
DIFFERENCE BETWEEN UNAUDITED AND AUDITED FULL YEAR FINANCIAL STATEMENTS FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2016

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 2016 (“**FY2016**”) released via the SGXNet on 28 February 2017 (the “**Unaudited Financial Statements**”).

Pursuant to Rule 704(6) of the Listing Manual, the Board wishes to highlight that there are certain material 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 full year financial statements of the Company for FY2016 compared to those that were disclosed in the Unaudited Financial Statements. The material adjustments were made following the finalisation of the audit and a summary of the material adjustments is disclosed in the Appendices to this announcement.

**BY ORDER OF THE BOARD
PSL HOLDINGS LIMITED**

**Tan Chee Tong
Executive Director**

28 April 2017

Consolidated statement of comprehensive income

Appendix A

	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Variance S\$'000	Note
Revenue	21,069	21,087	18	1
Cost of sales	(18,798)	(17,826)	972	2
Gross profit	2,271	3,261	990	
Other income	4,202	4,686	484	3
Other gains - net	1,719	1,638	(81)	4
General and administrative expenses	(3,647)	(39,779)	(36,132)	5
Finance expenses	(751)	(751)	-	
Other operating expenses	(42,209)	-	42,209	6
Loss before income tax	(38,415)	(30,945)	7,470	
Income tax credit	93	3,081	2,988	7
Loss after tax	(38,322)	(27,864)	10,458	8
Other comprehensive profit				
Currency translation differences arising from consolidation	915	1,203	288	9
Total comprehensive loss for the financial year	(37,407)	(26,661)	10,746	
Loss attributable to :				
- Equity holders of the Company	(16,860)	(11,969)	4,891	
- Non-controlling interests	(21,462)	(15,895)	5,567	
	(38,322)	(27,864)	10,458	
Total comprehensive loss attributable to:				
- Equity holders of the Company	(16,468)	(11,270)	5,198	
- Non-controlling interests	(20,939)	(15,391)	5,548	
	(37,407)	(26,661)	10,746	

Note:

Appendix A

1. The increase in revenue was due to cut-off adjustment for PT Momentum Indonesia Investama ("PT MII").
2. The decrease in cost of sales was due to capitalisation of drydocking costs and change of useful life for depreciation of vessels from 20 years to 25 years for PT MII.
3. The increase in other income was due to the finalisation of the valuation report in March 2017 resulting in fair value adjustment on remeasurement of profit guarantee.
4. The decrease in other gain was due to foreign exchange revaluation differences on vendors loan and other payables for PT MII.
5. The increase in general and administrative expenses was mainly due to the reclassification of impairment losses arising from property, plant and equipment, goodwill and intangible assets from "other operating expenses"; and under-accrual of legal fees, post employment benefit expense, allowance for doubtful debts, staff salary and depreciation. The net decrease of approximately S\$6 million is mainly due to over-provision of impairment losses upon finalisation of the valuation report in April 2017.
6. The decrease in other operating expenses was due to reclassification of the aforementioned impairment losses to "general and administrative expenses".
7. The increase in income tax credit was due to reversal of deferred tax liability arising from the impairment losses on property, plant and equipment and intangible assets.
8. The difference is mainly due to over-provision of impairment losses on vessels upon finalisation of the valuation report in April 2017 and reversal of deferred tax liabilities relating to property, plant and equipment and intangible assets as mentioned in Notes 5 and 7.
9. The increase in currency translation differences arising from consolidation was due to the adjustments made to property, plant and equipment; deferred tax liabilities; share capital arising from the change in functional currency of PT MII.

Balance Sheets (Group and Company)

Appendix B

	Group				Company			
	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Variance S\$'000	Note	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Variance S\$'000	Note
ASSETS								
Current assets								
Cash and cash equivalents	14,165	14,163	(2)	10	11,437	11,437	-	
Trade and other receivables	9,809	11,655	1,846	11	4,020	5,915	1,895	21
Inventories	344	314	(30)	12	-	-	-	
Amounts due from subsidiaries	-	-	-		16,875	6,612	(10,263)	22
Total current assets	24,318	26,132			32,332	23,964		
Non-current assets								
Property, plant and equipment	24,486	31,056	6,570	13	-	-	-	
Intangible assets	-	-	-		-	-	-	
Investments in subsidiaries	-	-	-		3,892	3,891	(1)	
Available-for-sale financial assets	10	10	-		-	-	-	
Amounts due from subsidiaries	-	-	-		-	9,537	9,537	22
Trade and other receivables	1,987	614	(1,373)	14	-	-	-	
Total non-current assets	26,483	31,680			3,892	13,428		
Total assets	50,801	57,812			36,224	37,392		
LIABILITIES								
Current liabilities								
Trade and other payables	10,531	14,845	4,314	15	555	555	-	
Amounts due to subsidiaries	-	-	-		6,252	6,252	-	
Finance lease liabilities	291	291	-		-	-	-	
Bank borrowings	1,883	1,881	(2)	10	-	-	-	
Current income tax liabilities	78	6	(72)	16	-	-	-	
Total current liabilities	12,783	17,023			6,807	6,807		
Non-current liabilities								
Trade and other payables	11,370	7,027	(4,343)	17	-	-	-	
Finance lease liabilities	183	183	-		-	-	-	
Deferred income tax liabilities	2,608	48	(2,560)	18	46	46	-	
Total non-current liabilities	14,161	7,258			46	46		
Total liabilities	26,944	24,281			6,853	6,853		
NET ASSETS	23,857	33,531			29,371	30,539		
EQUITY								
Capital and reserves attributable to equity holders of the Company								
Share capital	32,533	32,533	-		32,533	32,533	-	
Currency translation reserve	1,348	594	(754)	19	-	-	-	
Retained earnings / (accumulated losses)	(1,407)	3,534	4,941	20	(3,162)	(1,994)	1,168	23
Capital reserve	182	182	-		-	-	-	
	32,656	36,843			29,371	30,539		
Non-controlling interests	(8,799)	(3,312)	5,487	20	-	-	-	
Total equity	23,857	33,531			29,371	30,539		

Notes:

Appendix B

10. The difference was due to foreign currency revaluation adjustment.
11. The increase was due to reclassification of the contingent consideration from non-current to current portions, fair value adjustment on remeasurement of profit guarantee, offset by the additional provision for doubtful debts.
12. The decrease was due to inventory cut-off of PT MII.
13. The increase in property, plant and equipment was due to adjustment made to impairment losses upon the finalisation of the valuation report in April 2017, change of useful life for the depreciation of vessels from 20 years to 25 years and capitalisation of drydocking costs for PT MII.
14. The decrease was due to the reclassification of the contingent consideration as mentioned in Note 11.
15. The increase was due to the reclassification of vendor loan from non-current to current portions and cut-off adjustment pertaining to PT MII.
16. The decrease was due to over-provision of income tax for PT MII.
17. The decrease was due to the reclassification of vendor loan as mentioned in Note 15.
18. The reduction was due to the reversal of deferred income tax liabilities arising from the impairment losses on property, plant and equipment and intangible assets.
19. The decrease in currency translation reserve was due to the adjustments as mentioned in Note 9.
20. As a result of adjustments made to items 1 to 8 of Appendix A resulting in the changes to retained earnings attributable to the equity holders of the Company and non-controlling interests.
21. The increase was due to the finalisation of the valuation report in March 2017 resulting in fair value adjustment on remeasurement of profit guarantee.
22. Reclassification of amount due from subsidiary from current to non-current portions and fair value adjustment made to amount due from subsidiary.
23. As a result of the adjustments made to items 21 and 22.

Consolidated statement of cash flows

Appendix C

	Unaudited Financial Statements S\$'000	Audited Financial Statements S\$'000	Variance S\$'000	Note
Net cash used in operating activities	(3,501)	(1,252)	(2,249)	24
Net cash generated from / (used in) investing activities	1,168	(330)	1,498	24
Net cash generated from financing activities	2,137	1,355	782	24
Cash and cash equivalents at end of financial year	<u>10,779</u>	<u>10,748</u>	<u>31</u>	25

Note:

24. The differences were due to adjustments arising from depreciation, impairment losses, currency translation and deferred tax liabilities.

25. The decrease was due to recognition of cash balances pledged to the bank.