

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2020

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

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

	Note	3 Months Ended 30 September			9 Months Ended 30 September		
		3Q2020 S\$'000	3Q2019 S\$'000	Increase (Decrease) %	9M2020 S\$'000	9M2019 S\$'000	Increase (Decrease) %
Revenue		2,728	595	358%	5,711	681	739%
Cost of sales		(1,055)	(291)	263%	(2,009)	(340)	491%
Gross profit		1,673	304	450%	3,702	341	986%
Other operating (loss)/income	1(a)(ii)	(33)	253	-113%	328	480	-32%
Other gains - net	1(a)(ii)	1,870	506	270%	2,364	550	330%
Expenses							
- General and administrative expenses		(721)	(445)	62%	(1,842)	(1,525)	21%
- Finance costs		(295)	(89)	231%	(767)	(120)	539%
Profit/(loss) before income tax	1(a)(ii)	2,494	529		3,785	(274)	
Income tax expense		(190)	-	n.m	(558)	-	n.m
Profit/(loss) after tax		2,304	529		3,227	(274)	
Other comprehensive income/(loss):							
Items that will not be reclassified subsequently to profit or loss:							
Equity investments at FVOCI - net change in fair value		-	1	100%	-	-	n.m
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		148	(91)	263%	177	(171)	204%
Total comprehensive income/(loss) for the financial period		2,452	439	459%	3,404	(445)	865%
Profit/(loss) attributable to:							
Equity holders of the Company		2,329	481	384%	2,976	(302)	n.m
Non-controlling interests		(25)	48	-152%	251	28	796%
		2,304	529	336%	3,227	(274)	n.m
Total comprehensive income/(loss) attributable to:							
Equity holders of the Company		2,509	397	532%	3,180	(462)	788%
Non-controlling interests		(57)	42	-236%	224	17	n.m
		2,452	439	459%	3,404	(445)	865%

n.m = Not meaningful

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

	Note	3 Months Ended 30 September			9 Months Ended 30 September		
		3Q2020	3Q2019	Increase (Decrease) %	9M2020	9M2019	Increase (Decrease) %
		S\$'000	S\$'000		S\$'000	S\$'000	
Other operating (losses)/income:							
Interest income from PTMII		-	80	-100%	93	237	-61%
Interest income from banks		31	36	-14%	76	138	-45%
Government grants		-	1	-100%	2	8	-75%
Fair value changes on profit guarantee due from Vendors [#]		(97)	135	-172%	123	85	45%
Sundry income		33	1	n.m	34	12	183%
		<u>(33)</u>	<u>253</u>	<u>-113%</u>	<u>328</u>	<u>480</u>	<u>-32%</u>
Other gains/(losses) - net:							
Currency exchange (losses)/gains		(1,359)	506	-369%	(865)	539	-260%
Loss on disposal of plant and equipment		-	-	n.m	-	(9)	-100%
Bad debt reversed		1	-	n.m	1	20	-95%
Gain from consolidation of PTMII		3,228	-	n.m	3,228	-	n.m
		<u>1,870</u>	<u>506</u>	<u>270%</u>	<u>2,364</u>	<u>550</u>	<u>330%</u>
Depreciation included in:							
- cost of sales		(592)	(169)	250%	(1,020)	(180)	467%
- general and administrative expenses		(39)	(25)	56%	(112)	(78)	44%
Interest expense		(295)	(89)	231%	(767)	(120)	539%
Employee compensation		<u>(317)</u>	<u>(293)</u>	<u>8%</u>	<u>(1,036)</u>	<u>(1,000)</u>	<u>4%</u>

n.m = Not meaningful

[#]Movement in contingent consideration on acquisition of PTMII in Note 1(b)(ii) are as follows:

	Note	Group		Company	
		As at 30 September 2020	As at 31 December 2019	As at 30 September 2020	As at 31 December 2019
		S\$'000	S\$'000 (Audited)	S\$'000	S\$'000 (Audited)
Balance at beginning of year		6,056	6,134	6,056	6,134
Less: Payments received		(1,768)	-	(1,768)	-
Fair value changes on profit guarantee due from Vendors		123	(78)	123	(78)
Balance at end of year		<u>4,411</u>	<u>6,056</u>	<u>4,411</u>	<u>6,056</u>

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.

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		September 2020	December 2019	September 2020	December 2019
		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
ASSETS					
Current assets					
Trade and other receivables	1(b)(ii)	5,869	6,914	2,628	2,391
Inventories		126	21	-	-
Amounts due from subsidiaries		-	-	3,762	4,369
Cash and cash equivalents		11,152	2,552	6,207	1,019
Loans due from PTMII		-	14,013	9,770	14,013
Total current assets		17,147	23,500	22,367	21,792
Non-current assets					
Property, plant and equipment		11,137	617	297	352
Right-of-use assets		9,993	7,299	42	85
Investment in subsidiaries		-	-	200	200
Deferred tax asset		15	16	-	-
Trade and other receivables	1(b)(ii)	1,847	3,699	1,847	3,699
Club membership		6	6	6	6
Total non-current assets		22,998	11,637	2,392	4,342
Total assets		40,145	35,137	24,759	26,134
LIABILITIES					
Current liabilities					
Trade and other payables	1(b)(iii)	1,841	2,894	308	316
Amounts due to subsidiaries		-	-	141	150
Lease liabilities		2,068	1,374	22	57
Current income tax liabilities		536	12	-	-
Total current liabilities		4,445	4,280	471	523
Non-current liabilities					
Provision for employee benefits		38	-	-	-
Lease liabilities		5,524	4,798	21	29
Total non-current liabilities		5,562	4,798	21	29
Total liabilities		10,007	9,078	492	552
NET ASSETS		30,138	26,059	24,267	25,582
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital		35,763	35,763	35,763	35,763
Currency translation reserve		88	(116)	-	-
Accumulated losses		(6,438)	(9,414)	(11,496)	(10,181)
Capital reserve		146	146	-	-
		29,559	26,379	24,267	25,582
Non-controlling interests		579	(320)	-	-
Total equity		30,138	26,059	24,267	25,582

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

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		September 2020	December 2019	September 2020	December 2019
		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
Current assets					
Trade receivables - non-related parties		1,559	735	-	-
Allowance for impairment losses		(155)	(1)	-	-
		1,404	734	-	-
Advance payment to suppliers		11	1,304	-	-
Value-added tax (VAT) recoverable		914	889	8	1
Contingent consideration on acquisition of PTMII		2,564	2,357	2,564	2,357
Sundry receivables (net)		623	1,456	-	-
		5,516	6,740	2,572	2,358
Deposits		38	19	14	14
Prepayments		315	155	42	19
		5,869	6,914	2,628	2,391
Non-current assets					
Contingent consideration on acquisition of PTMII		1,847	3,699	1,847	3,699
		1,847	3,699	1,847	3,699

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

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		September 2020	December 2019	September 2020	December 2019
		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
Current liabilities					
Trade payables - non-related parties		297	122	-	-
Accruals		298	396	282	307
Loan from third party (former non-controlling interest of a subsidiary) [Note 1]		998	2,119	-	-
Other payables		248	257	26	9
		1,841	2,894	308	316

Note 1

Refers to the former shareholder, Mr William Jackson's loan on 7 August 2017 to fund the working capital of PT IPA. This was prior to PSL's acquisition on 18 August 2017 of 75% shares in the subsidiary. The loan which bears interest at 11% per annum has no fixed repayment term, can be repaid either in part or in its entirety. For FY2017 to FY2019, Mr William Jackson has accepted to waive the interest on the loan. At Mr William Jackson's request, he was repaid S\$1,004,000, leaving balance of his loan of S\$998,000 to PT IPA as at 30 September 2020.

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

	Note	As at 30 September 2020		As at 31 December 2019	
		Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand		2,068	-	1,374	-
Amount repayable after one year		5,524	-	4,798	-

Details of collateral

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

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

	Group 3 Months Ended 30 September 2020 2019		Group 9 Months Ended 30 September 2020 2019	
Note	S\$'000	S\$'000	S\$'000	S\$'000
Cash flows from operating activities				
Profit/(loss) before taxation	2,494	529	3,785	(274)
Adjustments for:				
Depreciation of plant and equipment	631	194	1,132	258
Loss on disposal of plant and equipment	-	-	-	9
Fair value changes on profit guarantee due from vendors	97	(135)	(123)	(85)
Gain on consolidation of PTMII	(3,228)	-	(3,228)	-
Interest income	(31)	(116)	(169)	(375)
Interest expense	295	89	767	120
Operating profit/(loss) before working capital changes	258	561	2,164	(347)
Changes in inventories	(20)	(26)	(29)	10
Changes in trade and other receivables	4,111	(307)	4,748	(1,238)
Changes in trade payables, other payables and accruals	(479)	96	(295)	(1,095)
Cash generated from/(used in) operations	3,870	324	6,588	(2,670)
Income tax paid	(48)	-	(58)	(9)
Net cash generated from/(used in) operating activities	3,822	324	6,530	(2,679)
Cash flows from investing activities				
Interest received	31	36	76	138
Consolidation of a subsidiary, net of cash acquired	1,453	-	1,453	-
Acquisition of plant and equipment	(51)	(658)	(71)	(947)
Proceeds from disposal of plant and equipment	-	3	-	180
Net cash generated from/(used in) investing activities	1,433	(619)	1,458	(629)
Cash flows from financing activities				
Repayment of loans and accrued interest due from PTMII	-	-	4,569	-
Repayment of obligations under finance lease	-	(100)	-	(161)
Repayment of lease liabilities	(699)	-	(1,889)	-
(Decrease)/increase of loan due to third party (former non-controlling interest of a subsidiary)	(1,116)	34	(1,121)	65
Decrease in short-term deposits pledged	-	185	-	841
Interest paid	(295)	(89)	(767)	(120)
Net cash (used in)/generated from financing activities	(2,110)	30	792	625
Net increase/(decrease) in cash and cash equivalents	3,145	(265)	8,780	(2,683)
Cash and cash equivalents at beginning of financial period	8,385	2,158	2,552	4,546
Effect of currency translation	(378)	53	(180)	83
Cash and cash equivalents at end of financial period	11,152	1,946	11,152	1,946
Cash and cash equivalents				
Cash and bank balances	11,152	3,745	11,152	3,745
Less: Fixed deposits pledged with financial institutions	-	(1,799)	-	(1,799)
Cash and cash equivalents at end of financial period	11,152	1,946	11,152	1,946

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

	Share capital	Accumulated losses	Currency translation reserve	Fair value reserve	Capital reserve	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000

FOR 9 MONTHS ENDED 30 SEPTEMBER

GROUP

Balance as at 1 January 2020	35,763	(9,414)	(116)	-	146	26,379	(320)	26,059
Net profit for the period	-	2,976	-	-	-	2,976	251	3,227
Other comprehensive income/(loss) for the period	-	-	204	-	-	204	(27)	177
Consolidation of a subsidiary (PTMII)	-	-	-	-	-	-	675	675
Balance as at 30 September 2020	35,763	(6,438)	88	-	146	29,559	579	30,138
Balance as at 1 January 2019	35,763	(8,082)	24	(3)	146	27,848	(359)	27,489
Net (loss)/profit for the period	-	(302)	-	-	-	(302)	28	(274)
Other comprehensive loss for the period	-	-	(160)	-	-	(160)	(11)	(171)
Reclassification to profit or loss upon disposal	-	-	-	3	-	3	-	3
Balance as at 30 September 2019	35,763	(8,384)	(136)	-	146	27,389	(342)	27,047

COMPANY

Balance as at 1 January 2020	35,763	(10,181)	-	-	-	25,582	-	25,582
Net loss for the period	-	(1,315)	-	-	-	(1,315)	-	(1,315)
Balance as at 30 September 2020	35,763	(11,496)	-	-	-	24,267	-	24,267
Balance as at 1 January 2019	35,763	(9,384)	-	-	-	26,379	-	26,379
Net loss for the period	-	274	-	-	-	274	-	274
Balance as at 30 September 2019	35,763	(9,110)	-	-	-	26,653	-	26,653

FOR 3 MONTHS ENDED 30 SEPTEMBER

GROUP

Balance as at 1 July 2020	35,763	(8,767)	(92)	-	146	27,050	(39)	27,011
Net profit/(loss) for the period	-	2,329	-	-	-	2,329	(25)	2,304
Other comprehensive income/(loss) for the period	-	-	180	-	-	180	(32)	148
Consolidation of a subsidiary (PTMII)	-	-	-	-	-	-	675	675
Balance as at 30 September 2020	35,763	(6,438)	88	-	146	29,559	579	30,138
Balance as at 1 July 2019	35,763	(8,865)	(51)	(4)	146	26,989	(383)	26,606
Net profit for the period	-	481	-	-	-	481	48	529
Other comprehensive (loss)/income for the period	-	-	(85)	1	-	(84)	(7)	(91)
Reclassification to profit or loss upon disposal	-	-	-	3	-	3	-	3
Balance as at 30 September 2019	35,763	(8,384)	(136)	-	146	27,389	(342)	27,047

COMPANY

Balance as at 1 July 2020	35,763	(10,181)	-	-	-	25,582	-	25,582
Net loss for the period	-	(1,315)	-	-	-	(1,315)	-	(1,315)
Balance as at 30 September 2020	35,763	(11,496)	-	-	-	24,267	-	24,267
Balance as at 1 July 2019	35,763	(10,155)	-	-	-	25,608	-	25,608
Net profit for the period	-	1,045	-	-	-	1,045	-	1,045
Balance as at 30 September 2019	35,763	(9,110)	-	-	-	26,653	-	26,653

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

Share Capital

There was no change in the company's share capital since 31 December 2019.

Convertible Securities

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

Treasury Shares and Subsidiary Holdings

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

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

Number of shares	As at 30 September 2020	As at 31 December 2019
Total number of issued shares (excluding treasury shares)	55,686,996	55,686,996

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

Not applicable. The Company did not have any treasury shares during and as at the end of the current financial period reported on.

- 1(d)(v) A statement showing all sales, transfers, disposal, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on

Not applicable. The Company did not have any subsidiary holdings during and as at the end of the current financial period reported on.

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

The figures have not been audited or reviewed.

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

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion: -

(a) Updates on the efforts taken to resolve each outstanding audit issue.

The latest audited financial statements for the financial year ended 31 December 2019 was subject to a disclaimer of opinion on the recoverability of loans due from PT. Momentum Indonesia Investama ("PTMII") and contingent consideration receivable by the Company.

Where it relates to the contingent consideration (profit guarantee) receivable by the Company, Mr Sudirman Kurniawan, Mr Angelo Fernandus, PT. Triputra Senamustika (collectively, the "**Sudirman Group**") have made timely repayments for the 9 instalments in accordance to the Repayment Schedule stated in Schedule 2 of the Announcement dated 21 February 2020.

As stated in Paragraph 8.5 on Page 6 of the Company's announcement dated 21 February 2020, the Sudirman Group's repayment of the contingent consideration are secured by a pledge from the Sudirman Group in favour of the Company over the original unencumbered title deeds of the Sudirman Group Vessels (collectively, the "**Collateral**"). Further, if there is a default in timely payment of any of the instalments, the Company is entitled to sell all of the Sudirman Group Vessels which are secured by the Collateral.

Payment Date	Amount Received	Purpose of Transfer
10 and 13 February 2020	US\$0.16 million	First instalment payment of Profit Guarantee
27 March 2020	US\$0.16 million	Second instalment payment of Profit Guarantee
24 April 2020	US\$0.16 million	Third instalment payment of Profit Guarantee
28 May 2020	US\$0.16 million	Fourth instalment payment of Profit Guarantee
30 June 2020	US\$0.16 million	Fifth instalment payment of Profit Guarantee
30 July 2020	US\$0.16 million	Sixth instalment payment of Profit Guarantee
31 August 2020	US\$0.16 million	Seventh instalment payment of Profit Guarantee
30 September 2020	US\$0.16 million	Eighth instalment payment of Profit Guarantee
26 October 2020	US\$0.16 million	Ninth instalment payment of Profit Guarantee

On PTMII's inability to settle balance of its indebtedness of US\$8.5 million, the Company, as disclosed in the Announcement dated 24 June 2020, has entered into a Variation Agreement with the Sudirman Group on 24 June 2020 to vary and amend the New Term Sheet and the New Settlement Agreement on the terms and conditions of the Variation Agreement with regards to the Extensions of time, the distribution of remaining cash balance in PT MII and the Share Transfer.

On 7 August 2020, the Company further released a Holding Announcement to update shareholders on the key matters in relation to the Variation Agreement.

On 18 August 2020, the Company announced that the Company and the Sudirman Group have mutually agreed that the deadline to complete the transfer of the 49% PT MII Shares (the "**Further Share Transfer**") shall be extended to 3 October 2020 (from the original completion date of 24 July 2020).

On 1 September 2020, the Company announced that the Batam Proceedings were withdrawn and/or discontinued on or about 24 August 2020. The Company has received approximately S\$349,000 from the distribution of the cash balance in the PT MII Bank Accounts.

On 6 October 2020, the Company announced that the Further Share Transfer was completed on 3 October 2020. Further, the transactions contemplated under the New Settlement Agreement, as amended and/or supplemented by the Agreement for Extension of Time and the Variation Agreement have been duly completed, save for the payment of the 36 monthly instalments by the Sudirman Group of the profit guarantee of US\$5,257,841 (plus 3.0% interest per annum). The first instalment was paid in February 2020 and the final instalment will be due in January 2023.

Subsequent announcements will be made by the Company to keep its shareholders updated on any further material developments as and when appropriate.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

The Board confirms that the impact of the recoverability of loans due from PT. Momentum Indonesia Investama ("PTMII") and contingent consideration receivable by the Company has been adequately disclosed.

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

Save as disclosed in paragraph 5 of this announcement, the Group has applied the same accounting policies and methods of computation in the preparation of the financial statements for the current financial period reported on as those used in the most recent audited annual financial statements.

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

The Group has applied the same accounting policies and methods of computation in the preparation of financial statements for the current financial period reported on as those used in the most recently audited financial statements for the financial year ended 31 December 2019, save for the adoption of the Singapore Financial Reporting Standard (International) ("SFRS(I)") and Interpretation of SFRS(I) ("INT FRS(I)") that are mandatory for financial years beginning on or after 1 January 2020. The adoption of these new SFRS(I) and INT FRS(I) have no material impact to the results of the Group and of the Company for the current financial period reported on.

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

	Group 3 Months Ended 30 September		Group 9 Months Ended 30 September	
	2020	2019	2020	2019
Profit/(loss) per share				
(i) Based on weighted average number of ordinary shares on issue (cents)	4.18	0.86	5.34	(0.54)
(ii) On a fully diluted basis (cents) *	4.18	0.86	5.34	(0.54)
Number of weighted average ordinary shares used in the computation of (i) and (ii)				
	55,686,996	55,686,996	55,686,996	55,686,996

* There are no diluted ordinary shares.

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

(a) current period reported on; and

(b) immediately preceding financial year.

	As at 30 September 2020	As at 31 December 2019
GROUP		
Net asset value per ordinary share (dollars)	0.54	0.47
COMPANY		
Net asset value per ordinary share (dollars)	0.44	0.46

The net asset value per ordinary share is calculated based on the total number of issued shares excluding treasury shares and subsidiary holdings as at 30 September 2020 and 31 December 2019 of 55,686,996.

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

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

As disclosed in the Company's Results Announcement for the financial period ended 30 June 2019, the Group's construction logistics business is fully focused on opportunities in Indonesia. As part of the management's efforts to generate revenue and improve the financial performance of the Group, PT Indah Perkasa Abadi ("PT IPA") began sourcing for other projects in its ordinary course of business and which are more commercially viable. In May 2019, it successfully secured an agreement with PT. Cahaya Riau Mandiri ("PT CRM") to lease and operate heavy equipment. PT CRM carries on the business of mining activities, ranging from removal of overburden, coal mining and heavy equipment rental. PT CRM is an independent third party unrelated to any of PSL's Directors, controlling shareholders and each of their associates. Mr Edison, who is a 7.17% shareholder in PSL also owns 25% shares in PT CRM. He is not a director of PT CRM nor have any nominee(s) on the PT CRM board.

Arising from this project, PT IPA resumed its heavy equipment purchase plan which is at a cost of approximately S\$8.6 million. Approximately 80% of the said cost was financed by finance leases and the remaining by internal working capital.

In 1Q2020, PT IPA further purchased an additional 5 units of heavy equipment at a cost of approximately S\$3.6 million. Approximately 70% of the said cost was financed by finance leases and the remaining by internal working capital.

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 MII Shares**") to Mr Fhifi Alfian Ronie SH on 30 June 2020. Mr Sudirman Kurniawan also stepped down and fully discharged his management responsibilities as the President Director of PT MII on 30 June 2020. Following his resignation, the Company has taken over the accounting function of PT MII 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 MII as defined in the Singapore Financial Reporting Standards, specifically Singapore Financial Reporting Standard 110 ("**FRS 110**").

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 FRS 110, management has accounted for PT MII as a subsidiary of the Company and has consolidated the results of PT MII with effect from 1 July 2020.

Financial Performance – 3Q2020 vs 3Q2019

Revenue increased from S\$0.6 million in 3Q2019 to S\$2.7 million in 3Q2020 due to higher revenue from the Construction Logistics segment contributed by PT IPA from lease of heavy equipment to PT CRM which commenced from mid-August 2019 as well as revenue from the Marine Logistics segment as a result of the consolidation of PTMII. In tandem with the higher revenue, cost of sales increased from S\$0.3 million in 3Q2019 to S\$1.1 million in 3Q2020, resulting in an increase in gross profit from S\$0.3 million for 3Q2019 to S\$1.7 million for 3Q2020.

Other operating (loss)/income decreased from a gain of S\$0.3 million in 3Q2019 to a loss of S\$33,000 in 3Q2020 mainly due to fair value changes on profit guarantee due from the Vendors of PTMII as well as the elimination of interest income from the loan to PTMII following the consolidation of PTMII.

Other gains increased from S\$0.5 million in 3Q2019 to S\$1.9 million in 3Q2020 mainly due to a gain arising from the consolidation of PTMII, partially offset by an increase in foreign exchange losses arising from (i) the depreciation of IDR against SGD on the IDR denominated loan extended to PT IPA, (ii) depreciation of USD against SGD and appreciation of USD against IDR on the USD denominated loan due from PTMII as well as (iii) depreciation of USD against SGD on the USD denominated profit guarantee due from the Vendors of PTMII.

General and administrative expenses increased from S\$0.4 million in 3Q2019 to S\$0.7 million in 3Q2020 mainly due to professional fees incurred pertaining to PTMII legal case and ongoing delisting process, coupled with higher general and administrative recorded following the consolidation of PTMII.

Finance costs increased from S\$89,000 in 3Q2019 to S\$0.3 million in 3Q2020 mainly due to interest incurred on loans obtained by PT IPA to finance the purchase of heavy equipment.

Income tax expense of S\$0.2 million recorded in 3Q2020 is mainly due to higher net profit before tax recorded by the Group in 3Q2020 as compared to 3Q2019.

In respect of the above, the Group recorded a higher profit after tax of S\$2.3 million for 3Q2020 as compared to S\$0.5 million for 3Q2019, mainly due to a significant increase in gross profit contributed by PT IPA from lease of heavy equipment to PT CRM as well as revenue from PTMII following its consolidation. This is coupled with increase in other gains arising from the gain arising from the consolidation of PTMII, partially offset by an increase in foreign exchange losses, higher general and administrative expenses and higher finance costs incurred.

Financial Performance – 9M2020 vs 9M2019

Revenue increased from S\$0.7 million in 9M2019 to S\$5.7 million in 9M2020 due to higher revenue from the Construction Logistics segment contributed by PT IPA from lease of heavy equipment to PT CRM which commenced from mid-August 2019 as well as revenue from the Marine Logistics segment as a result of the consolidation of PTMII. In tandem with the higher revenue, cost of sales increased from S\$0.3 million in 9M2019 to S\$2.0 million in 9M2020, resulting in an increase in gross profit from S\$0.3 million for 9M2019 to S\$3.7 million for 9M2020.

Other operating income decreased from S\$0.5 million in 9M2019 to S\$0.3 million in 9M2020 mainly due to a decrease in interest income from the loan to PTMII as a result of partial loan repayment made, reduction in the 6-month SIBOR rates and the elimination of interest income from the loan to PTMII following the consolidation of PTMII with effect from 1 July 2020. This was offset by fair value changes on profit guarantee due from the Vendors of PTMII.

Other gains increased from S\$0.6 million in 9M2019 to S\$2.4 million in 9M2020 mainly due to a gain arising from the consolidation of PTMII, partially offset by an increase in foreign exchange losses arising from (i) the depreciation of IDR against SGD on the IDR denominated loan extended to PT IPA and (ii) appreciation of USD against IDR on the USD denominated loan due from PTMII.

General and administrative expenses increased from S\$1.5 million in 9M2019 to S\$1.8 million in 9M2020 mainly due to professional fees incurred pertaining to PTMII legal case and ongoing delisting process, coupled with higher general and administrative recorded following the consolidation of PTMII.

Finance costs increased from S\$0.1 million in 9M2019 to S\$0.8 million in 9M2020 mainly due to interest incurred on loans obtained by PT IPA to finance the purchase of heavy equipment.

Income tax expense of S\$0.6 million recorded in 9M2020 is mainly due to higher net profit before tax recorded by the Group in 9M2020 as compared to 9M2019.

In respect of the above, the Group recorded a profit after tax of S\$3.2 million for 9M2020 as compared to a loss of S\$0.3 million for 9M2019, mainly due to a significant increase in gross profit contributed by PT IPA from lease of heavy equipment to PT CRM as well as revenue from PTMII following its consolidation. This is coupled with increase in other gains arising from the gain arising from the consolidation of PTMII, partially offset by an increase in foreign exchange losses, higher general and administrative expenses and higher finance costs incurred.

Cash flow – 3Q2020 vs 3Q2019

Net cash generated from operating activities was S\$3.8 million in 3Q2020 compared to S\$0.3 million in 3Q2019 mainly due to (i) an increase in profit before taxation, (ii) a decrease in trade and other receivables from the Construction Logistics segment, (iii) higher depreciation charges for 11 and 5 units of heavy equipment purchased by PT IPA in 2Q2019 and 1Q2020 respectively, as well as depreciation charges recorded for PTMII vessels, (iv) higher interest charges incurred by PT IPA to finance the purchase of heavy equipment, partially offset by (v) gain arising from the consolidation of PTMII, (vi) a decrease in trade and other payables from the Construction Logistics segment.

Net cash generated from investing activities was S\$1.4 million in 3Q2020 compared to net cash used from investing activities of S\$0.6 million in 3Q2019 mainly due to net cash acquired following the consolidation of PTMII with effect from 1 July 2020, coupled with a decrease in the acquisition of plant and equipment due to the purchase of heavy equipment by PT IPA in 3Q2019.

Net cash used in financing activities was S\$2.1 million in 3Q2020 compared to net cash generated from financing activities of S\$30,000 in 3Q2019 mainly due to (i) repayment of finance lease liabilities, (ii) repayment of loan due to third party (former non-controlling interest of a subsidiary), (iii) changes in short-term deposits pledged to secure bank facilities and (iv) higher interest charges incurred by PT IPA to finance the purchase of heavy equipment.

As a result of the above, the Group's cash and cash equivalents increased from S\$8.4 million as at 30 June 2020 to S\$11.2 million as at 30 September 2020.

Cash flow – 9M2020 vs 9M2019

Net cash generated from operating activities was S\$6.5 million in 9M2020 compared net cash used in operating activities of S\$2.7 million in 9M2019 mainly due to (i) an increase in profit before taxation, (ii) a decrease in trade and other receivables from the Construction Logistics segment, (iii) higher depreciation charges for 11 and 5 units of heavy equipment purchased by PT IPA in 2Q2019 and 1Q2020 respectively, as well as depreciation charges for vessels arising from the consolidation of PTMII, (iv) higher interest charges incurred by PT IPA to finance the purchase of heavy equipment, partially offset by (v) gain arising from the consolidation of PTMII.

Net cash generated from investing activities was S\$1.5 million in 9M2020 compared to net cash used from investing activities of S\$0.6 million in 9M2019 mainly due to net cash acquired following the consolidation of PTMII with effect from 1 July 2020, coupled with a decrease in the acquisition of plant and equipment due to the purchase of heavy equipment by PT IPA in 3Q2019. This was partially offset by a decrease in proceeds from the disposal of plant and equipment.

Net cash generated from financing activities was S\$0.8 million in 9M2020 compared to S\$0.6 million in 9M2019 mainly due to partial repayment of loan and accrued interest of US\$3.35 million (S\$4.57 million), partially offset by (i) repayment of finance lease liabilities, (ii) repayment of loan due to third party (former non-controlling interest of a subsidiary), (iii) changes in short-term deposits pledged to secure bank facilities and (iv) higher interest charges incurred by PT IPA to finance the purchase of heavy equipment.

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\$11.2 million as at 30 September 2020.

Financial Position

Current assets decreased by S\$6.4 million from S\$23.5 million as at 31 December 2019 to S\$17.1 million as at 30 September 2020 mainly due to the accounting elimination of loans due from PTMII 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.

Non-current assets increased by S\$11.4 million from S\$11.6 million as at 31 December 2019 to S\$23.0 million as at 30 September 2020 mainly due to (i) the property, plant and equipment (vessels) recorded following the consolidation of PTMII, (ii) 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 Vendors of PTMII due to the reclassification from non-current to current.

Current liabilities increased marginally by S\$0.1 million from S\$4.3 million as at 31 December 2019 to S\$4.4 million as at 30 September 2020 mainly due to (i) an increase in loans obtained to finance the purchase of an additional 5 units of heavy equipment in May 2020 as well as (ii) an increase in income tax liabilities as a result of higher net profit before tax recorded by the Group subsequent to year end. This was partially offset by 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).

Non-current liabilities increased by S\$0.8 million from S\$4.8 million as at 31 December 2019 to S\$5.6 million as at 30 September 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 increased by S\$4.0 million from S\$26.1 million as at 31 December 2019 to S\$30.1 million as at 30 September 2020.

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

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

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

According to the International Monetary Fund's ("IMF") October update of the World Economic Outlook, Indonesia's economic downturn is likely to be worse than previously expected due to the coronavirus pandemic. IMF has revised downwards its forecast on the Indonesia's gross domestic product (GDP); it now expected it to shrink by 1.5% for 2020 instead of its 0.3% contraction it projected in June 2020.¹

The Group's Indonesian subsidiary PT Indah Perkasa Abadi ("PT IPA") has achieved another profitable quarter for 3Q2020. Notwithstanding, in view of the gloomy economy outlook ahead and challenging business environment, the Group will continue to exercise prudence in financial management while it continues to strive to remain profitable in subsequent quarters.

As disclosed under Paragraph 8 of the Announcement, the Company has consolidated the results of PT. Momentum Indonesia Investama ("PT MII") with effect from 1 July 2020. According to Fitch Solutions' Indonesia Freight Transport & Shipping Report, the Covid-19 pandemic is driving a slowdown in freight and shipping in 2020 as internal and external trade is impacted. Contractions in mining output and construction sector activity is causing a decline in the country's freight volumes, particularly road and rail. On the upside, Indonesia ratified its FTA with Australia in early 2020 and is in talks with the US over a possible relocation of China-based companies; hence, there could be a rebound in freight transport in 2021 onwards.² However, in view of the challenging business environment, the Group will continue to exercise prudence in financial management while it continues to strive to remain profitable in subsequent quarters.

The Company will continue to closely monitor the financial and economical impact of the Covid-19 pandemic on the construction logistics and marine logistics business operations of the Group and keep shareholders updated as and when appropriate.

¹ Source: <https://www.thejakartapost.com/news/2020/10/13/indonesias-gdp-to-decline-more-than-thought-as-virus-keeps-spreading-imf.html>

² Source: <https://store.fitchsolutions.com/freight-transport-shipping/indonesia-freight-transport-shipping-report>

11. If a decision regarding dividend has been made: - (a) Whether an interim (final) ordinary dividend has been declared (recommended); and

Any dividend declared for the current financial period reported on?

No.

(b)(i) Amount per share cents

Not applicable.

(b)(ii) Previous corresponding period cents

Not applicable.

- (c) **Whether the dividend is before tax, net of tax or tax exempt. If before tax or net of tax, state the tax rate and the country where the dividend is derived. (If the dividend is not taxable in the hands of shareholders, this must be stated).**

Not applicable.

- (d) **The date the dividend is payable.**

Not applicable.

- (e) **The date on which Registrable Transfers received by the Company (up to 5.00pm) will be registered before entitlements to the dividend are determined.**

Not applicable.

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

No dividend has been declared (recommended).

No profits were derived by PSL for FY2019 and with the accumulated losses to date, there were no retained earnings for any dividend appropriation.

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

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

- 14. Negative confirmation by the Board pursuant to Rule 705(5)**

We, Mr Fhifi Alfian Ronie SH and Mr Kee Siang Hui, being two of the directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company that, to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the financial results for the period ended 30 September 2020 to be false or misleading in any material aspect.

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

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

BY ORDER OF THE BOARD

Kee Siang Hui
Executive Director

11 November 2020