

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2021

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

A. Condensed interim consolidated statement of profit or loss and other comprehensive income

	Note	3 Months Ended 30 June			6 Months Ended 30 June		
		2Q2021 S\$'000	2Q2020 S\$'000	Increase (Decrease) %	1H2021 S\$'000	1H2020 S\$'000	Increase (Decrease) %
Revenue	4	2,354	1,751	34%	4,210	2,983	41%
Cost of sales		(965)	(541)	78%	(1,810)	(954)	90%
Gross profit		1,389	1,210	15%	2,400	2,029	18%
Other operating income	8	10	383	-97%	93	361	-74%
Other gains/(losses) - net	8	18	272	-93%	(542)	494	-210%
Expenses							
- General and administrative expenses		(562)	(592)	-5%	(1,092)	(1,120)	-3%
- Other operating expenses		-	(1)	-100%	-	(1)	-100%
- Finance costs		(236)	(246)	-4%	(498)	(472)	6%
Profit before income tax	8	619	1,026		361	1,291	
Income tax expense	9	(142)	(368)	-61%	(206)	(368)	-44%
Profit after tax		477	658		155	923	
Other comprehensive income/(loss):							
Items that may be reclassified subsequently to profit or loss:							
Currency translation differences arising from consolidation		(12)	(462)	-97%	152	29	424%
Total comprehensive income for the financial period		465	196	137%	307	952	-68%
Profit/(loss) attributable to:							
Equity holders of the Company		343	523	-34%	(17)	647	-103%
Non-controlling interests		134	135	-1%	172	276	-38%
		477	658	-28%	155	923	-83%
Total comprehensive income attributable to:							
Equity holders of the Company		331	75	341%	132	671	-80%
Non-controlling interests		134	121	11%	175	281	-38%
		465	196	137%	307	952	-68%

n.m = Not meaningful

B. Condensed interim statements of financial position

	Note	Group		Company	
		As at 30	As at 31	As at 30	As at 31
		June 2021	December 2020	June 2021	December 2020
		S\$'000	S\$'000	S\$'000	S\$'000
			(Audited)		(Audited)
ASSETS					
Current assets					
Trade and other receivables	6	4,931	5,548	2,483	2,492
Inventories		42	72	-	-
Amounts due from subsidiaries		-	-	3,029	3,930
Cash and cash equivalents		11,490	10,410	9,699	6,289
Loans due from PTMII		-	-	4,983	7,166
Total current assets		16,463	16,030	20,194	19,877
Non-current assets					
Property, plant and equipment	13	8,060	7,761	249	280
Right-of-use assets		7,274	8,131	4	28
Investment in subsidiaries		-	-	155	155
Trade and other receivables	6	-	1,172	-	1,172
Club membership		6	6	6	6
Total non-current assets		15,340	17,070	414	1,641
Total assets		31,803	33,100	20,608	21,518
LIABILITIES					
Current liabilities					
Trade and other payables	7	635	816	368	597
Amounts due to subsidiaries		-	-	131	141
Lease liabilities	14	2,297	2,231	4	10
Current income tax liabilities		208	359	-	-
Total current liabilities		3,140	3,406	503	748
Non-current liabilities					
Lease liabilities	14	3,797	5,135	-	19
Total non-current liabilities		3,797	5,135	-	19
Total liabilities		6,937	8,541	503	767
NET ASSETS		24,866	24,559	20,105	20,751
EQUITY					
Capital and reserves attributable to equity holders of the Company					
Share capital	15	35,763	35,763	35,763	35,763
Currency translation reserve		70	(79)	-	-
Accumulated losses		(15,635)	(15,618)	(15,658)	(15,012)
Capital reserve		4,669	4,669	-	-
		24,867	24,735	20,105	20,751
Non-controlling interests		(1)	(176)	-	-
Total equity		24,866	24,559	20,105	20,751

C. Condensed interim statements of changes in equity

	Share capital	Accumulated losses	Currency translation reserve	Capital reserve	Total	Non-controlling Interests	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
FOR 6 MONTHS ENDED 30 JUNE							
GROUP							
Balance as at 1 January 2021	35,763	(15,618)	(79)	4,669	24,735	(176)	24,559
Net (loss)/profit for the period	-	(17)	-	-	(17)	172	155
Other comprehensive income for the period	-	-	149	-	149	3	152
Balance as at 30 June 2021	35,763	(15,635)	70	4,669	24,867	(1)	24,866
Balance as at 1 January 2020	35,763	(9,414)	(116)	146	26,379	(320)	26,059
Net profit for the period	-	647	-	-	647	276	923
Other comprehensive income for the period	-	-	24	-	24	5	29
Balance as at 30 June 2020	35,763	(8,767)	(92)	146	27,050	(39)	27,011
COMPANY							
Balance as at 1 January 2021	35,763	(15,012)	-	-	20,751	-	20,751
Net loss for the period	-	(646)	-	-	(646)	-	(646)
Balance as at 30 June 2021	35,763	(15,658)	-	-	20,105	-	20,105
Balance as at 1 January 2020	35,763	(10,181)	-	-	25,582	-	25,582
Net loss for the period	-	(155)	-	-	(155)	-	(155)
Balance as at 30 June 2020	35,763	(10,336)	-	-	25,427	-	25,427
FOR 3 MONTHS ENDED 30 JUNE							
GROUP							
Balance as at 1 April 2021	35,763	(15,978)	82	4,669	24,536	(135)	24,401
Net profit for the period	-	343	-	-	343	134	477
Other comprehensive loss for the period	-	-	(12)	-	(12)	-	(12)
Balance as at 30 June 2021	35,763	(15,635)	70	4,669	24,867	(1)	24,866
Balance as at 1 April 2020	35,763	(9,290)	356	146	26,975	(160)	26,815
Net profit for the period	-	523	-	-	523	135	658
Other comprehensive loss for the period	-	-	(448)	-	(448)	(14)	(462)
Balance as at 30 June 2020	35,763	(8,767)	(92)	146	27,050	(39)	27,011
COMPANY							
Balance as at 1 April 2021	35,763	(15,312)	-	-	20,451	-	20,451
Net loss for the period	-	(346)	-	-	(346)	-	(346)
Balance as at 30 June 2021	35,763	(15,658)	-	-	20,105	-	20,105
Balance as at 1 April 2020	35,763	(10,058)	-	-	25,705	-	25,705
Net loss for the period	-	(278)	-	-	(278)	-	(278)
Balance as at 30 June 2020	35,763	(10,336)	-	-	25,427	-	25,427

D. Condensed interim consolidated statements of cash flows

	Group 3 Months Ended 30 June 2021 S\$'000		Group 6 Months Ended 30 June 2021 S\$'000	
Note	2021 S\$'000	2020 S\$'000	2021 S\$'000	2020 S\$'000
Cash flows from operating activities				
Profit before taxation	619	1,026	361	1,291
Adjustments for:				
Depreciation of plant and equipment and right-of-use assets	618	263	1,228	501
Gain on disposal of plant and equipment	(1)	-	(1)	-
Fair value changes on profit guarantee due from vendors	7	(323)	(49)	(220)
Interest income	(8)	(58)	(27)	(138)
Interest expense	227	246	477	472
Operating profit before working capital changes	1,462	1,154	1,989	1,906
Changes in inventories	14	1	30	(9)
Changes in trade and other receivables	683	2,954	2,343	637
Changes in trade payables, other payables and accruals	(211)	(2,562)	(181)	179
Cash generated from operations	1,948	1,547	4,181	2,713
Income tax paid	(328)	(8)	(357)	(10)
Net cash generated from operating activities	1,620	1,539	3,824	2,703
Cash flows from investing activities				
Interest received	8	26	27	45
Acquisition of plant and equipment	(524)	(3)	(727)	(20)
Net cash (used in)/generated from investing activities	(516)	23	(700)	25
Cash flows from financing activities				
Repayment of loans and accrued interest due from PTMII	-	-	-	4,569
Repayment of lease liabilities	(767)	(690)	(1,533)	(1,190)
Interest paid	(227)	(246)	(477)	(472)
Net cash (used in)/generated from financing activities	(994)	(936)	(2,010)	2,907
Net increase in cash and cash equivalents	110	626	1,114	5,635
Cash and cash equivalents at beginning of financial period	11,376	7,650	10,410	2,552
Effect of currency translation	4	109	(34)	198
Cash and cash equivalents at end of financial period	11,490	8,385	11,490	8,385
Cash and cash equivalents				
Cash and bank balances	11,490	8,385	11,490	8,385
Less: Fixed deposits pledged with financial institutions	-	-	-	-
Cash and cash equivalents at end of financial period	11,490	8,385	11,490	8,385

E. Notes to the condensed interim consolidated financial statements

1. Corporate information

PSL Holdings Limited (the “Company”) is incorporated as a limited liability company and domiciled in Singapore and listed on the Mainboard of the Singapore Exchange Securities Trading Limited (“SGX-ST”). These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the Group).

The primary activity of the Company is investment holding and through its operating subsidiaries, the Company is engaged in businesses relating to provision of land logistics and support services as well as the provision of marine logistics services.

2. Basis of Preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements and should be read in conjunction with the Group’s annual consolidated financial statements as at and for the year ended 31 December 2020. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Singapore Dollar (SGD or S\$), which is the Company’s functional currency, and all values are rounded to the nearest thousand (S\$’000), except when otherwise indicated.

2.1 New and amended standards adopted by the Group

The following standards and interpretations are effective for the annual period beginning on or after 1 January 2021:

- *SFRS(I) 1-34 Preparation of Interim Financial Statements*

The Group’s adoption of the new standard listed above did not have any impact on the amounts recognised in prior financial periods and are not expected to significantly affect the current or future financial periods.

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Actual results may differ from these estimates.

The significant judgements made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

There are no critical judgements in the application of accounting policies that have the most significant effect on the amounts recognised in the financial statements.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are:

- Impairment tests for property, plant and equipment and right-of-use assets: key assumptions underlying recoverable amounts
- Measurement of expected credit losses (“ECL”) allowance for trade and other receivables: key assumptions in determining the weighted-average loss rate

3. Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

4. Segment and revenue information

The Group is organised into the following main business segments:

- Construction Logistics;
- Marine Logistics; and
- Corporate

These operating segments are reported in a manner consistent with internal reporting provided to the Board of Directors who are responsible for allocating resources and assessing performance of the operating segments.

4.1 Reportable segments

1 January 2021 to 30 June 2021	Construction Logistics S\$'000	Marine Logistics S\$'000	Corporate S\$'000	Group S\$'000
Revenue from external parties	2,919	1,291	-	4,210
Interest income	17	10	-	27
Miscellaneous income	1	-	65	66
Total other income	18	10	65	93
Total revenue and other income	2,937	1,301	65	4,303
Segment profit/(loss)	2,022	984	(919)	2,087
Depreciation	(660)	(534)	(34)	(1,228)
Finance expense	(492)	(4)	(2)	(498)
Profit before taxation				361
Taxation				(206)
Earnings for the interim period				155
Segment assets	10,938	8,316	12,549	31,803
Deferred income tax assets				-
Total assets per statement of financial position				31,803
Expenditures for segment non-current assets:				
Additions of property, plant and equipment	157	570	-	727
Segment liabilities	6,348	42	339	6,729
Current income tax liabilities				208
Deferred income tax liabilities				-
Total liabilities per statement of financial position				6,937

4.1 Reportable segments (cont'd)

1 January 2020 to 30 June 2020	Construction Logistics	Marine Logistics	Corporate	Group
	S\$'000	S\$'000	S\$'000	S\$'000
Revenue from external parties	2,983	-	-	2,983
Interest income	43	-	95	138
Miscellaneous income	-	-	223	223
Total other income	43	-	318	361
Total revenue and other income	3,026	-	318	3,344
Segment profit/(loss)	2,375	-	(111)	2,264
Depreciation	(436)	-	(65)	(501)
Finance expense	(469)	-	(3)	(472)
Profit before taxation				1,291
Taxation				(368)
Earnings for the interim period				923
Segment assets	17,087	-	21,872	38,959
Deferred income tax assets				16
Total assets per statement of financial position				38,975
Expenditures for segment non-current assets:				
Additions of property, plant and equipment	20	-	-	20
Segment liabilities	10,953	-	641	11,594
Current income tax liabilities				370
Deferred income tax liabilities				-
Total liabilities per statement of financial position				11,964

4.2 Disaggregation of Revenue

6 months ended 30 June 2021	Construction Logistics	Marine Logistics	Corporate	Group
	S\$'000	S\$'000	S\$'000	S\$'000
Types of goods or service:				
Rental income from leasing of heavy equipment	2,919	-	-	2,919
Vessel charter income	-	1,291	-	1,291
Total revenue	2,919	1,291	-	4,210
Timing of revenue recognition:				
At a point in time	-	-	-	-
Over time	2,919	1,291	-	4,210
Total revenue	2,919	1,291	-	4,210
Geographical information:				
Singapore	-	-	-	-
Indonesia	2,919	1,291	-	4,210
Total revenue	2,919	1,291	-	4,210

4.2 Disaggregation of Revenue (cont'd)

6 months ended 30 June 2020	Construction Logistics S\$'000	Marine Logistics S\$'000	Corporate S\$'000	Group S\$'000
Types of goods or service:				
Rental income from leasing of heavy equipment	2,983	-	-	2,983
Vessel charter income	-	-	-	-
Total revenue	2,983	-	-	2,983
Timing of revenue recognition:				
At a point in time	-	-	-	-
Over time	2,983	-	-	2,983
Total revenue	2,983	-	-	2,983
Geographical information:				
Singapore	-	-	-	-
Indonesia	2,983	-	-	2,983
Total revenue	2,983	-	-	2,983

5. Financial assets and financial liabilities

Set out below is an overview of the financial assets and financial liabilities of the Group as at 30 June 2021 and 31 December 2020:

	Group		Company	
	As at 30 June 2021 S\$'000	As at 31 December 2020 S\$'000 (Audited)	As at 30 June 2021 S\$'000	As at 31 December 2020 S\$'000 (Audited)
Financial assets at amortised cost				
Cash and cash equivalents	11,490	10,410	9,699	6,289
Amount due from subsidiaries	-	-	3,029	3,930
Loan due from PT MII	-	-	4,983	7,166
Trade and other receivables *	4,239	5,800	2,455	3,647
	15,729	16,210	20,166	21,032
Financial liabilities at amortised cost				
Trade and other payables	(635)	(816)	(368)	(597)
Amount due to subsidiaries	-	-	(131)	(141)
Lease liabilities	(6,094)	(7,366)	(4)	(29)
	(6,729)	(8,182)	(503)	(767)

* Excludes value-added tax (VAT) recoverable, advance payment to suppliers and prepayments

6. Trade and other receivables comprises:

	Group		Company	
	As at 30 June 2021 S\$'000	As at 31 December 2020 S\$'000 (Audited)	As at 30 June 2021 S\$'000	As at 31 December 2020 S\$'000 (Audited)
Current assets				
Trade receivables - non-related parties (a)	1,848	2,165	-	-
Allowance for impairment losses	(153)	(159)	-	-
	1,695	2,006	-	-
Advance payment to suppliers	-	37	-	-
Value-added tax (VAT) recoverable	528	717	10	2
Contingent consideration on acquisition of PTMII (b)	2,441	2,461	2,441	2,461
Sundry receivables (net)	67	125	-	-
	4,731	5,346	2,451	2,463
Deposits	36	36	14	14
Prepayments	164	166	18	15
	4,931	5,548	2,483	2,492
Non-current assets				
Contingent consideration on acquisition of PTMII (b)	-	1,172	-	1,172
	-	1,172	-	1,172

- (a) Trade receivables are non-interest bearing and are generally granted 30 to 90 days (31 December 2020 – 30 to 90 days) credit term.
- (b) As at 30 June 2021, contingent consideration of S\$2,441,000 (31 December 2020 – S\$3,633,000) comprised net profit guarantee from the vendors of PTMII. The vendors of PTMII had provided a guarantee to the Group that PTMII will achieve an aggregate of approximately S\$17,300,000 (US\$12,245,000) Net Profit after Tax ("NPAT") over a 24-month period following completion date in November 2015. The actual NPAT achieved will be compared against the targeted NPAT. In the event that the targeted NPAT is not achieved, the vendors of PTMII are obliged to compensate the shortfall amount in cash based on the 49% Group's ownership interest in PTMII.

6.1 Allowance for impairment losses of trade receivables

	Group	
	As at 30 June 2021 S\$'000	As at 31 December 2020 S\$'000 (Audited)
At 1 January	(159)	(1)
Increase in loss allowance recognised in profit or loss during the period/year	(1)	(165)
Impairment reversed	1	1
Write-off during the year	6	6
At 30 June and 31 December	(153)	(159)

6.2 ECL allowance for trade and other receivables:

Exposure to credit risk

As the Group and Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

6.2 ECL allowance for trade and other receivables: (cont'd)

On that basis, below is the information about the credit risk exposure on the Group's trade receivables and the Company's amounts due from subsidiaries using a provision matrix:

The Group	Total gross carrying amount of trade receivables				Net receivables S\$'000
	Average expected loss rate %	Non-credit impaired S\$'000	Credit-impaired S\$'000	Expected credit loss S\$'000	

At 30 June 2021

Current (not past due)	-	908	-	-	908
1-30 days past due	1.8	754	14	(14)	754
31-60 days past due	-	-	-	-	-
More than 60 days past due	80.8	33	139	(139)	33
		1,695	153	(153)	1,695

At 31 December 2021

Current (not past due)	-	718	-	-	718
1-30 days past due	2.0	772	16	(16)	772
31-60 days past due	-	516	1	(1)	516
More than 60 days past due	100.0	-	143	(143)	-
		2,006	160	(160)	2,006

The Company	Total gross carrying amount of amounts due from subsidiaries				Net receivables S\$'000
	Average expected loss rate %	Non-credit impaired S\$'000	Credit-impaired S\$'000	Expected credit loss S\$'000	

At 30 June 2021

Current (not past due)	51.2	3,029	3,181	(3,181)	3,029
1-30 days past due	-	-	-	-	-
31-60 days past due	-	-	-	-	-
More than 60 days past due	-	-	-	-	-
		3,029	3,181	(3,181)	3,029

At 31 December 2021

Current (not past due)	44.7	3,930	3,181	(3,181)	3,930
1-30 days past due	-	-	-	-	-
31-60 days past due	-	-	-	-	-
More than 60 days past due	-	-	-	-	-
		3,930	3,181	(3,181)	3,930

(1) Trade and other receivables, loans due from PTMII and amounts due from subsidiaries

The Group and the Company apply the SFRS(I) 9 simplified approach to measuring expected credit losses which uses a lifetime expected loss allowance for trade receivables. To measure the expected credit losses, trade receivables have been grouped based on shared credit risk characteristics and the days past due. The expected loss rates are based on the historical credit loss experiences. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomic factors affecting the ability of the customers to settle the receivables. The Group and the Company have identified the Gross Domestic Product of Singapore and Indonesia, the countries in which it operates to be the most relevant factors and accordingly adjusts the historical loss rates based on expected changes in these factors.

The Group and the Company apply the 3-stage general approach to determine ECL for other receivables. ECL is measured as an allowance equal to 12-month ECL for stage-1 assets, or lifetime ECL for stage-2 or stage-3 assets. An asset moves from stage-1 to stage-2 when its credit risk increases significantly and subsequently to stage-3 as it becomes credit-impaired. In assessing whether credit risk has significantly increased, the Group and the Company consider qualitative and quantitative reasonable and supportable forward looking information. At the reporting date, the expected credit loss is assessed to be insignificant.

6.2 ECL allowance for trade and other receivables: (cont'd)

Financial assets that are neither past due nor impaired

Trade and other receivables that are neither past due nor impaired are creditworthy companies or individuals with a good payment record with the Group and the Company. Bank deposits that are neither past due nor impaired are mainly deposits with banks with high credit ratings and no history of default.

Financial assets that are past due but not impaired

There is no other class of financial assets that is past due but not impaired except for trade and other receivables.

Cash and cash equivalents

Cash is placed with financial institutions which are regulated and have good credit ratings. Impairment on cash and cash equivalents has been measured on the 12-month expected loss basis and reflects the short maturities of the exposures. The Group considers that its cash and cash equivalents have low credit risk based on the external credit ratings of the counterparties. The amount of the allowance on cash and cash equivalents is negligible.

Contingent consideration and loans due from PTMII

As disclosed in Note 6 and Note 22A, management has assessed that the Group and the Company are not exposed to significant credit loss in respect of the contingent consideration and loans due from PTMII.

7. Trade and other payables comprises:

	Group		Company	
	As at 30 June 2021 S\$'000	As at 31 December 2020 S\$'000 (Audited)	As at 30 June 2021 S\$'000	As at 31 December 2020 S\$'000 (Audited)
Current liabilities				
Trade payables - non-related parties	121	105	-	-
Accruals	514	629	364	586
Other payables	-	82	4	11
	<u>635</u>	<u>816</u>	<u>368</u>	<u>597</u>

8. Profit before taxation

8.1 Significant items

	3 Months Ended 30 June			6 Months Ended 30 June		
	2Q2021 S\$'000	2Q2020 S\$'000	Increase (Decrease) %	1H2021 S\$'000	1H2020 S\$'000	Increase (Decrease) %
Other operating income/(losses):						
Interest income from PTMII	-	32	-100%	-	93	-100%
Interest income from banks	8	26	-69%	27	45	-40%
Government grants	6	1	500%	14	2	600%
Fair value changes on profit guarantee due from Vendors [#]	(7)	323	-102%	49	220	-78%
Sundry income	3	1	200%	3	1	200%
	<u>10</u>	<u>383</u>	<u>-97%</u>	<u>93</u>	<u>361</u>	<u>-74%</u>
Other gains/(losses) - net:						
Currency exchange gains	16	272	-94%	(638)	494	-229%
Gain on disposal of plant and equipment	1	-	n.m	1	-	n.m
Bad debt reversed	1	-	n.m	95	-	n.m
	<u>18</u>	<u>272</u>	<u>-93%</u>	<u>(542)</u>	<u>494</u>	<u>-210%</u>

8 Profit before taxation (cont'd)

8.1 Significant items (cont'd)

	3 Months Ended 30 June			6 Months Ended 30 June		
	2Q2021	2Q2020	Increase	1H2021	1H2020	Increase
	S\$'000	S\$'000	(Decrease) %	S\$'000	S\$'000	(Decrease) %
Depreciation included in:						
- cost of sales	(574)	(227)	153%	(1,137)	(428)	166%
- general and administrative expenses	(44)	(36)	22%	(91)	(73)	25%
Interest expense	(236)	(246)	-4%	(498)	(472)	6%
Allowance for impairment of trade and other receivables	-	(1)	-100%	-	(1)	-100%
Employee compensation	(371)	(403)	-8%	(724)	(719)	1%

n.m = Not meaningful

#Movement in contingent consideration on acquisition of PTMII are as follows:

	Group		Company	
	As at 30	As at 31	As at 30	As at 31
	June 2021	December 2020	June 2021	December 2020
	S\$'000	S\$'000	S\$'000	S\$'000
		(Audited)		(Audited)
Balance at beginning of year	3,633	6,056	3,633	6,056
Less: Payments received	(1,241)	(2,416)	(1,241)	(2,416)
Fair value changes on profit guarantee due from Vendors	49	(7)	49	(7)
Balance at end of period/year	2,441	3,633	2,441	3,633

8.2 Significant related party transactions

(a) Related party transactions

In addition to the related party information disclosed elsewhere in the financial statements, there are no other significant transactions with related parties.

(b) Key management personnel compensation

The fees and remuneration of the directors of the Company, who are the key management personnel of the Group, are as follows:

	Group	
	6 months ended 30 June	6 months ended 30 June
	2021	2020
	(S\$'000)	(S\$'000)
Key management:		
<u>Directors</u>		
- fees	69	61
- wages and salaries	99	238
- employer's contributions to defined contribution plan	7	9
<u>Other key management</u>		
- wages and salaries	111	213
- employer's contributions to defined contribution plan	6	13
	292	534

9. Taxation

The Group calculates the period income tax expense using the tax rate that would be applicable to the expected total annual earnings. The major components of income tax expense in the condensed interim consolidated statement of profit or loss are:

	6 months ended 30 June 2021 (S\$'000)	Group 6 months ended 30 June 2020 (S\$'000)
Current income tax expense	206	368

10. Dividends

	6 months ended 30 June 2021 (S\$'000)	Group 6 months ended 30 June 2020 (S\$'000)
Ordinary dividends	-	-
Preferred dividends	-	-
Total dividends paid	-	-

11. Net asset value

	As at 30 June 2021	As at 31 December 2020
GROUP		
Net asset value per ordinary share (dollars)	0.45	0.44
COMPANY		
Net asset value per ordinary share (dollars)	0.36	0.37

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 June 2021 and 31 December 2020 of 55,686,996.

12. Financial assets at fair value through other comprehensive income

12.1 Fair value measurement

Definition of fair value

SFRS(I)s define fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Fair value hierarchy

The Group classifies financial assets measured at fair value using a fair value hierarchy which reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (**Level 1**);
- Inputs other than quoted prices included within Level 1 which are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (**Level 2**); and
- Inputs for the assets and liability which are not based on observable market data (unobservable inputs) (**Level 3**)

Fair value measurement of financial assets and financial liabilities

The following summarises the significant methods and assumption used in estimating fair values of financial instruments of the Group.

12. Financial assets at fair value through other comprehensive income (cont'd)

12.1 Fair value measurement (cont'd)

Fair value measurement of financial assets and financial liabilities

Non-current financial assets and financial liabilities

The fair values of non-current obligations under lease liabilities are estimated by discounted cash flow analysis, using market borrowing rates for similar instruments as at the reporting date.

Other financial assets and financial liabilities

The carrying amounts of other financial assets and financial liabilities such as trade and other receivables, amounts due from subsidiaries, loans due from PTMII, lease liabilities, amounts due to subsidiaries and trade and other payables, which have a maturity of less than one year approximate their fair value because of the short-term period of maturity.

13. Property, plant and equipment

During the six months ended 30 June 2021, the Group acquired assets amounting to S\$727,000 (30 June 2020: S\$20,000) and disposed of assets amounting to S\$1,000 (30 June 2020: S\$nil)

14. Lease liabilities

	As at 30 June 2021		As at 31 December 2020	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	2,297	-	2,231	-
Amount repayable after one year	3,797	-	5,135	-

Details of collateral

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

15. Share capital

	Group and Company			
	30 June 2021 Number of shares	Amount S\$'000	31 December 2020 Number of shares	Amount S\$'000 (Audited)
Beginning and end of interim period	55,686,996	35,763	55,686,996	35,763

The Company did not hold any treasury shares as at 30 June 2021.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

16. Subsequent events

There are no known subsequent events which have led to adjustments to this set of unaudited condensed interim consolidated financial statements.

F. Other Information Required by Listing Rule Appendix 7.2

17. Review

The condensed consolidated statement of financial position of PSL Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

18. Review of performance of the Group

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 PTMII (the “**2% PTMII 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 PTMII on 30 June 2020. Following his resignation, the Company has taken over the accounting function of PTMII 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 PTMII as defined in the Singapore Financial Reporting Standards, specifically Singapore Financial Reporting Standard 110 (“**FRS 110**”).

As announced on 6 October 2020, the Sudirman Group further completed the transfer of 49% of the total issued and paid-up capital of PTMII (the “**49% PTMII Shares**”) to Ms Melda Veronica on 3 October 2020.

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 PTMII as well as to exercise influence on PTMII's management. In accordance with FRS 110, management has accounted for PTMII as a subsidiary of the Company and has consolidated 51% and 100% of the results of PTMII with effect from 1 July 2020 and 1 October 2020 respectively.

Financial Performance – 2Q2021 vs 2Q2020

Revenue increased from S\$1.8 million in 2Q2020 to S\$2.4 million in 2Q2021 due to an increase in 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\$0.5 million in 2Q2020 to S\$1.0 million in 2Q2021, resulting in an increase in gross profit from S\$1.2 million in 2Q2020 to S\$1.4 million in 2Q2021.

Other operating income decreased from S\$0.4 million in 2Q2020 to S\$10,000 in 2Q2021 mainly due to a decrease in fair value changes on the USD denominated profit guarantee due from the Vendors of PTMII arising from the depreciation of USD against SGD, coupled with the elimination of interest income from the loan to PTMII following the consolidation of PTMII.

Other gains decreased from S\$0.3 million in 2Q2020 to S\$18,000 in 2Q2021 mainly due to a decrease in foreign exchange gains arising from the appreciation of IDR against SGD on the IDR denominated loan extended to PT IPA, partially offset by the appreciation of IDR against USD on the USD denominated loan due from PTMII.

General and administrative expenses as well as finance costs recorded marginal difference in 2Q2021 and 2Q2020.

Income tax expense decreased from S\$0.4 million in 2Q2020 to S\$0.1 million in 2Q2021 mainly due to lower net profit before tax recorded by the Group in 2Q2021 as compared to 2Q2020.

In respect of the above, the Group recorded a profit after tax of S\$0.5 million for 2Q2021 as compared to S\$0.7 million for 2Q2020 mainly due to a decrease in other operating income arising from a decrease in fair value changes on the USD denominated profit guarantee due from the Vendors of PTMII, coupled with a decrease in other gains arising from a decrease in foreign exchange gains recorded. This is partially offset by higher gross profit contributed by revenue from PTMII following its consolidation, coupled with a decrease in income tax expense.

18. Review of performance of the Group (cont'd)

Financial Performance – 1H2021 vs 1H2020

Revenue increased from S\$3.0 million in 1H2020 to S\$4.2 million in 1H2021 due to an increase in revenue from the Marine Logistics segment as a result of the consolidation of PTMII, partially offset by slightly lower revenue from the Construction Logistics segment contributed by PT IPA from lease of heavy equipment to PT CRM. In tandem with the higher revenue, cost of sales increased from S\$1.0 million in 1H2020 to S\$1.8 million in 1H2021, resulting in an increase in gross profit from S\$2.0 million in 1H2020 to S\$2.4 million in 1H2021.

Other operating income decreased from S\$0.4 million in 1H2020 to S\$0.1 million in 1H2021 mainly due to a decrease in fair value changes on the USD denominated profit guarantee due from the Vendors of PTMII arising from a 3.6% appreciation of USD against SGD in 1H2020 as compared to a 1.7% appreciation of USD against SGD in 1H2021, coupled with the elimination of interest income from the loan to PTMII following the consolidation of PTMII.

Other (losses)/gains decreased from a gain of S\$0.5 million in 1H2020 to a loss of S\$0.6 million in 1H2021 mainly due to an increase in foreign exchange losses arising from the depreciation of IDR against SGD on the IDR denominated loan extended to PT IPA, partially offset by bad debts of S\$0.1 million recovered by PTMII.

General and administrative expenses as well as finance costs recorded marginal difference in 1H2021 and 1H2020.

Income tax expense decreased from S\$0.4 million in 1H2020 to S\$0.2 million in 1H2021 mainly due to lower net profit before tax recorded by the Group in 1H2021 as compared to 1H2020.

In respect of the above, the Group recorded a profit after tax of S\$0.2 million for 1H2021 as compared to S\$0.9 million for 1H2020 mainly due to a decrease in other operating income arising from a decrease in fair value changes on the USD denominated profit guarantee due from the Vendors of PTMII, coupled with a decrease in other gains/(losses) arising from an increase in foreign exchange losses recorded. This is partially offset by higher gross profit contributed by revenue from PTMII following its consolidation, coupled with a decrease in income tax expense.

Financial Position

Current assets increased by S\$0.5 million from S\$16.0 million as at 31 December 2020 to S\$16.5 million as at 30 June 2021 mainly due to an increase in cash and cash equivalents as highlighted in the cash flow statement above. This is partially offset by a decrease in trade and other receivables arising from subsequent receipts from debtors after year end.

Non-current assets decreased by S\$1.6 million from S\$17.1 million as at 31 December 2020 to S\$15.5 million as at 30 June 2021 mainly due to (i) a decrease in right-of-use assets as a result of depreciation charges recorded during the period and (ii) a decrease in trade and other receivables arising from the reclassification of profit guarantee due from the Vendors of PTMII from non-current to current. This is partially offset by an increase in plant and equipment acquired by PT IPA and PTMII, coupled with drydocking costs capitalised for PTMII's vessels during the period.

Current liabilities decreased by S\$0.3 million from S\$3.4 million as at 31 December 2020 to S\$3.1 million as at 30 June 2021 mainly due to a decrease in accruals for the purchase of spare parts for the heavy equipment under the Construction Logistics segment.

Non-current liabilities decreased by S\$1.3 million from S\$5.1 million as at 31 December 2020 to S\$3.8 million as at 30 June 2021 due to the reclassification from non-current to current lease liabilities.

As a result of the above, the Group's net assets increased by S\$0.3 million from S\$24.6 million as at 31 December 2020 to S\$24.9 million as at 30 June 2021.

Cash flow – 2Q2021 vs 2Q2020

Net cash generated from operating activities was S\$1.6 million in 2Q2021 as compared to S\$1.5 million in 2Q2020 mainly due to (i) higher depreciation charges recorded for vessels arising from the consolidation of PTMII, (ii) an increase in trade and other payables arising from the consolidation of PTMII, partially offset by (iii) lower profit before taxation, as well as (iv) increase in trade and other receivables arising from the consolidation of PTMII.

Net cash used in investing activities was S\$0.5 million in 2Q2021 as compared to net cash generated from investing activities of S\$23,000 in 2Q2020 mainly due to an increase in plant and equipment acquired by PT IPA and PTMII in 2Q2021, coupled with drydocking costs capitalised for PTMII's vessels in 2Q2021.

Net cash used in financing activities recorded marginal difference in 2Q2021 and 2Q2020.

As a result of the above, the Group's cash and cash equivalents increased from S\$11.4 million as at 31 March 2021 to S\$11.5 million as at 30 June 2021.

18. Review of performance of the Group (cont'd)

Cash flow – 1H2021 vs 1H2020

Net cash generated from operating activities was S\$3.8 million in 1H2021 as compared to S\$2.7 million in 1H2020 mainly due to (i) higher depreciation charges recorded for vessels arising from the consolidation of PTMII, (ii) a decrease in trade and other receivables from the Construction Logistics and Marine Logistics segments, partially offset by (iii) lower profit before taxation as well as (iv) a decrease in trade and other payables from the Construction Logistics segment arising from the acquisition of an additional 5 units of heavy equipment in 1Q2020.

Net cash used in investing activities was S\$0.7 million in 1H2021 as compared to net cash generated from investing activities of S\$25,000 in 1H2020 mainly due to an increase in plant and equipment acquired by PT IPA and PTMII in 1H2021, coupled with drydocking costs capitalised for PTMII's vessels in 1H2021.

Net cash used in financing activities was S\$2.0 million in 1H2021 as compared to net cash generated from financing activities of S\$2.9 million in 1H2020 mainly due to (i) accounting elimination of the proceeds from the repayment of loan due from PTMII following its consolidation and (ii) repayment of finance lease liabilities arising from the acquisition of an additional 5 units of heavy equipment in 1Q2020 which commenced on 4 June 2020.

As a result of the above, the Group's cash and cash equivalents increased from S\$10.4 million as at 31 December 2020 to S\$11.5 million as at 30 June 2021.

- 19(a) **Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2020.

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.

- 19(b) **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 June 2021	As at 31 December 2020
Total number of issued shares (excluding treasury shares)	55,686,996	55,686,996

- 19(c) **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.

19(d) 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.

20. 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.

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

Not applicable.

22A. 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 audited financial statements for the previous financial year ended 31 December 2019 contained a disclaimer of opinion on the recoverability of loans due from PT. Momentum Indonesia Investama ("PTMII") and contingent consideration receivable by the Company.

Loans due from PTMII of S\$9.5 million has been impaired as at 31 December 2020 ("FY2020") to the net liquid assets less liabilities of PTMII. Total impairment of S\$2.31 million was recognised in profit or loss for FY2020. Subsequent to FY2020, the Company has received S\$2.32 million partial loan repayment from PTMII.

The Auditors have also obtained management's valuation report on the Sudirman Vessels related to the contingent consideration (profit guarantee) receivable and the fair value of the underlying assets is higher than the remaining outstanding amount. Subsequent to FY2020, the Company has further received instalment payments amounting to US\$1.09 million. To date, the Company has received timely instalment payments totalling US\$2.84 million in accordance to the repayment schedule.

Based on the above, the Auditors are satisfied that the 2 issues highlighted above have been resolved and an unqualified opinion was issued in the audited financial statements for the financial year ended 31 December 2020.

(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.

Not applicable, the audit opinion for the latest audited financial statements for the financial year ended 31 December 2020 is unqualified.

23. 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 24 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.

24. 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 2020, 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 2021. 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.

25. 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 June		Group 6 Months Ended 30 June	
	2021	2020	2021	2020
Profit/(loss) per share				
(i) Based on weighted average number of ordinary shares on issue (cents)	0.62	0.94	(0.03)	1.16
(ii) On a fully diluted basis (cents) *	0.62	0.94	(0.03)	1.16
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.

26. 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.

27. 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.

As Indonesia experiences a significant spike in Covid-19 cases, Indonesia's Central Bank has revised its 2021 growth outlook to 3.5% to 4.3% from 4.1% to 5.1% previously¹. To curb the spread of Covid-19, mobility restrictions imposed since July 2021 are expected to hinder growth and have the potential to cause further disruptions to construction and maritime activities if extended.

However, the long-term growth outlook for Indonesia's construction sector remains buoyed by a robust pipeline of projects, including large-scale government-backed infrastructure programmes. While disruptions to economic activity will likely have an impact on the marine logistics sector in the near term, the Indonesian government aims to grow its maritime-based economy to support the country's long term economic growth.

In view of the challenging business environment, the Group will continue to exercise prudence in financial management while it continues to strive to continue achieving profitability in the coming quarters.

The Company will also continue to closely monitor the financial and economic impact of the Covid-19 pandemic on the business operations of the Group.

At the Company's Extraordinary General Meeting held on 30 July 2021, the resolution relating to the approval of the Selective Capital Reduction was duly passed by way of poll. Having obtained Shareholders' approval, the Company is proceeding to obtain Court approval to satisfy the conditions set out in the circular dated 8 July 2021 to cancel all the issued ordinary shares in the capital of the Company ("Shares") held by the Eligible Shareholders and return the share capital in cash to the Eligible Shareholders.

The Company will continue to update Shareholders on any further material developments in relation to the Selective Capital Reduction Exercise as and when appropriate.

¹[Reuters, 03/08/2021: Indonesia set for first GDP growth in five quarters, new virus wave hurts outlook](#)

28. 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.

29. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared (recommended).

No profits were derived by PSL for FY2020 and with the accumulated losses to date, there were no retained earnings for any dividend appropriation.

30. 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.

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

We, Mr Fhifi Alfhian 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 June 2021 to be false or misleading in any material aspect.

32. 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.

33. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Kee Siang Hui	29	Spouse of Melda Veronica, a Substantial Shareholder of the Company	He was appointed as an Executive Director of the Company in May 2020 and is responsible for the corporate management and operations of the Group.	Prior to this appointment as an Executive Director in May 2020, he was the Assistant General Manager of the Company. As Assistant General Manager, he worked closely with the supervisors for operations, project managers, the finance team and human resource department, and is familiar with the operations and financial matters of the Company.
Melda Veronica	28	Spouse of Kee Siang Hui, an Executive Director of the Company	She was appointed as the Assistant Finance Manager of the Company in 2017 and is responsible for managing the financial and accounting functions of the Group.	NIL

BY ORDER OF THE BOARD

Kee Siang Hui
Executive Director

13 August 2021