (see Note 26).

The Group and The Company	**2020 $'000**	2019 $'000
Primary geographical markets		
Singapore	**-**	-
Indonesia	**7,851**	1,665
	7,851	1,665
Timing of revenue recognition		
Over time	**7,851**	1,620
At a point in time	**-**	45
	7,851	1,665

18 Other operating income

The Group	**2020 $'000**	2019 $'000
Interest income from banks	**104**	166
Interest income from PTMII	**93**	316
Government grants	**100**	8
Sundry income	**164**	17
Fair value changes on profit guarantee due from Vendors (Note 8)	**(7)**	(78)
	454	429

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19 Other (losses)/gains – net

The Group	2020 $'000	2019 $'000
Currency exchange (losses)/gains	(65)	105
Loss on disposal of property, plant and equipment	-	(9)
Bad debt reversed (Note 8)	1	20
	(64)	116

20(a) General and administrative expenses

The Group	2020 $'000	2019 $'000
Depreciation of property, plant and equipment	177	132
Repair and maintenance	-	2
Utilities and telecommunication	16	14
Other expenses	2	42
Transportation expenses	5	33
General office expenses	112	109
Directors' remuneration and fees (Note 25.2)		
- fees	130	109
- wages and salaries	343	226
- employer's contributions to defined contribution plan	15	19
Employee compensation (excluding directors)		
- wages and salaries	906	901
- employer's contributions to defined contribution plan	38	63
	1,432	1,318
Commission	-	4
Entertainment and gifts	11	16
Professional fees	923	308
Motor vehicle related expenses	31	41
Rental on operating leases	6	7
Auditor's remuneration paid/payable to:		
- Auditors of the Company	95	103
- Other auditors	24	10
- Non-audit	-	-
Listing expenses	35	21
Expenses incurred for incorporation of Indonesian subsidiaries	25	-
	2,894	2,160

20(b) Other operating expenses

The Group	2020 $'000	2019 $'000
Impairment loss on property, plant and equipment (Note 3)	53	8
Impairment loss on right-of-use assets (Note 4)	1,548	-
Write-down of inventories (Note 10)	75	2
Impairment of trade receivables (Note 8)	165	1
Impairment of goodwill (Note 5)	4,854	-
	6,695	11

21 Finance expenses

The Group	2020 $'000	2019 $'000
Bank charges	**60**	87
Interest expense on lease liabilities	**1,010**	318
	1,070	405

22 Income tax expense

The Group	2020 $'000	2019 $'000
Current taxation		
- local	**5**	-
- foreign	**470**	41
	475	41
Deferred taxation (Note 9)	**16**	(16)
Total taxation	**491**	25

Reconciliation of effective tax rate

The Group	2020 $'000	2019 $'000
Loss before taxation	**(5,637)**	(1,255)
Tax at applicable tax rate	**(958)**	(196)
Tax at different tax rates of subsidiary operating in other jurisdiction	**(156)**	-
Tax effect on non-deductible expenses	**1,373**	264
Tax effect on non-taxable income	**(72)**	(33)
Exempt income	**(16)**	(8)
Tax rebate	**-**	(1)
Current tax losses for which no deferred tax assets has been recognised	**320**	(1)
	491	25

Tax effect on non-deductible expenses relate mainly to depreciation of non-qualifying assets and other disallowed expenses incurred in the ordinary course of business.

As at the end of the reporting period, the Group does not have any unabsorbed tax losses and capital allowances that are available for offset against future taxable profits of those companies

23 Loss per share

The Group	2020	2019
Loss attributable to equity holders of the Company ($'000)	**(6,204)**	(1,329)
Weighted average number of ordinary shares in issue for basic earnings per share	55,686,996	55,686,996
Basic and diluted loss per share (cents)	**(11.14)**	(2.39)

The basic and diluted loss per share is the same as the Group does not have any potentially dilutive shares as at 31 December 2020 and 2019.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

24 Leases

(i) The Group as lessee

(a) Office premise

The Group leases office for operation purposes.

This office is recognised within the Group's right-of-use assets (Note 4).

The Group makes monthly lease payments for the use of office.

There are no externally imposed covenants on this office lease arrangement.

(b) Plant and equipment

The Group makes monthly lease payments for the rental of photocopier for office use.

The Group also rents heavy equipment to generate revenue.

These plant and equipment are recognised as the Group's right-of-use assets (Note 4).

The agreements for heavy equipment allow the Group for subleasing them to third parties.

Information regarding the Group's right-of-use assets and lease liabilities are disclosed in Notes 4 and 15, respectively.

(ii) The Group as intermediate lessor of sublease

The Group acts as an intermediate lessor under arrangements whereby it subleases out certain heavy equipment to third parties for monthly lease payments.

For the sublet heavy equipment, their sublease periods do not form a major part of the remaining head lease terms and accordingly, their subleases are classified as operating lease.

Subleases - classified as operating lease

Rental income of S$6,052,000 (2019 - S$1,620,000) from subleasing the plant and equipment during the year are included within "revenue" in profit or loss.

Undiscounted lease payments from the sublease of the plant and equipment to be received after the reporting date are as follows:

The Group	**2020 $'000**	2019 $'000
Less than one year	**4,461**	3,075
Within two to five years	**2,580**	4,613
	7,041	7,688

25 Significant related party transactions

25.1 Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

25.2 Key management personnel compensations

The fees and remuneration of the directors of the Company, who are the key management personnel of the Group, are as follows:

The Group	**2020** **$'000**	2019 $'000
Key management:		
Directors		
- fees	**130**	109
- wages and salaries	**343**	226
- employer's contributions to defined contribution plan	**15**	19
Other key management		
- wages and salaries	**319**	326
- employer's contributions to defined contribution plan	**19**	28
	826	708

26 Segment information

Management has determined the operating segments based on the reports reviewed by management that are used to make strategic decisions. Management considers the business from a business segment perspective and manages and monitors the business in two main business segments. These are marine logistics and construction logistics (2019 - trading & engineering and construction logistics). Management assesses the performance of the business segments based on sales, segment results, segment assets and segment liabilities.

i. Inter-segment transactions are determined on terms agreed between the parties. The sales from external parties reported to management are measured in a manner consistent with that in the statement of comprehensive income.

ii. Management assesses the performance of the operating segments based on a measure of earnings before interest, tax, depreciation and amortisation ("EBITDA").

iii. The amounts provided to management with respect to total assets are measured in a manner consistent with that of the financial statements. All assets are allocated to reportable segments other than the Group's cash and bank balances.

iv. The amounts provided to management with respect to total liabilities are measured in a manner consistent with that of the financial statements. These liabilities are allocated based on the operations of the segments. All liabilities are allocated to the reportable segments.

v. Corporate comprises the costs of the Group functions not allocated to the two business segments.

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26 Segments information (Cont'd)

	Trading and engineering		Construction logistics		Marine logistics		Corporate		Elimination		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Revenue												
External	**-**	-	**6,052**	1,665	**1,799**	-	**-**	-	**-**	-	**7,851**	1,665
Total revenue	**-**	-	**6,052**	1,665	**1,799**	-	**-**	-	**-**	-	**7,851**	1,665
Segment Results												
Segment (profit) / loss from operations	**-**	(16)	**3,339**	642	**820**	-	**(2,271)**	(1,468)	**-**	-	**1,888**	(842)
Impairment loss on property, plant and equipment	**-**	-	**(39)**	(8)	**(14)**	-	**-**	-	**-**	-	**(53)**	(8)
Impairment loss on right-of-use assets	**-**	-	**(1,548)**	-	**-**	-	**-**	-	**-**	-	**(1,548)**	-
Impairment loss on goodwill							**(4,854)**				**(4,854)**	-
Finance costs											**(1,070)**	(405)
Loss before income tax											**(5,637)**	(1,255)
Income tax expense											**(491)**	(25)
Loss for the year											**(6,128)**	(1,280)
Other information												
Segment assets	**-**	-	**12,519**	13,258	**10,156**	-	**34,121**	38,638	**(23,696)**	(16,775)	**33,100**	35,121
Unallocated assets											**-**	16
Consolidated total assets											**33,100**	35,137
Segment liabilities	**-**	-	**13,210**	14,558	**12,177**	-	**12,626**	12,630	**(29,831)**	(18,122)	**8,182**	9,066
Unallocated liabilities											**359**	12
Consolidated total liabilities											**8,541**	9,078

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26 Segments information (Cont'd)

	Trading and engineering		Construction logistics		Marine logistics		Corporate		Elimination		Total	
	2020	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000	**$'000**	$'000
Acquisition of property, plant and equipment	**-**	-	**115**	103	**5**	-	**-**	232	**-**	-	**120**	335
Depreciation of property, plant and equipment	**-**	2	**57**	55	**183**	-	**72**	75	**-**	-	**312**	132
Depreciation of right-of-use assets	**-**	-	**1,412**	395	**-**	-	**56**	52	**-**	-	**1,468**	447
Impairment loss on property, plant and equipment	**-**	-	**39**	8	**14**	-	**-**	-	**-**	-	**53**	8
Impairment on right-of-use assets	**-**	-	**1,548**	-	**-**	-	**-**	-	**-**	-	**1,548**	-
Write-down of inventories	**-**	-	**-**	2	**75**	-	**-**	-	**-**	-	**75**	2
Impairment on trade receivables	**-**	-	**-**	1	**165**	-	**-**	-	**-**	-	**165**	1
Impairment on goodwill	**-**	-	**-**	-	**-**	-	**4,854**	-	**-**	-	**4,854**	-
Finance costs											**1,070**	405

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

26 Segments information (Cont'd)

Reconciliation of reportable segment revenue, profit or loss, assets and liabilities:

Revenue	**2020 $'000**	2019 $'000
Total revenue for reportable segments	**7,851**	1,665
Consolidated revenue	**7,851**	1,665

Profit or loss before tax	**2020 $'000**	2019 $'000
Total profit/(loss) for reportable segments from operations	**1,888**	(842)
Impairment loss on property, plant and equipment	**(53)**	(8)
Impairment loss on right-of-use assets	**(1,548)**	-
Impairment of goodwill	**(4,854)**	
Finance costs	**(1,070)**	(405)
Consolidated loss before tax	**(5,637)**	(1,255)

Segment assets	**2020 $'000**	2019 $'000
Total assets for reportable segments	**56,796**	51,896
Deferred tax assets	**-**	16
Elimination	**(23,696)**	(16,775)
Consolidated total assets	**33,100**	35,137

Segment liabilities	**2020 $'000**	2019 $'000
Total liabilities for reportable segments	**38,013**	27,188
Current tax liabilities	**359**	12
Elimination	**(29,831)**	(18,122)
Consolidated total liabilities	**8,541**	9,078

Geographical segments
The following table presents revenue and total assets information regarding the Group's geographical segments for the years ended 31 December 2020 and 2019:

	Singapore		**Indonesia**		**Total**	
	2020 $'000	2019 $'000	**2020 $'000**	2019 $'000	**2020 $'000**	2019 $'000
Revenue	**-**	-	**7,851**	1,665	**7,851**	1,665
Total assets	**10,569**	21,877	**22,531**	13,260	**33,100**	35,137

Major customer
Revenues from one customer of the Group's Construction Logistics segment represents approximately S$6.1 million (2019 - S$1.6 million) of the Group's total revenues.

27 Financial risk management objectives and policies

The Company's and the Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise adverse effects from the unpredictability of financial markets on the Company's and the Group's financial performance. The Company and the Group are exposed to financial risks arising from its operations and the use of financial instruments. The key financial risks included interest rate risk, price risk, currency risk, liquidity risk and credit risk.

There has been no change to the Company's and the Group's exposure to these financial risks or the manner in which it manages and measures the risk. Market risk exposures are measured using sensitivity analysis indicated below.

The Group does not hold or issue derivative financial instruments for trading purposes or to hedge against fluctuations, if any, in interest rates and foreign exchange.

The carrying amounts of financial assets and financial liabilities (by categories) at the reporting date are as follows:

	The Group		The Company	
	2020	2019	**2020**	2019
	$'000	$'000	**$'000**	$'000
Financial assets designated at fair value through OCI	**-**	-	**-**	-
Financial assets at amortised cost				
Trade and other receivables*	**5,800**	8,265	**3,647**	6,070
Loans due from PTMII	**-**	14,013	**7,166**	14,013
Cash and cash equivalents	**10,410**	2,552	**6,289**	1,019
Amounts due from subsidiaries	**-**	-	**3,930**	4,369
	16,210	24,830	**21,032**	25,471
Total financial assets	**16,210**	24,830	**21,032**	25,471
Financial liabilities at amortised cost				
Lease liabilities	**7,366**	6,172	**29**	86
Trade and other payables	**816**	2,894	**597**	316
Amounts due to subsidiaries	**-**	-	**141**	150
Total financial liabilities	**8,182**	9,066	**767**	552

* Excludes GST/VAT recoverable, advance payments to suppliers and prepayments.

27.1 Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instruments will fluctuate because of changes in market interest rates.

At the reporting date, the Group and the Company are not exposed to significant interest rate risk since it does not hold any variable rate financial liabilities.

27.2 Market risk

Equity price risk arises from equity investments at FVOCI held for long-term investment. The market value of these investments will fluctuate with market conditions. Management is of opinion that the exposure to market risk associated with these investments is not expected to be significant.

NOTES TO THE FINANCIAL STATEMENTS

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27 Financial risk management objectives and policies (Cont'd)

27.3 Currency risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. Currency risk arises when transactions are denominated in foreign currencies.

The Group is exposed to currency risk on financial assets and financial liabilities that are denominated in a currency other than the respective functional currencies of Group entities. The currencies are primarily the Singapore dollar ("SGD"), United States dollar ("USD") and Indonesia Rupiah ("IDR").

The Group does not use derivative financial instruments to protect against the volatility associated with foreign currency transactions. Exposure to foreign currency risk is monitored on an on-going basis and the Group endeavours to keep the net exposure at an acceptable level.

The Group	**SGD** $'000	**USD** $'000	**IDR** $'000	**Total** $'000
At 31 December 2020				
Financial assets				
Cash and cash equivalents	**359**	**6,132**	**3,919**	**10,410**
Trade and other receivables*	**14**	**3,633**	**2,153**	**5,800**
	373	**9,765**	**6,072**	**16,210**
Financial liabilities				
Trade and other payables	**(630)**	**-**	**(186)**	**(816)**
Lease liabilities	**(29)**	**-**	**(7,337)**	**(7,366)**
	(659)	**-**	**(7,523)**	**(8,182)**
Net financial (liabilities)/assets	**(286)**	**9,765**	**(1,451)**	**8,028**
Net financial liabilities/(assets) denominated in the respective entities' functional Currencies	**280**	**-**	**1,798**	**2,078**
Currency exposure on financial (liabilities)/ Assets	**(6)**	**9,765**	**347**	**10,106**
At 31 December 2019				
Financial assets				
Cash and cash equivalents	232	837	1,483	2,552
Loan due from PTMII	237	13,776	-	14,013
Trade and other receivables*	15	6,056	2,194	8,265
	484	20,669	3,677	24,830
Financial liabilities				
Trade and other payables	(349)	-	(2,545)	(2,894)
Lease liabilities	(86)	-	(6,086)	(6,172)
	(435)	-	(8,631)	(9,066)
Net financial assets/(liabilities)	49	20,669	(4,954)	15,764
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(58)	-	5,022	4,964
Currency exposure on financial (liabilities)/ assets	(9)	20,669	68	20,728

* Excludes GST/VAT recoverable, advance payments to suppliers and prepayments.

27 Financial risk management objectives and policies (Cont'd)

27.3 Currency risk (Cont'd)

The Company	SGD $'000	USD $'000	IDR $'000	Total $'000
At 31 December 2020				
Financial assets				
Cash and cash equivalents	**309**	**5,980**	**-**	**6,289**
Amount due from subsidiaries	**40**	**-**	**3,890**	**3,930**
Loan due from PTMII	**237**	**6,929**	**-**	**7,166**
Trade and other receivables*	**14**	**3,633**	**-**	**3,647**
	600	**16,542**	**3,890**	**21,032**
Financial liabilities				
Trade and other payables	**(597)**	**-**	**-**	**(597)**
Amount due to subsidiaries	**(141)**	**-**	**-**	**(141)**
Lease liabilities	**(29)**	**-**	**-**	**(29)**
	(767)	**-**	**-**	**(767)**
Net financial (liabilities)/assets	**(167)**	**16,542**	**3,890**	**20,265**
Net financial liabilities denominated in the entity's functional currency	**167**	**-**	**-**	**167**
Currency exposure on financial assets	**-**	**16,542**	**3,890**	**20,432**
At 31 December 2019				
Financial assets				
Cash and cash equivalents	182	837	-	1,019
Amount due from subsidiaries	22	-	4,347	4,369
Loan due from PTMII	237	13,776	-	14,013
Trade and other receivables*	15	6,055	-	6,070
	456	20,668	4,347	25,471
Financial liabilities				
Trade and other payables	(316)	-	-	(316)
Amount due to subsidiaries	(150)	-	-	(150)
Lease liabilities	(86)	-	-	(86)
	(552)	-	-	(552)
Net financial (liabilities)/assets	(96)	20,668	4,347	24,919
Net financial liabilities denominated in the entity's functional currency	96	-	-	96
Currency exposure on financial assets	-	20,668	4,347	25,015

* Excludes GST/VAT recoverable, advance payments to suppliers and prepayments.

Sensitivity analysis for foreign currency risk

A 5% strengthening/(weakening) of the above currencies against the respective functional currencies of the operating entities at the reporting date would have increased/(decreased) profit before tax by the amounts shown below. This analysis is based on foreign currency exchange rate variances that the Group considered to be reasonably possible at the end of the reporting period. This analysis has not taken into account the associated tax effects and assumes that all other variables, in particular interest rates, remain constant.

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27 Financial risk management objectives and policies (Cont'd)

27.3 Currency risk (Cont'd)

Sensitivity analysis for foreign currency risk (Cont'd)

The Group	**2020** Loss before tax $'000	**2020** Equity $'000	2019 Loss before tax $'000	2019 Equity $'000
	Increase/(Decrease)		Increase/(Decrease)	
USD against SGD				
- strengthened 5% (2019 - 5%)	**(488)**	**(488)**	(1,033)	(1,033)
- weakened 5% (2019 - 5%)	**488**	**488**	1,033	1,033
IDR against SGD				
- strengthened 5% (2019 - 5%)	**(17)**	**(17)**	(3)	(3)
- weakened 5% (2019 - 5%)	**17**	**17**	3	3

The Company	**2020** Loss before tax $'000	**2020** Equity $'000	2019 Loss before tax $'000	2019 Equity $'000
	Increase/(Decrease)		Increase/(Decrease)	
USD against SGD				
- strengthened 5% (2019 - 5%)	**(827)**	**(827)**	(1,033)	(1,033)
- weakened 5% (2019 - 5%)	**827**	**827**	1,033	1,033
IDR against SGD				
- strengthened 5% (2019 - 5%)	**(195)**	**(195)**	(217)	(217)
- weakened 5% (2019 - 5%)	**195**	**195**	217	217

27.4 Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in raising funds to meet commitments associated with financial instruments that are settled by delivering cash or another financial asset. Liquidity risk may result from an inability to sell a financial asset quickly at close to its fair value.

The Group's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. As part of its overall prudent liquidity management, the Group maintains sufficient level of cash to meet its working capital requirement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 Financial risk management objectives and policies (Cont'd)

27.4 Liquidity risk (Cont'd)

The table below analyses the maturity profile of the Company's and the Group's financial liabilities based on contractual undiscounted cash flows:

	Carrying amount $'000	Contractual undiscounted cash flows: Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Group					
As at 31 December 2020					
Trade and other payables	**816**	**816**	**816**	**-**	**-**
Lease liabilities	**7,366**	**9,020**	**3,125**	**5,895**	**-**
	8,182	**9,836**	**3,941**	**5,895**	**-**

	Carrying Amount $'000	Contractual undiscounted cash flows: Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Group					
As at 31 December 2019					
Trade and other payables	2,894	2,894	2,894	-	-
Lease liabilities	6,172	8,009	2,219	5,790	-
	9,066	10,903	5,113	5,790	-

	Carrying Amount $'000	Contractual undiscounted cash flows: Total $'000	Less than 1 year $'000	Between 2 and 5 years $'000	Over 5 years $'000
The Company					
As at 31 December 2020					
Trade and other payables	597	597	597	-	-
Amount due to subsidiaries	141	141	141	-	-
Lease liabilities	29	30	11	19	-
	767	768	749	19	-
As at 31 December 2019					
Trade and other payables	316	316	316	-	-
Amount due to subsidiaries	150	150	150	-	-
Lease liabilities	86	89	59	30	-
	552	555	525	30	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 Financial risk management objectives and policies (Cont'd)

27.5 Credit risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the Group to incur a financial loss. The Group's exposure to credit risk arises primarily from trade and other receivables. For trade receivables, the Group adopts the policy of dealing only with customers of appropriate credit history. For other financial assets, the Group adopts the policy of dealing only with high credit quality counterparties.

The Group's objective is to seek continual growth while minimising losses incurred due to increased credit risk exposure.

Exposure to credit risk
As the Group and the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

On that basis, below is the information about the credit risk exposure on the Group's trade receivables and the Company's amounts due from subsidiaries using a provision matrix:

		Total gross carrying amount of trade receivables			
The Group	**Average expected loss rate %**	**Non-credit impaired $'000**	**Credit-Impaired $'000**	**Expected credit loss $'000**	**Net Receivables $'000**
At 31 December 2020					
Current (not past due)	**-**	**718**	**-**	**-**	**718**
1-30 days past due	**2.0**	**772**	**16**	**(16)**	**772**
31-60 days past due	**-**	**516**	**1**	**(1)-**	**516**
More than 60 days past due	**100.0**	**-**	**143**	**(143)**	**-**
		2,006	**160**	**(160)**	**2,006**
At 31 December 2019					
Current (not past due)	-	686	-	-	686
1-30 days past due	2.0	48	1	(1)	48
31-60 days past due	-	-	-	-	-
More than 60 days past due	-	-	-	-	-
		734	1	(1)	734

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 Financial risk management objectives and policies (Cont'd)

27.5 Credit risk (Cont'd)

		Total gross carrying amount of amounts due from subsidiaries			
The Company	**Average expected loss rate %**	**Non-credit impaired $'000**	**Credit-Impaired $'000**	**Expected credit loss $'000**	**Net Receivables $'000**
At 31 December 2020					
Current (not past due)	**44.7**	**3,930**	**3,181**	**(3,181)**	**3,930**
1-30 days past due	**-**	**-**	**-**	**-**	**-**
31-60 days past due	**-**	**-**	**-**	**-**	**-**
More than 60 days past due	**-**	**-**	**-**	**-**	**-**
		3,930	**3,181**	**(3,181)**	**3,930**
At 31 December 2019					
Current (not past due)	42.1	4,369	3,181	(3,181)	4,369
1-30 days past due	-	-	-	-	-
31-60 days past due	-	-	-	-	-
More than 60 days past due	-	-	-	-	-
		4,369	3,181	(3,181)	4,369

(1) Trade and other receivables, loans due from PTMII and amounts due from subsidiaries

The Group and the Company apply the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit loss experiences. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified the Gross Domestic Product of Singapore and Indonesia, the countries in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group and the Company apply the 3-stage general approach to determine ECL for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward looking information. At the reporting date, the expected credit loss is assessed to be insignificant.

Financial assets that are neither past due nor impaired
Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired
There is no other class of financial assets that is past due but not impaired except for trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

27 Financial risk management objectives and policies (Cont'd)

27.5 Credit risk (Cont'd)

Cash and cash equivalents

Cash is placed with financial institutions which are regulated and have good credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Contingent consideration and loans due from PTMII

As disclosed in Note 8 and Note 12, management has assessed that the Group and the Company are not exposed to significant credit loss in respect of the contingent consideration and loans due from PTMII.

28 Capital management

The Group's objectives when managing capital are:

(a) To safeguard the Group's abilities to continue as a going concern;
(b) To support the Group's stabilities and growth;
(c) To provide capital for the purpose of strengthening the Group's risk management capabilities; and
(d) To provide an adequate return to shareholders.

The Group actively and regularly review and manage its capital structure to ensure optimal capital structure and shareholder returns, taking into consideration the future capital requirements of the Group and capital efficiency, prevailing and projected profitability, projected operating cash flows, projected capital expenditures and projected strategic investment opportunities. The Group currently does not adopt any formal dividend policy.

The net debt to total capital ratio is calculated as net debt divided by total capital. Net debt is calculated as borrowings plus trade and other payables less cash and bank balances. Total equity is calculated as share capital plus reserves and non-controlling interest. Total capital is calculated as total equity plus net debt.

The net debt to total capital ratio is calculated as follows:

The Group	**31 December 2020 $'000**	31 December 2019 $'000
Net debt	**-#**	6,514
Total equity	**24,735**	26,379
Total capital	**24,735**	32,893
Net debt to total capital ratio	**-**	19.8%

The Group is not subject to any externally imposed capital requirement as at 31 December 2020 and 2019. There were also no changes in the Group's approach to capital management during the financial years ended 31 December 2020 and 2019.

There is no net debt as at 31 December 2020 since the cash and bank balance is greater than the total loans and borrowings.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2020

29 Financial instruments

Fair value measurement

Definition of fair value
SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy
The Group classifies fair value measurement using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

(a) Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the assets or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
(c) Level 3 - Inputs for the assets or liability that are not based on observable market data (unobservable inputs).

Fair value measurement of financial assets and financial liabilities
The following summarises the significant methods and assumption used in estimating fair values of financial instruments of the Group.

Fair value measurement of financial assets and financial liabilities

Non-current financial assets and financial liabilities
The fair values of non-current obligations under lease liabilities are estimated by discounted cash flow analysis, using market borrowing rates for similar instruments as at the reporting date (see Note 15).

Other financial assets and financial liabilities
The carrying amounts of other financial assets and financial liabilities such as trade and other receivables, amounts due from subsidiaries, loans due from PTMII, lease liabilities, amounts due to subsidiaries and trade and other payables, which have a maturity of less than one year approximate their fair value because of the short-term period of maturity.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2021

Class of shares	:	Ordinary Shares
Voting rights	:	One vote per Ordinary Share
No. of issued shares	:	55,686,996
No. of treasury shares	:	Nil
No. of subsidiary holdings	:	Nil

DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS	%	NO. OF SHARES	%
1 – 99	327	17.18	3,747	0.01
100 – 1,000	422	22.18	244,673	0.44
1,001 – 10,000	899	47.24	3,588,158	6.44
10,001 – 1,000,000	245	12.87	16,597,696	29.81
1,000,001 AND ABOVE	10	0.53	35,252,722	63.30
TOTAL	**1,903**	**100.00**	**55,686,996**	**100.00**

SUBSTANTIAL SHAREHOLDER

(As recorded in the Register of Substantial Shareholders as at 18 March 2021)

	DIRECT INTEREST		DEEMED INTEREST	
SUBSTANTIAL SHAREHOLDERS	NUMBER OF SHARES	%[1]	NUMBER OF SHARES	%[1]
ATAN	10,521,650	18.89	–	–
MELDA VERONICA	5,002,500	8.98	–	–
A GUAT	4,176,524	7.50	–	–
EDISON[1]	3,867,292	6.94	124,900	0.22

Note:
(1) Mr Edison's deemed interest arises from Shares held in a nominee account.

STATISTICS OF SHAREHOLDINGS

AS AT 18 MARCH 2021

TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%
1	ATAN	10,521,650	18.89
2	MELDA VERONICA	5,002,500	8.98
3	A GUAT	4,176,524	7.50
4	EDISON	3,867,292	6.94
5	TAN CHEE MENG OR SZE LAY PHENG	2,723,000	4.89
6	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	2,173,367	3.90
7	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,167,205	3.89
8	UOB KAY HIAN PRIVATE LIMITED	1,711,304	3.07
9	TAN SEUNG YUEN @TAN SIANG YUEN	1,590,000	2.86
10	NEO CHENG SOON	1,319,880	2.37
11	SUMAN HADI NEGORO	871,599	1.57
12	PHILLIP SECURITIES PTE LTD	831,820	1.49
13	SEOW EE FUN YVONNE (XIAO YIFAN YVONNE)	773,500	1.39
14	CITIBANK NOMINEES SINGAPORE PTE LTD	728,600	1.31
15	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	642,220	1.15
16	OCBC SECURITIES PRIVATE LIMITED	606,595	1.09
17	ANG BAN TECK	440,000	0.79
18	CHIANG CURRIE	425,000	0.76
19	SURI	370,700	0.67
20	CGS-CIMB SECURITIES (SINGAPORE) PTE. LTD.	349,974	0.63
	TOTAL	**41,292,730**	**74.14**

Percentage of shareholdings in public hands

Based on Shareholders' Statistics and Distribution as at 18 March 2021, approximately 55.02% of the Company's shares are held in the hands of the public and therefore, Rule 723 of the Listing Manual of SGX-ST is complied with.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the annual general meeting (the "**AGM**") of PSL Holdings Limited (the "**Company**") will be held by way of electronic means (via LIVE WEBCAST and/or AUDIO ONLY MEANS) on Thursday, 29 April 2021 at 10.00 a.m. for the following purposes:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements of the Company for the financial year ended 31 December 2020 together with the Directors' Statement and Auditors' Report thereon. **(Resolution 1)**

2. To re-elect the following Directors retiring pursuant to Regulation 89 of the Company's Constitution:

   Mr Kee Siang Hui **(Resolution 2)**
   [See Explanatory Note (i)]

   Mr William Teo Choon Kow, BBM **(Resolution 3)**
   [See Explanatory Note (ii)]

   Ms Leong Ting Ting **(Resolution 4)**
   [See Explanatory Note (iii)]

3. To approve the payment of Directors' fees of S$15,619.00 in addition to the S$114,000.00 approved in the financial year ended 31 December 2020 and S$138,000.00 for the financial year ending 31 December 2021 (FY2020: S$114,000.00). **(Resolution 5)**

   [See Explanatory Note (iv)]

4. To re-appoint Foo Kon Tan LLP, Public Accountants and Chartered Accountants as the Company's Auditors and to authorise the Directors to fix their remuneration. **(Resolution 6)**

AS SPECIAL BUSINESS

To consider and, if thought fit, to pass the following as ordinary resolutions, with or without modifications:

5. Authority to allot and issue shares in the capital of the Company ("**Share(s)**") – Share Issue Mandate **(Resolution 7)**

   "That, pursuant to Section 161 of the Companies Act, Chapter 50 (the "**Act**") and Rule 806 of the Listing Manual (the "**Listing Manual**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), authority be and is hereby given to the Directors of the Company to:

   (A) (i) allot and issue shares in the capital of the Company (whether by way of rights, bonus or otherwise); and/or

NOTICE OF ANNUAL GENERAL MEETING

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require new Shares to be allotted and issued, including but not limited to the creation, allotment and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into Shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(B) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue new Shares in pursuance of any Instrument made or granted by the Directors while this Resolution was in force,

provided that:

(1) the aggregate number of Shares (including Shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and convertible securities to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of Shares and convertible securities to be issued other than on a pro-rata basis to the shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as at the time of passing of this Resolution);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of Shares and convertible securities that may be issued under sub-paragraph (1) above on a pro-rata basis, the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company shall be based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new Shares arising from the conversion or exercise of convertible securities;

(b) new Shares arising from exercising share options or vesting of share awards outstanding or subsisting at the time of the passing of this Resolution, provided the options or awards were granted in compliance with the rules of the Listing Manual of the SGX-ST; and

(c) any subsequent bonus issue, consolidation or subdivision of Shares.

NOTICE OF ANNUAL GENERAL MEETING

(3) in exercising the authority conferred by this resolution, the Company shall comply with the provisions of the Listing Manual for the time being in force (unless such compliance has been waived by the SGX-ST) and the Company's Constitution for the time being in force; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next annual general meeting of the Company or the date by which the next annual general meeting is required by law to be held, whichever is the earlier."

[See Explanatory Note (v)]

6. Authority to grant awards and to allot and issue Shares under the PSL Share Plan ("**PSL PSP**") **(Resolution 8)**

"That pursuant to Section 161 of the Act, the Directors of the Company be and are hereby authorised and empowered to grant awards in accordance with the provisions of the PSL PSP and to allot and issue from time to time such number of fully paid-up Shares in the capital of the Company as may be required to be allotted and issued pursuant to the vesting of awards under the PSL PSP, provided that the aggregate number of Shares available under the PSL PSP, when added to all Shares, options or awards granted under any other share option scheme, share award scheme or share incentive scheme of the Company then in force, shall not exceed 15% of the total number of issued share capital (excluding treasury shares and subsidiary holdings) in the capital of the Company from time to time; and that such authority shall, unless revoked or varied by the Company in a general meeting, continue in force until the conclusion of the next AGM or the date by which the next AGM is required by law to be held, whichever is earlier."

[See Explanatory Note (vi)]

7. To transact any other business that may be transacted at an Annual General Meeting of the Company.

By Order of the Board of Directors
PSL Holdings Limited

Chua Kern
Company Secretary
Singapore, 13 April 2021

NOTICE OF ANNUAL GENERAL MEETING

Explanatory Notes:

(i) Mr Kee Siang Hui will, upon re-election as Director of the Company, remain as an Executive Director. Detailed information on Mr Kee Siang Hui is found in the Company's annual report 2020.

Mr Kee Siang Hui is the spouse of Ms Melda Veronica, a substantial shareholder of the Company.

Save as disclosed above, there is no relationship (including immediate family relationships) between Mr Kee Siang Hui and the other Director(s), the Company, its related corporations, its 10% shareholders or its officers.

(ii) Mr William Teo Choon Kow, BBM, will, upon re-election as a Director of the Company, remain as an Independent Director, the Chairman of the Audit Committee, and a member of the Nominating Committee and Remuneration Committee. The Board of Directors considers Mr William Teo Choon Kow to be independent pursuant to Rule 704(8) of the Listing Rules. Detailed information on Mr William Teo Choon Kow is found in the Company's annual report 2020.

There is no relationship (including immediate family relationships) between Mr William Teo Choon Kow and the other Director(s), the Company, its related corporations, its 10% shareholders or its officers.

(iii) Ms Leong Ting Ting will, upon re-election as a Director of the Company, remain as an Independent Director and a member of the Audit Committee, Nominating Committee and Remuneration Committee. The Board of Directors considers Ms Leong Ting Ting to be independent pursuant to Rule 704(8) of the Listing Rules. Detailed information on Ms Leong Ting Ting is found in the Company's annual report 2020.

There is no relationship (including immediate family relationships) between Ms Leong Ting Ting and the other Director(s), the Company, its related corporations, its 10% shareholders or its officers.

(iv) The shareholders of the Company had approved the payment of Directors' fees of S$114,000.00 for the financial year ended 31 December 2020 at the annual general meeting of the Company held on 29 June 2020. The additional Directors' fees of S$15,619.00 is payable to Mr Fhifi Alfhian Ronie, SH as Non-Executive Chairman and Independent Director of the Company between 7 May 2020 to 31 December 2020.

(v) The ordinary resolution 8 proposed in item 6 above, if passed, will empower the Directors of the Company to issue Shares, make or grant instruments convertible into Shares and to issue Shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company, of which up to 20% may be issued other than on a pro-rata basis to shareholders.

For determining the aggregate number of Shares that may be issued, the total number of issued Shares (excluding treasury shares and subsidiary holdings) will be calculated based on the total number of issued Shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time this ordinary resolution is passed after adjusting for new Shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time when this ordinary resolution is passed and any subsequent bonus issue, consolidation or subdivision of Shares.

(vi) The ordinary resolution 9 proposed in item 7 above, if passed, will empower the Directors to grant awards and allot and issue Shares pursuant to the grant of such awards in accordance with the provisions of the PSL PSP provided that the aggregate number of shares to be issued does not exceed 15% of the total number of issued shares (excluding treasury shares) in the capital of the Company from time to time.

Notes:

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM of the Company to be held on Thursday, 29 April 2021 at 10:00 a.m. (the "**Meeting**") are set out in the Company's announcement dated 13 April 2021 (the "**Announcement**"), which has been uploaded together with this Notice of AGM on SGXNet on the same day. The Announcement may also be accessed at the URL https://conveneagm.com/sg/pslgroup. For the avoidance of doubt, the Announcement is circulated together with and forms part of this Notice of AGM in respect of the Meeting.

   In particular, the Meeting will be held by way of electronic means and a member of the Company will be able to observe the proceedings of the Meeting through a "live" webcast ("**LIVE WEBCAST**") via his/her/its mobile phones, tablets or computers or listen to these proceedings through a "live" audio feed ("**AUDIO ONLY MEANS**") via AGM portal. In order to do so, a member of the Company who wishes to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS must register by 10.00 a.m. on 26 April 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting), at the URL https://conveneagm.com/sg/pslgroup. Following authentication of his/her/its status as members of the Company, authenticated shareholders will receive an email verifying their status by 28 April 2021, and shareholders can log-on using the credential created during the registration process to observe the proceedings of the meeting.

NOTICE OF ANNUAL GENERAL MEETING

A member of the Company who registers to watch the LIVE WEBCAST or listen via the AUDIO ONLY MEANS may also submit questions related to the resolutions to be tabled for approval at the Meeting. To do so, all questions must be submitted by 10.00 a.m. on 26 April 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) by:

(a) email to the Company's Investor Relations team at el.lee@rhtgoc.com. When submitting the questions, please provide the Company with the following details, for verification purposes:

(i) Full name (for individuals)/company name (for corporates) as per CDP/Scrip/CPF/SRS Account records;

(ii) NRIC or Passport Number (for individuals)/Company Registration Number (for corporates);

(iii) Number of shares held;

(iv) The manner in which you hold shares in the Company (e.g. via CDP, Scrip, CPF or SRS);

(v) Address;

(vi) Contact Number; and

(vii) Email Address

OR

(b) digital submission at the URL https://conveneagm.com/sg/pslgroup.

2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the Meeting in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the Meeting, he/she/it must appoint the Chairman of the Meeting as his/her/its proxy to vote on his/her/its behalf at the Meeting. In appointing the Chairman of the Meeting as proxy, a member of the Company (whether individual or corporate and including a Relevant Intermediary*) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

3. The Chairman of the Meeting, as proxy, need not be a member of the Company.

4. The instrument appointing the Chairman of the Meeting as proxy, together with the power of attorney or other authority under which it is signed (if applicable) or a notarial certified copy thereof, must:

(a) if sent personally or by post, be lodged at the registered office of the Company at 37 Jalan Pemimpin #07-16 Mapex, Singapore 577177;

or

(b) if submitted by email, be received by the Company at angeline.yap@pslgroup.com.sg

in either case, by 10.00 a.m. on 26 April 2021 (being not less than seventy-two (72) hours before the time appointed for holding the Meeting) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

5. For investors who hold shares under Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**") and who wish to exercise their votes by appointing the Chairman of the Meeting as proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their voting instructions at least seven (7) working days prior to the date of the AGM.

6. The instrument appointing the Chairman of the Meeting as proxy must be under the hand of the appointor or on his/her attorney duly authorised in writing. Where the instrument appointing the Chairman of the Meeting as proxy is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer, failing which the instrument of proxy may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its director or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act.

NOTICE OF ANNUAL GENERAL MEETING

* A Relevant Intermediary is:

(a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

(b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

(c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

Personal Data Privacy:

By (a) submitting an instrument appointing the Chairman of the Meeting as proxy to vote at the Meeting and/or any adjournment thereof, or (b) submitting details for the registration to observe the proceedings of the Meeting via LIVE WEBCAST or AUDIO ONLY MEANS, or (c) submitting any question prior to the Meeting in accordance with this Notice of AGM, a member of the Company consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the following purposes:

(i) processing and administration by the Company (or its agents) of proxy forms appointing the Chairman of the Meeting as proxy for the Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof);

(ii) processing of the registration for purpose of granting access to members (or their corporate representatives in the case of members which are legal entities) to the LIVE WEBCAST or AUDIO ONLY MEANS to observe the proceedings of the Meeting and providing them with any technical assistance where necessary;

(iii) addressing relevant and substantial questions from members received before the Meeting and if necessary, following up with the relevant members in relation to such questions;

(iv) preparation and compilation of the attendance list, proxy lists, minutes and other documents relating to the Meeting (including any adjournment thereof); and

(v) enabling the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines by the relevant authorities.

Photographic, sound and/or video recordings of the Meeting may be made by the Company for record keeping and to ensure the accuracy of the minutes prepared of the Meeting. Accordingly, the personal data of a member of the Company (such as his name, his presence at the Meeting and any questions he may raise or motions he propose/second) may be recorded by the Company for such purpose.

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PSL HOLDINGS LIMITED
Company Registration No. 199707022K

PROXY FORM

(Please see notes overleaf before completing this Form)

This proxy form has been made available on SGXNet and may be accessed at the URL https://conveneagm.com/sg/pslgroup. A printed copy of this proxy form will NOT be despatched to members of the Company.

IMPORTANT

1. Alternative arrangements relating to, among others, attendance, submission of questions in advance and/or voting by proxy at the AGM (as defined herein) are set out in the Company's announcement dated 13 April 2021 (the "**Announcement**"), which has been uploaded together with the updated Notice of AGM dated 13 April 2021 on SGXNet on the same day. The Announcement may also be accessed at the URL https://conveneagm.com/sg/pslgroup. For the avoidance of doubt, the Announcement is circulated together with and forms part of the Notice of AGM dated 13 April 2021 in respect of the AGM.
2. A member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to attend, speak and vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.
3. Please read the notes to this proxy form.

*I/We ______________________________ (Name) ____________________ (NRIC/Passport No.)

of ____ (Address)
being a *member/members of **PSL Holdings Limited** (the "**Company**"), hereby appoints the Chairman of the annual general meeting of the Company (the "**AGM**"), as *my/our proxy to vote for *me/us on *my/our behalf at the AGM to be held by way of electronic means on Thursday, 29 April 2021 at 10:00 a.m. and at any adjournment thereof. *I/We direct the Chairman of the AGM to vote for or against, or abstain from voting on the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the AGM and at any adjournment thereof, the appointment of the Chairman of the AGM as *my/our proxy will be treated as invalid.

All resolutions put to vote at the AGM shall be decided by way of poll.

If you wish to exercise all your votes "For" or "Against", or "Abstain" the relevant Resolutions, please mark an "X" in the appropriate box provided. Alternatively, please indicate the number of votes "For" or "Against", or "Abstain" each Resolution in the boxes provided as appropriate. If you mark an "X" in the abstain box for a particular Resolution, you are directing your proxy, who is the Chairman of the AGM, not to vote on that Resolution.

		By way of poll		
No.	**Resolutions relating to:**	**For**	**Against**	**Abstain**
1.	Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2020			
2.	Re-election of Mr Kee Siang Hui as Director of the Company			
3.	Re-election of Mr William Teo Choon Kow, BBM as Director of the Company			
4.	Re-election of Ms Leong Ting Ting as Director of the Company			
5.	Approval of the payment of Directors' fees of S$15,619.00 in addition to the S$114,000.00 approved in the financial year ended 31 December 2020 and S$138,000.00 for the financial year ending 31 December 2021			
6.	Re-appointment of Foo Kon Tan LLP, Public Accountants and Chartered Accountants as the Auditors of the Company and to authorise the Directors to fix their remuneration			
7.	Authority to allot and issue new shares			
8.	Authority to grant awards, allot and issue shares under the PSL Performance Share Plan			

Dated this ________ day of ____________________ 2021

Total Number of Shares Held

____
Signature of Shareholder(s) and,
Common Seal of Corporate Shareholder

** Delete as appropriate*

IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM

NOTES TO PROXY FORM:

1. Please insert the total number of shares in the capital of the Company ("**Shares**") held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act (Cap. 289) of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members of the Company, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing the Chairman of the AGM as proxy shall be deemed to relate to all the Shares held by you.

2. Due to the current COVID-19 restriction orders in Singapore, a member of the Company will not be able to attend the AGM in person. If a member of the Company (whether individual or corporate and including a Relevant Intermediary*) wishes to exercise his/her/its voting rights at the AGM, he/she/it must appoint the Chairman of the AGM as his/her/its proxy to vote on his/her/its behalf at the AGM. In appointing the Chairman of the AGM as proxy, a member of the Company (whether individual or corporate) must give specific instructions as to voting, or abstentions from voting, in the form of proxy, failing which the appointment will be treated as invalid.

3. This instrument appointing the Chairman of the AGM as proxy must:

   (a) if sent personally or by post, be lodged at the registered office of the Company at 37 Jalan Pemimpin #07-16 Mapex, Singapore 577177;

   or

   (b) if submitted by email, be received by the Company at angeline.yap@pslgroup.com.sg,

   in either case, by 10.00 a.m. on 26 April 2021 (being not less than seventy-two (72) hours before the time appointed for holding the AGM) (or at any adjournment thereof) and in default the instrument of proxy shall not be treated as valid.

   In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for members of the Company to submit completed proxy forms by post, members of the Company are strongly encouraged to submit completed proxy forms electronically via email.

4. This proxy form must be under the hand of the appointor or of his/her/its attorney duly authorised in writing.

   (i) Where this proxy form is executed by a corporation, it must be executed either under its common seal (or otherwise in accordance with its constitution) or under the hand of an officer or attorney duly authorised.

   (ii) Where this proxy form is executed by an attorney on behalf of the appointor, the letter or the power of attorney or a duly certified true copy thereof must be lodged with this proxy form, failing which the instrument of proxy may be treated as invalid.

5. A corporation which is a member of the Company may authorise, by resolution of its directors or other governing body, such person as it thinks fit to act as its representative at the AGM, in accordance with Section 179 of the Companies Act (Cap. 50) of Singapore, the person so authorised shall upon production of a copy of such resolution certified by a director of the corporation to be a true copy, be entitled to exercise the powers on behalf of the corporation so represented as the corporation could exercise in person if it were an individual.

6. For investors who hold Shares under the Central Provident Fund Investment Scheme ("**CPF Investors**") and/or the Supplementary Retirement Scheme ("**SRS Investors**"), this proxy form is not valid for their use and shall be ineffective for all intents and purposes if used or purported to be used by them. CPF Investors and/or SRS Investors who wish to appoint the Chairman of the AGM to act as their proxy should approach their respective CPF Agent Banks and/or SRS Operators to submit their votes at least seven (7) working days before the AGM.

   * A Relevant Intermediary is:

   (a) a banking corporation licensed under the Banking Act (Cap. 19) or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity; or

   (b) a person holding a capital markets services licence to provide custodial services for securities under the Securities and Futures Act (Cap. 289) and who holds shares in that capacity; or

   (c) the Central Provident Fund Board established by the Central Provident Fund Act (Cap. 36), in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

General:

The Company shall be entitled to reject this proxy form if it is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in this proxy form. In addition, in the case of Shares entered in the Depository Register, the Company may reject any proxy form lodged if the member, being the appointor, is not shown to have Shares entered against his/her/its name in the Depository Register as at seventy-two (72) hours before the time appointed for holding the AGM (or at any adjournment thereof), as certified by The Central Depository (Pte) Limited to the Company.

Personal Data Privacy:

By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the updated Notice of AGM dated 13 April 2021.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr Fhifi Alfhian Ronie, SH
(Non-Executive Independent Chairman)

Mr Richard Kennedy Melati
(Executive Director)

Mr Kee Siang Hui
(Executive Director)

Ms Ng Yoke Chan
(Non-Executive Non-Independent Director)

Mr William Teo Choon Kow
(Independent Director)

Mr Kevin Wong Wei Boon
(Independent Director)

Ms Leong Ting Ting
(Independent Director)

AUDIT COMMITTEE

Mr William Teo Choon Kow
(Chairman)

Mr Kevin Wong Wei Boon

Mr Fhifi Alfhian Ronie, SH

Ms Leong Ting Ting

REMUNERATION COMMITTEE

Mr Fhifi Alfhian Ronie, SH
(Chairman)

Mr William Teo Choon Kow

Mr Kevin Wong Wei Boon

Ms Leong Ting Ting

NOMINATING COMMITTEE

Mr Kevin Wong Wei Boon
(Chairman)

Mr William Teo Choon Kow

Mr Fhifi Alfhian Ronie, SH

Ms Leong Ting Ting

REGISTERED OFFICE

37 Jalan Pemimpin
#07-16 Mapex
Singapore 577177
Tel : 6363 7622
Fax : 6363 7522
Co. Reg. No. 199707022K

AUDITORS

Foo Kon Tan LLP
Chartered Accountants
24 Raffles Place
#07-03 Clifford Centre
Singapore 048621

Audit Partner:
Ang Soh Mui
(Since financial year ended 31 December 2018)

COMPANY SECRETARY

Mr Chua Kern

SHARE REGISTRAR

In.Corp Corporate Services Pte. Ltd.
(formerly known as RHT Corporate Advisory Pte. Ltd.)
30 Cecil Street
#19-08 Prudential Tower
Singapore 049712

PSL HOLDINGS LIMITED

37 Jalan Pemimpin #07-16
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