PSL HOLDINGS LIMITED
Company Registration Number: 199707022K
(Incorporated in the Republic of Singapore)

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 2014

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

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

	3 Months Ended 31 March		
	2014 $'000	(Represented) 2013 $'000	Increase (Decrease) %
Continuing operation:			
Revenue	3,175	3,339	(4.9)
Cost of sales	(1,792)	(1,661)	7.9
Gross profit	1,383	1,678	(17.6)
Other operating income	166	133	24.8
Selling and distribution expenses	(278)	(273)	1.8
General and administrative expenses	(1,608)	(1,161)	38.5
Finance costs	(20)	(20)	-
(Loss)/Profit before income tax from continuing operations	(357)	357	n.m
Income tax expenses	-	(37)	(100.0)
(Loss)/Profit from continuing operations, net of income tax	(357)	320	n.m
Discontinued operation:			
Loss from discontinued operation, net of income tax	-	(1,228)	(100.0)
Total comprehensive loss for the period	(357)	(908)	
Total comprehensive profit/(loss) attributable to:			
- Owners of the Company	(387)	(971)	(60.1)
- Non-controlling interests	30	63	(52.4)
	(357)	(908)	
Profit/(Loss) attributable to equity holders of the Company related to:			
- Continuing operation	(387)	257	n.m
- Discontinued operation	-	(1,228)	100.0
	(387)	(971)	

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

	3 Months Ended 31 March		
	2014 $'000	(Represented) 2013 $'000	Increase (Decrease) %
Note 1: (Loss)/Profit before income tax			
Continuing Operation:			
Changes in fair value of financial assets at fair value through profit or loss	(28)	2	n.m
Depreciation included in:			
- cost of sales	90	63	42.9
- general and administrative expenses	52	37	40.5
Dividend income	1	-	n.m
Foreign exchange gain	5	26	(80.8)
Interest income	40	22	81.8
Write back of allowance for doubtful debts	-	44	(100.0)
Discontinued Operation:			
Depreciation included in:			
- cost of sales	-	138	(100.0)
- general and administrative expenses	-	261	(100.0)
Plant and equipment written off	-	17	(100.0)

n.m = Not meaningful

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

	Group		Company	
	As at 31 March 2014	As at 31 December 2013 (unaudited)	As at 31 March 2014	As at 31 December 2013 (unaudited)
	$'000	$'000	$'000	$'000
ASSETS				
Non-current assets				
Plant and equipment	2,691	2,617	-	-
Investment in subsidiaries	-	-	3,892	3,892
Total non-current assets	2,691	2,617	3,892	3,892
Current assets				
Financial assets at fair value through profit or loss	116	144	-	-
Trade receivables	3,705	4,027	-	-
Other receivables	7,256	7,358	5,865	5,877
Inventories	1,095	1,095	-	-
Due from subsidiaries	-	-	5,273	7,950
Cash & bank balances	41,760	42,850	32,580	30,381
Total current assets	53,932	55,474	43,718	44,208
Total Assets	56,623	58,091	47,610	48,100
EQUITY AND LIABILITIES				
Equity attributable to owners of the Company				
Share capital	29,575	29,575	29,575	29,575
Retained earnings	22,542	22,929	16,595	16,869
Capital reserve	182	182	-	-
	52,299	52,686	46,170	46,444
Non-controlling interests	461	431	-	-
Total equity	52,760	53,117	46,170	46,444
Non-current liabilities				
Finance lease liabilities	1,022	1,087	-	-
Deferred income tax liabilities	45	45	-	-
Total non-current liabilities	1,067	1,132	-	-
Current liabilities				
Trade payables	739	603	-	-
Other payables and accruals	1,253	2,473	495	711
Due to subsidiaries	-	-	923	923
Finance lease liabilities	588	571	-	-
Current income tax liabilities	216	195	22	22
Total current liabilities	2,796	3,842	1,440	1,656
Total Liabilities	3,863	4,974	1,440	1,656
Total Equity and Liabilities	56,623	58,091	47,610	48,100

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

	Group			
	As at 31 March 2014		31 December 2013	
	Secured	Unsecured	Secured	Unsecured
	$'000	$'000	$'000	$'000
Amount repayable in one year or less, or on demand	588	-	571	-
Amount repayable after one year	1,022	-	1,087	-

Details of any collateral

Charge on motor vehicles for finance lease liabilities of subsidiaries.

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

	Group For the period ended 31 March	
	2014 $'000	2013 $'000
Cash flows from operating activities		
Loss before tax	(357)	(871)
Adjustments for:		
Depreciation of plant and equipment	142	499
Changes in fair value of financial assets at fair value through profit or loss	28	(2)
Dividend income	(1)	-
Plant and equipment written off	-	17
Write back of allowance for doubtful debts	-	(44)
Interest income	(40)	(22)
Interest expense	20	55
Operating cash flow before changes in working capital	(208)	(368)
(Increase) in due from customers on construction contracts	-	(802)
Decrease in inventories	-	23
Decrease in trade and other receivables	424	8,928
(Decrease) in trade and other payables	(1,084)	(4,114)
Cash (used in)/generated from operations	(868)	3,667
Interest paid	(20)	(55)
Interest received	40	22
Income tax refund	21	36
Net cash (used in)/generated from operating activities	(827)	3,670
Cash flows from investing activities		
Dividend received	1	-
Purchase of plant and equipment	(95)	-
Increase in short-term deposits pledged	(11)	(527)
Net cash used in investing activities	(105)	(527)
Cash flows from financing activities		
Proceeds from borrowings	-	450
Repayment of borrowings	-	(117)
Repayment of finance lease liabilities	(169)	(530)
Net cash used in financing activities	(169)	(197)
Net (decrease)/increase in cash and cash equivalents	(1,101)	2,946
Cash and cash equivalents at beginning of the financial period	41,170	27,008
Cash and cash equivalents at end of the period	40,069	29,954
Cash and cash equivalents		
Short term deposits	27,081	21,432
Cash and bank balances	14,679	11,441
Total cash and bank balances	41,760	32,873
Less: Short term deposits pledged	(1,691)	(2,919)
Cash and cash equivalents at end of the period	40,069	29,954

During the financial year, the Group acquired plant and equipment with an aggregate cost of $216,000 (2013: $Nil) of which $121,000 (2013: $Nil) was acquired under finance leases. A cash payment of $95,000 (2013: $Nil) was made to purchase plant and equipment.

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

GROUP	Share capital $'000	Retained earnings $'000	Capital reserve $'000	Total $'000	Non-controlling interests $'000	Total $'000
Balance as at 1 January 2014	29,575	22,929	182	52,686	431	53,117
Net loss for the period	-	(387)	-	(387)	30	(357)
Balance as at 31 March 2014	29,575	22,542	182	52,299	461	52,760
Balance as at 1 January 2013	29,575	20,994	182	50,751	243	50,994
Net loss for the period	-	(971)	-	(971)	63	(908)
Balance as at 31 March 2013	29,575	20,023	182	49,780	306	50,086
COMPANY						
Balance as at 1 January 2014	29,575	17,079	-	46,654	-	46,654
Net loss for the period	-	(484)	-	(484)	-	(484)
Balance as at 31 March 2014	29,575	16,595	-	46,170		46,170
Balance as at 1 January 2013	29,575	16,798	-	46,373	-	46,373
Net loss for the period	-	(84)	-	(84)	-	(84)
Balance as at 31 March 2013	29,575	16,714	-	46,289		46,289

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

On 28 March 2012, the Company undertook a renounceable and non-underwritten rights issue of up to 77,343,707 new ordinary shares in the capital of the Company at an issue price of $0.10 for each rights share with up to 77,343,707 free detachable warrants, each warrant carrying the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of $0.34 for each new share, on the basis of 1 rights share with 1 warrant for every 4 existing ordinary shares held in the capital of the Company. The rights shares were listed for quotation on the Official List of SGX-ST and traded on 24 April 2012. The warrants were listed for quotation on the Official List of SGX-ST and traded on 25 April 2012.

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

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

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

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

As at 31 March 2014, there were no treasury shares outstanding.

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

Not applicable.

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

The figures have not been audited or reviewed.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period as those used in the most recent audited financial statements.

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

The Group has considered all the new and revised relevant Singapore Financial Reporting Standards (FRS) and Interpretation to FRS ("INT FRSs") which were issued by the Accounting Standards Council.

The adoption of the all new and revised relevant FRSs and INT FRSs had no material impact on the Group.

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

	3 Months Ended 31 March	
	2014	(Restated) 2013
Profit/(Loss) per share		
(i) Based on weighted average number of ordinary shares on issue (cents)		
From continuing operations	(0.10)	0.07
From discontinued operations	-	(0.32)
(ii) On a fully diluted basis (cents) *		
From continuing operations	(0.10)	0.07
From discontinued operations	-	(0.32)
Number of ordinary shares	386,721,035	386,721,035

[+] *No potential diluted ordinary shares as the warrants is anti-dilutive.*

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

(a) current period reported on; and

(b) immediately preceding financial year.

	As at 31 March 2014	As at 31 December 2013
GROUP		
Net asset value per ordinary shares (cents)	13.52	13.62
COMPANY		
Net asset value per ordinary shares (cents)	11.94	12.01
Number of issued shares as at end of the year/period	386,721,035	386,721,035

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

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Financial Performance

Revenue decreased by $0.1 million or 4.9% from $3.3 million in 1Q2013 to $3.2 million in 1Q2014 due mainly to lower revenue from its subsidiary, Resource Hardware & Trading Pte Ltd, resulting from stiffer competition.

Decrease in gross profit was in line with the decrease in revenue. Gross profit margin decreased from 50.3% in 1Q2013 to 43.6% in 1Q2014 due mainly to lower sales price from TSL Transport & Engineering Pte Ltd, resulting from stiffer competition.

Other operating income increased by $33,000 or 24.8% from $133,000 in 1Q2013 to $166,000 in 1Q2014 mainly due to government grant received.

Selling and distribution expenses remained constant at $0.3 million.

General and administrative expenses increased by $0.4 million or 38.5% from $1.2 million in 1Q2013 to $1.6 million in 1Q2014 mainly due to one off organisational expense of $0.3 million.

Finance cost remained constant at $20,000.

There is no income tax expenses recorded as the Company and its subsidiaries are in a taxable loss position in current financial period.

The Group recorded a loss after tax of $357,000 in 1Q2014 compared to net profit of $320,000 in 1Q2013 from continuing operation.

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

(a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and

(b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on. (cont'd)

Cashflow

The Group's cash and cash equivalents was $40.0 million as at 31 March 2014. Net cash used in operating activities was $0.8 million in 1Q2014 compared to net cash generated from operating activites of $3.7 million in 1Q2013. The cash used in operating activities in 1Q2014 was mainly due to net cash used in working capital. The cash generated from operating activities in 1Q2013 is due to a refund of a deposit of $5 million in relation to the proposed SWP coal project in Indonesia. This was offset by a net cash used in operating activities of $1.3 million in 1Q2013.

Net cash used in investing activities was $0.1 million in 1Q2014 compared to $0.5 million used in 1Q2013. This was mainly due to lower deposits pledged with banks for banking facilities in 1Q2014 compared to 1Q2013.

Net cash used in financing activities was $169,000 in 1Q2014 compared to $197,000 in 1Q2013. This was mainly due to less borrowing cost in 1Q2014 since the disposal of the 2 subsidiaries, PSL Engineering Pte Ltd and Rotary Piling Pte Ltd.

Financial Position

Non-current assets increased by $0.1 million or 2.8% from $2.6 million as at 31 December 2013 to $2.7 million as at 31 March 2014 mainly due to the addition of plant and equipment, which was offset by depreciation charge.

Current assets decreased by $1.6 million or 2.8% from $55.5 million as at 31 December 2013 to $53.9 million as at 31 March 2014 mainly due to reduction in cash and cash equivalents as explained in the cash flow statement above.

Non-current liabilities remained constant at $1.1 million.

Current liabilities decreased by $1.0 million or 27.2% from $3.8 million as at 31 December 2013 to $2.8 million as at 31 March 2014 mainly due to payment of other payables and accruals.

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

The Group issued a profit guidance on 5 May 2014 and there is no variance between it and this actual results.

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

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

With the change in substantial shareholders and management team, the Group remains committed to exploring resource related investment opportunities.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

No.

(c) Date payable

NA.

(d) Books closure date

NA.

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

No dividend has been declared/recommended.

13. Interested person transactions

The Group has not obtained a general mandate from shareholders for interested person transactions.

14. Use of proceeds from rights and warrants issue

Save as disclosed below (as set out in our earlier announcement dated 18 July 2012), there is no further utilization of the proceeds from the rights and warrants issue.

	Amount	
Net proceeds	$7.5 million	
Amount utilised	$2.2 million	For general working capital purposes
Balance	$5.3 million	

15. Negative confirmation by the Board pursuant to Rule 705(5)

The Board of Directors of the Company hereby confirm to the best of their knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 31 March 2014 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

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Tang Yew Quan
Director

12 May 2014