

SGX/MEDIA RELEASE – FOR IMMEDIATE RELEASE

PSL's Revenue Jumps 189.8% to S\$5.2 million in 1Q2016 as Marine Logistics Becomes a Key Revenue Driver

- Marine Logistics business contributed S\$4.0 million, generating 77% of the Group's revenue
- Group's gross profit doubled to S\$1.0 million, reported a net loss of S\$852,000 because of unrealized foreign exchange losses of S\$1.0 million of which S\$0.9 million pertained to a non-cash portion

SINGAPORE, 13 May 2016 – PSL Holdings Limited ("PSL") together with its Subsidiaries (the "Group"), a construction and marine logistics specialist, today reported its financial results for the three months ended 31 March 2016 ("1Q2016").

Financial Highlights	1Q2016	1Q2015	Chg
	S\$'000	S\$'000	%
Revenue	5,228	1,804	189.8
Gross Profit	1,049	522	101.0
Gross Profit Margin	20.1%	28.9%	(8.8) ppts
Other Income	54	108	(50.0)
Other Gains/Loss	(998)	241	N.M.
Total Expenses ¹	(969)	(670)	44.6
(Loss)/Profit after tax	(852)	149	N.M.
Net Profit/Loss after tax attributable to Shareholders	(798)	60	N.M.

¹ Total Expenses includes selling and distribution expenses, general and administrative expenses, finance and other expenses

N.M. – Not Meaningful

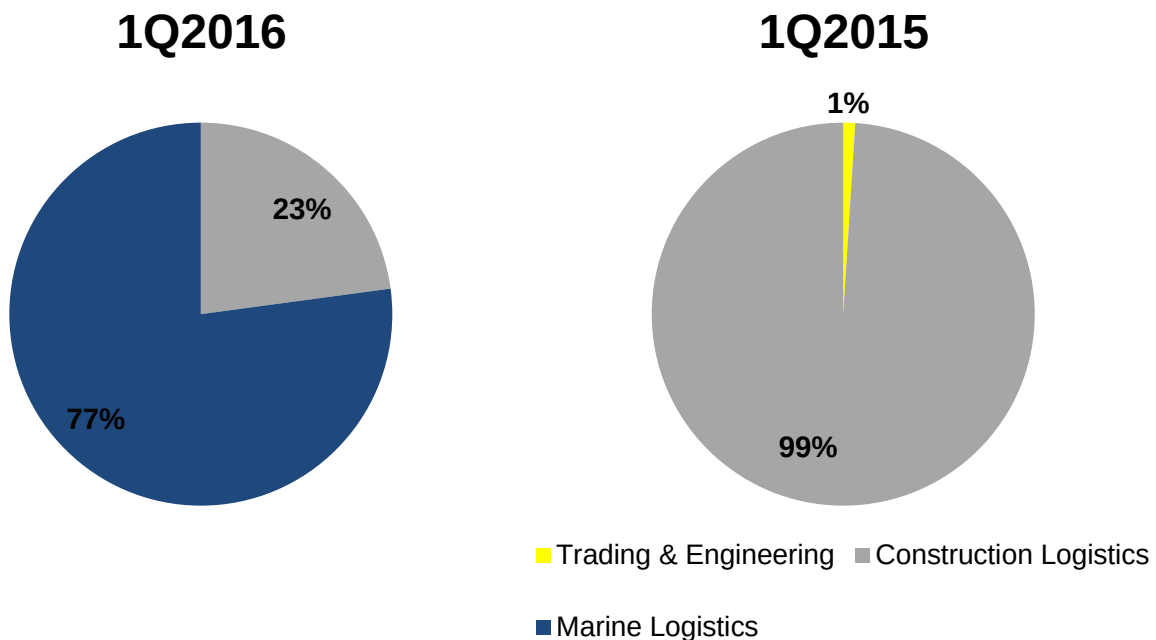
ppts – Percentage Points.

Financial Highlights

The Group's revenue jumped 189.8% year-on-year ("yoy") to S\$5.2 million in 1Q2016 mainly attributed to revenue contribution from the Marine Logistics business acquired in 4Q2015. In November 2015, the Group successfully completed an acquisition of a 49% stake in PT Momentum Indonesia Investama ("MII") to diversify into Marine Logistics. MII provides tugs and barges freight logistics services in Indonesia.

In 1Q2016, Marine Logistics contributed S\$4.0 million in the Group's revenue driving 77% of the Group's revenue. Revenue from Construction Logistics declined 34.0% yoy to S\$1.2 million mainly due to stiffer competition in the industry. The Group did not record any revenue from its Trading & Engineering business as it scaled down its business operations in 1Q2016.

Revenue by Business Segments



The Group's operating expenses increased 44.6% yoy to S\$970,000 largely because of an increase in manpower related costs as a result of consolidation of Marine Logistics business. The Group did not incur any selling and distribution costs after scaling down its Trading & Engineering business.

Despite the Group recording a 101.0% increase in gross profit yoy to S\$1.0 million, the Group suffered a net loss of S\$852,000 as a result of unrealized foreign exchange loss amounting to S\$998,000 from the depreciation of the USD against the SGD and the IDR. The USD depreciated from US\$1:S\$1.419 as at 31 December 2015 to US\$1:S\$1.348 as at 31 March 2016. Similarly, the USD had also depreciated against IDR from US\$1:IDR13,788 as at 31 December 2015 to US\$1:IDR13,239 as at 31 March 2016. Of the foreign exchange translation differences, around S\$890,000 pertained to a non-cash portion and the remaining S\$108,000 pertained to cash portions.

USD/SGD 1 Year Price Trend



Source: Bloomberg, 5 May 2016

The Group's balance sheet remained healthy as cash and cash equivalents stood at S\$10.1 million as at 31 March 2016. The Group's non-current assets dropped from S\$68.1 million as at 31 December 2015 to S\$64.5 million as at 31 March 2016 mainly due to translation differences on foreign assets denominated in USD.

Business Outlook

The Group intends to focus on expanding its Marine Logistics and Construction Logistics business going forward. The immediate business of the Group's Marine Logistics arm would be primarily serving the coal industry in Indonesia while its Construction Logistics arm would be serving various infrastructure development projects in Singapore. Moreover, The Group would be on a constant look-out for other earnings accretive acquisition opportunities that complement its business strategy and to boost shareholder value.

Commenting on the financial performance and business outlook of the Group, Mr Mark Zhou, Chief Executive Officer of PSL said, "Our Group is very pleased to start recognizing recurring income from our Marine Logistics business and that has become a key revenue contributor for our Group. On the contrary, 1Q2016 is typically a monsoon season in Indonesia where transshipment and loading activities are affected by extreme weather conditions. Otherwise, our Group would have been able to experience more charter hires during the period. Our Group expects the operating environment for the Marine Logistics business to improve going forward.

According to Mr Pandu Sjahrir, President of the Indonesian Coal Mining Association, domestic coal demand is expected to increase by approximately 22% from 2015 to 2016¹. Following Indonesia's 1Q2016 GDP results, Deutsche Bank has also reported that transportation and trade sectors witnessed a stronger yoy growth in 1Q2016 than 4Q2015 while construction growth was stable at 7.9% yoy (4Q2015: 8.2% yoy , 1Q2015: 6.0% yoy)².

With the acquisition of MII and its profit guarantee of US\$6.0 million over 24 months, our Group expects to turnaround. In addition, our Group is closely monitoring the USD/SGD exchange rates and US interest rates to consider if a hedging strategy should be undertaken.

Our Group remains cautiously optimistic as we continue to seek out new acquisition opportunities in the Construction, Marine or Oil and Gas industries that complement our strengths and to grow the business.”

¹ <http://en.sxcoal.com/0/139694/DataShow.html>, 20 January 2016

² Deutsche Bank, Sustained recovery in 1Q16 – Indo Strategy, 4 May 2016

END

About PSL Holdings Limited (Bloomberg Code: PSL SP)

Through its subsidiaries, PSL is principally engaged in the provision of logistics and support services to the construction industry with the provision of construction equipment and supply of dump trucks. In November 2015, PSL has successfully diversified into Marine Logistics business specializing in vessel chartering, logistics and equipment services.

Issued for and on behalf for PSL Holdings Limited

By Financial PR Pte Ltd
For more information, please contact:

Romil Singh/ Colin Lum
psl@financialpr.com.sg
Tel: (65) 6438 2990 Fax: (65) 6438 0064