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 2015

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.

	Note	3 months ended 31 March		
		2015 $'000	2014 $'000	Increase (Decrease) %
Revenue		1,804	3,175	(43.2)
Cost of sales		(1,282)	(1,792)	(28.5)
Gross profit		522	1,383	(62.3)
Other operating income	1(a)(ii)	349	166	110.2
Selling and distribution expenses		(46)	(278)	(83.5)
General and administrative expenses		(596)	(1,575)	(62.2)
Other operating expenses	1(a)(ii)	(14)	(33)	(57.6)
Finance costs		(14)	(20)	(30.0)
Profit/(Loss) before income tax	1(a)(ii)	201	(357)	n.m
Income tax expense		(52)	-	n.m
Profit/(Loss) for the financial period, representing total comprehensive income for the financial period		149	(357)	n.m
Profit/(Loss) for the financial period, representing total comprehensive income for the financial period attributable to:				
- Equity holders of the Company		60	(387)	n.m
- Non-controlling interests		89	30	196.7
		149	(357)	n.m

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		
	2015 S$'000	2014 S$'000	Increase (Decrease) %
Other operating income:			
Interest income from banks	43	40	7.5
Gain from disposal of property, plant and equipment	30	-	n.m
Dividend income from financial assets at fair value through profit or loss	-	1	(100.0)
Government grant	63	124	(49.2)
Foreign exchange gain	211	-	n.m
Sundry income	2	1	100.0
	349	166	
Other operating expenses:			
Foreign exchange loss	-	(5)	(100.0)
Changes in fair value of financial assets at fair value through profit or loss	(14)	(28)	(50.0)
	(14)	(33)	
Depreciation incuded in:			
- cost of sales	(92)	(90)	2.2
- general and administrative expenses	(27)	(52)	(48.1)
Interest expenses	(14)	(20)	(30.0)

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.

	Note	Group		Company	
		As at 31 March 15 $'000	As at 31 December 2014 $'000	As at 31 March 15 $'000	As at 31 December 2014 $'000
ASSETS					
Non-current assets					
Plant and equipment		2,396	2,503	-	-
Investment in subsidiaries		-	-	3,891	3,891
Other receivables		30	31	-	-
Total non-current assets		2,426	2,534	3,891	3,891
Current assets					
Financial assets at fair value through profit or loss		46	60	-	-
Trade receivables		2,424	2,075	-	-
Other receivables	1(b)(ii)	3,111	10,889	2,776	10,159
Inventories		55	55	-	-
Due from subsidiaries		-	-	2,565	2,591
Cash & bank balances		41,534	34,332	33,141	25,922
Total current assets		47,170	47,411	38,482	38,672
Total assets		49,596	49,945	42,373	42,563
EQUITY AND LIABILITIES					
Equity attributable to owners of the Company					
Share capital		29,575	29,575	29,575	29,575
Retained earnings		16,874	16,814	11,460	11,347
Capital reserve		182	182	-	-
		46,631	46,571	41,035	40,922
Non-controlling interests		582	493	-	-
Total equity		47,213	47,064	41,035	40,922
Non-current liabilities					
Finance lease liabilities		701	803	-	-
Deferred income tax liabilities		65	65	-	-
Total non-current liabilities		766	868	-	-
Current liabilities					
Trade payables		312	452	-	-
Other payables and accruals		832	1,076	415	718
Due to subsidiaries		-	-	923	923
Finance lease liabilities		421	454	-	-
Current income tax liabilities		52	31	-	-
Total current liabilities		1,617	2,013	1,338	1,641
Total liabilities		2,383	2,881	1,338	1,641
Total equity and liabilities		49,596	49,945	42,373	42,563

1(b)(ii) Other receivables comprises:

	Note	Group		Company	
		As at 31 March 15 $'000	As at 31 December 2014 $'000	As at 31 March 15 $'000	As at 31 December 2014 $'000
Refundable deposit placed for proposed investment in Longmen Group Limited	a	-	5,252	-	5,252
Refundable deposit placed for proposed investment in PT Momentum Indonesia Investama	b	2,734	-	2,734	-
Receivables arising from divestment of subsidiaries	c	-	4,370	-	4,370
Other receivables		136	611	10	531
Advance payment to supplier		100	507	-	-
Deposits		38	56	-	-
Prepayments		103	93	32	6
		3,111	10,889	2,776	10,159

a - The total amount together with interest at the rate of 5.33% has been refunded to the Company as annouced on 5 January 2015.

b - Partial deposit of $2,734,000 (US$2.0 million) placed for proposed investment in PT Momentum Indonesia Investama.

c - The total amount has been received as annouced on 16 February 2015.

1(b)(iii) Aggreate amount of group's borrowings and debt securities.

	Group			
	As at 31 March 2015		31 December 2014	
	Secured $'000	Unsecured $'000	Secured $'000	Unsecured $'000
Amount repayable in one year or less, or on demand	421	-	454	-
Amount repayable after one year	701	-	803	-

Details of any collateral

Corporate guarantee from PSL Holdings Limited and 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 2015 $'000	2014 $'000
Cash flows from operating activities		
Profit/(Loss) before tax	201	(357)
Adjustments for:		
Depreciation of property, plant and equipment	119	142
Changes in fair value of financial assets at fair value through profit or loss	14	28
Gain on disposal of property, plant and equipment	(30)	-
Dividend income from financial assets at fair value through profit or loss	-	(1)
Interest income	(43)	(40)
Interest expense	14	20
Operating cash flow before changes in working capital	275	(208)
Decrease in trade and other receivables	524	424
Decrease in trade and other payables	(384)	(1,084)
Cash generated from/(used in) operations	415	(868)
Interest paid	(14)	(20)
Interest received	43	40
Income tax refund	18	21
Income tax paid	(31)	-
Net cash generated from/(used in) operating activities	431	(827)
Cash flows from investing activities		
Refund of deposit from proposed investment	5,252	-
Deposit placed for proposed investment	(2,734)	-
Proceeds from disposal of subsidiaries	4,370	-
Purchase of property, plant and equipment	(15)	(95)
Proceeds from disposal of property, plant and equipment	33	-
Dividend income from financial assets at fair value through profit or loss	-	1
Increase in short-term deposits pledged	-	(11)
Net cash generated from/(used in) investing activities	6,906	(105)
Cash flows from financing activity		
Repayment of finance lease liabilities	(135)	(169)
Net cash used in financing activity	(135)	(169)
Net increase/(decrease) in cash and cash equivalents	7,202	(1,101)
Cash and cash equivalents at beginning of financial period	32,685	41,170
Cash and cash equivalents at end of financial period	39,887	40,069
Cash and cash equivalents		
Short term deposits	14,599	27,081
Cash and bank balances	26,935	14,679
Total cash and bank balances	41,534	41,760
Less: Short term deposits pledged	(1,647)	(1,691)
Cash and cash equivalents at end of financial period	39,887	40,069

During the financial period, the Group acquired property, plant and equipment with an aggregate cost of $15,000 (2014: $216,000) of which $Nil (2014: $121,000) was acquired under finance leases. A cash payment of $15,000 (2014: $95,000) was made to purchase property, plant and equipment during the financial period.

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.

	Share capital	Retained earnings	Capital reserve	Total	Non-controlling Interests	Total
	$'000	$'000	$'000	$'000	$'000	$'000
GROUP						
Balance as at 1 January 2015	29,575	16,814	182	46,571	493	47,064
Net profit for the period	-	60	-	60	89	149
Balance as at 31 March 2015	29,575	16,874	182	46,631	582	47,213
Balance as at 1 January 2014	29,575	22,929	182	52,686	431	53,117
Net (loss)/profit for the period	-	(387)	-	(387)	30	(357)
Balance as at 31 March 2014	29,575	22,542	182	52,299	461	52,760
COMPANY						
Balance as at 1 January 2015	29,575	11,347	-	40,922	-	40,922
Net profit for the period	-	113	-	113	-	113
Balance as at 31 March 2015	29,575	11,460	-	41,035	-	41,035
Balance as at 1 January 2014	29,575	15,436	-	45,011	-	45,011
Net loss for the period	-	(273)	-	(273)	-	(273)
Balance as at 31 March 2014	29,575	15,163	-	44,738	-	44,738

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 commenced trading on 24 April 2012. The warrants were listed for quotation on the Official List of SGX-ST and commenced trading on 25 April 2012. These warrants will expire on 24 April 2017.

There is no change in the Company's share capital as at 31 March 2015.

Number of warrants	As at 31 March 2015	As at 31 December 2014
Beginning and end of financial period/year	77,341,207	77,341,207

To date, 2,500 warrants has been exercised and converted into ordinary shares in the capital of the Company. There were no warrants (2014: Nil) being exercised and converted into ordinary shares in the capital of the Company during the financial period.

Except as mentioned above, no shares have been issued during the financial period (2014: Nil) by virtue of the exercise of warrants to take up unissued shares 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 2015	As at 31 December 2014
Beginning and end of financial period/year	386,721,035	386,721,035

As at both 31 December 2014 and 31 March 2015, 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 FRS") which were issued by the Accounting Standards Council.

The adoption of the all new and revised relevant FRSs and INT FRS 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	
	2015	2014
Profit/(Loss) per share		
(i) Based on weighted average number of ordinary shares on issue (cents)	0.02	(0.10)
(ii) On a fully diluted basis (cents) *	0.02	(0.10)
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 2015	As at 31 December 2014
GROUP		
Net asset value per ordinary shares (cents)	12.06	12.04
COMPANY		
Net asset value per ordinary shares (cents)	10.61	10.58
Number of issued shares as at end of financial period/year	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 $1.4 million or 43.2% from $3.2 million in 1Q2014 to $1.8 million in 1Q2015 due mainly to lower revenue from its Trading & Engineering business, resulting from stiffer competition and the scaling down of business operations.

Decrease in gross profit was in line with the decrease in revenue. Gross profit margin decreased from 43.6% in 1Q2014 to 28.9% in 1Q2015 due mainly to lower revenue and gross profit generated from Trading & Engineering business.

Other operating income increased by $183,000 or 110.2% from $166,000 in 1Q2014 to $349,000 in 1Q2015 mainly due to increase in foreign exchange gain resulting from appreciation of USD against SGD as well as gain from disposal of property, plant and equipment. This was partially offset by decreased in government grant received.

Selling and distribution expenses decreased by $232,000 or 83.5% from $278,000 in 1Q2014 to $46,000 in 1Q2015 mainly due to decrease in manpower cost as result of decrease in headcount.

General and administrative expenses decreased by $1.0 million or 62.2% from $1.6 million in 1Q2014 to $0.6 million in 1Q2015 mainly due to decrease in manpower related cost with a decrease in headcount, which is partially offset by the professional fee of $48,000 incurred for the proposed acquisition in PT Momentum Indonesia Investama.

Other operating expenses decreased by $19,000 or 57.6% from $33,000 in 1Q2014 to $14,000 in 1Q2015 mainly due to changes in fair value of financial assets at fair value through profit or loss.

Finance cost decreased by $6,000 or 30% from $20,000 in 1Q2014 to $14,000 in 1Q2015 mainly due to repayment of borrowings.

Income tax expenses of $52,000 was recorded for a subsidiary which was in a taxable profit position during the current financial period.

The Group recorded a profit after tax of $149,000 in 1Q2015 compared to net loss of $357,000 in 1Q2014.

Cash flow

The Group's cash and cash equivalents was $39.9 million as at 31 March 2015. Net cash generated from operating activities was $0.4 million in 1Q2015 compared to net cash used in operating activites of $0.8 million in 1Q2014. The net cash generated from operating activities in 1Q2015 and the net cash used in operating activities in 1Q2014 were mainly due to net cash generated from and used in working capital respectively.

Net cash generated from investing activities was $6.9 million in 1Q2015 compared to $105,000 used in investing activities in 1Q2014. This was mainly due to refund of the remaining $5.3 million from the Longmen's deposit and proceeds from disposal of subsidiaries of $4.4 million, which were partially offset by the partial deposit placed for the proposed investment in PT Momentum Indonesia Investama and purchase of property, plant and equipment.

Net cash used in financing activity was $135,000 in 1Q2015 compared to $169,000 in 1Q2014. This was mainly due to repayment of finance lease liabilities in 1Q2015.

Financial Position

Non-current assets decreased by $0.1 million or 4.3% from $2.5 million as at 31 December 2014 to $2.4 million as at 31 March 2015 mainly due to depreciation charge and disposal of property, plant and equipment, which were partially offset by purchase of property, plant and equipment.

Current assets decreased by $0.2 million or 0.5% from $47.4 million as at 31 December 2014 to $47.2 million as at 31 March 2015, mainly due to reduction in other receivables which was partially offset by increase in trade receivables and cash and cash equivalents as explained in the cash flow statement above.

Non-current liabilities decreased by $0.1 million or 11.8% from $0.9 million as at 31 December 2014 to $0.8 million as at 31 March 2015, mainly due to repayment of finance lease liabilities.

Current liabilities decreased by $0.4 million or 19.7% from $2.0 million as at 31 December 2014 to $1.6 million as at 31 March 2015, mainly due to payment of trade and other payables.

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 any prospect statement previously disclosed to shareholders.

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.

The Excavation & Transportation business continues to face keen competition in the market and has to contend with increased manpower costs arising from labour constraints. Though the outlook for this segment is challenging, we will be vigilant and navigate our way cautiously to stay ahead.

The Trading & Engineering business has been further scaled down with the disposal of old inventory in April 2015. As we review the viability of this segment, we will continue to minimise costs by streamlining our vehicle fleet and cost structure.

In our efforts to seek higher value businesses to grow our revenue drivers, we had on 17 March 2015, entered into a conditional sale and purchase agreement to acquire a 49% stake of PT Momentum Indonesia Investama for a consideration of US$11.5 million. We believe this acquisition will diversify our Group's revenue stream to include the marine logistics industry and benefit the Group as an additional revenue driver.

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	Out of the $2.2 million used for working capital purposes, $2.06 million was used to repay creditors and $0.14 million was for staff related costs.
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 2015 to be false or misleading in any material respect.

BY ORDER OF THE BOARD

Mark Zhou You Chuan
Executive Director

13 May 2015