

DIFFERENCE BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2015

The Board of Directors (the “**Board**”) of PSL Holdings Limited (the “**Company**”) and together with its subsidiaries (the “**Group**”) refers to the unaudited full year financial results announcements for the financial year ended 31 December 2015 (“**FY2015**”) released via the SGXNet on 26 February 2016 (the “**Unaudited Financial Statements**”). Further reference is made to the Audited Financial Statements of the Company for FY2015 (the “**Audited Financial Statements**”) which will be provided to shareholders and the SGX-ST in due course.

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain adjustments made by the Company to the Consolidated Statement of Comprehensive Income, Balance Sheets (Group and Company) and Consolidated Statement of Cash Flows in the Audited Financial Statements compared to what was disclosed in the Unaudited Financial Statements. The adjustments were made following the finalisation of the audit and a summary of the adjustments is set out below.

Statement of profit or loss and other comprehensive income

	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	Note
Revenue	7,994	7,994	-	-
Cost of sales	(7,228)	(7,256)	(28)	a
Gross profit	766	738		
Other operating income	1,255	-	(1,255)	b
Other income	-	343	343	b
Other gains	-	811	811	b
Selling and distribution expenses	(51)	(51)	-	-
General and administrative expenses	(3,131)	(3,083)	48	c
Finance costs	(78)	(111)	(33)	d
Other operating expenses	(217)	(103)	114	e
Loss before income tax	(1,456)	(1,456)		
Income tax expense	(3)	(3)	-	-
Loss for the financial year	(1,459)	(1,459)	-	f
Other comprehensive income				
Currency translation differences arising from consolidation	141	(212)	(353)	g
Total comprehensive income for the financial year	(1,318)	(1,671)		
Loss for the financial year attributed to:				
- Equity holders of the Company	(1,301)	(1,301)	-	-
- Non-controlling interests	(158)	(158)	-	-
	(1,459)	(1,459)		

	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	Note
Total comprehensive income for the financial year attributed to:				
- Equity holders of the Company	(1,232)	(1,406)	(174)	h
- Non-controlling interests	(86)	(265)	(179)	h
	<u>(1,318)</u>	<u>(1,671)</u>		

Notes:-

- (a) Reclassification of amortisation expense on intangible assets to cost of sales.
- (b) Segregation of other operating income into other income and other gains and reclassification of write back of allowance for impairment on trade receivables to general and administrative expenses.
- (c) Reclassification of write back of allowance for impairment on trade receivables and allowance for impairment on trade and other receivables to general and administrative expenses.
- (d) The increase in finance costs was due to reclassification of amortisation cost on loans received from other operating expenses.
- (e) As a result of and as explained under Notes (a) to (d).
- (f) The reclassifications did not result in any impact on the earnings per share of the Group for FY2015.
- (g) Due to the finalisation of the purchase price allocation report in March 2016, there were changes made to currency translation. For further details, please refer to Note (k).
- (h) As a result of and as explained in Note (g), increase in loss attributable to equity holders of the Company and non-controlling interests.

Balance Sheets (Group and Company)

	Group			Company			
	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	Note
ASSETS							
Current assets							
Trade and other receivables	5,098	3,690	(1,408)	10	10	-	i
Inventories	177	177	-	-	-	-	
Amounts due from subsidiaries	-	-	-	18,620	6,677	(11,943)	j
Cash and cash equivalents	12,385	12,385	-	3,452	3,452	-	
Total current assets	<u>17,660</u>	<u>16,252</u>		<u>22,082</u>	<u>10,139</u>		
Non-current assets							
Property, plant and equipment	62,066	61,712	(354)	-	-	-	k
Intangible assets	4,174	4,982	808	-	-	-	k
Investment in subsidiaries	-	-	-	20,164	20,164	-	
Available-for-sale financial assets	15	15	-	-	-	-	
Amounts due from subsidiaries	-	-	-	-	11,943	11,943	j
Other receivables	20	1,428	1,408	-	-	-	i
Total non-current assets	<u>66,275</u>	<u>68,137</u>		<u>20,164</u>	<u>32,107</u>		
Total assets	<u>83,935</u>	<u>84,389</u>		<u>42,246</u>	<u>42,246</u>		

	Group			Company			Note
	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	
LIABILITIES							
Current liabilities							
Trade and other payables	12,273	12,273	-	337	337	-	
Amounts due to subsidiaries	-	-	-	1,067	1,067	-	
Finance lease liabilities	428	428	-	-	-	-	
Current income tax liabilities	120	120	-	-	-	-	
Total current liabilities	12,821	12,821		1,404	1,404		
Non-current liabilities							
Other payables	10,516	10,520	4	-	-	-	l
Finance lease liabilities	482	482	-	-	-	-	
Post-employment benefits obligation	4	-	(4)	-	-	-	l
Deferred income tax liabilities	3,272	3,272	-	-	-	-	
Total non-current liabilities	14,274	14,274		-	-		
Total liabilities	27,095	27,095		1,404	1,404		
NET ASSETS	56,840	57,294		40,842	40,842		
EQUITY							
Capital and reserves attributable to equity holders of the Company							
Share capital	29,575	29,575	-	29,575	29,575	-	
Currency translation reserve	69	(105)	(174)	-	-	-	k
Retained earnings	15,513	15,513	-	11,267	11,267	-	
Capital reserve	182	182	-	-	-	-	
	45,339	45,165		40,842	40,842		
Non-controlling interests	11,501	12,129	628	-	-	-	k
Total equity	56,840	57,294		40,842	40,842		

Notes:-

- (i) The difference was due to reclassification of the contingent consideration from current assets to non-current assets.
- (j) The difference was due to reclassification between current and non-current amount owing by subsidiaries.
- (k) Due to the finalisation of the purchase price allocation report in March 2016, there were changes made to property, plant and equipment, intangible assets and currency translation. As a result, the Group recorded a change of S\$174,000 and S\$628,000 attributable to equity holders of the Company and non-controlling interests, respectively.
- (l) Reclassification of post-employment benefits obligation to trade and other payables due to the amount being immaterial.

Statement of cash flows

Variances due to reclassification of accounts are as follows:

	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Change S\$'000	Note
Net cash used in operating activities	(2,535)	(2,535)	-	
Net cash used in investing activities	(2,171)	(2,650)	(479)	m
Net cash used in financing activities	(16,824)	(16,345)	479	m
Cash and cash equivalents at end of financial year	<u>11,155</u>	<u>11,217</u>	62	n

Notes:-

- (m) Reclassification of short-term deposits pledged from investing activities to financing activities.
- (n) Increase due to presentation on effect of currency translation on cash and cash equivalents.

BY ORDER OF THE BOARD

Mark Zhou You Chuan
Chief Executive Officer and Executive Director

28 March 2016