PSL HOLDINGS LIMITED
Company Registration Number: 199707022K
(Incorporated in the Republic of Singapore)

RESPONSE TO THE SGX QUERIES IN RELATION TO THE UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE SECOND QUARTER ENDED 30 JUNE 2015

The Board of Directors of the Company refers to the following queries raised by the Singapore Exchange Securities Trading Limited ("SGX") in its email dated 26 August 2015 and would like to provide further information in relation to the Company's unaudited financial information for the second quarter ended 30 June 2015.

SGX Query 1:

Despite a 40.8% decrease in revenue to $1.661 million, it is noted that cost of sales only decreased by 7.5% to $1.583 million. Please provide a breakdown of cost of sales and explain for the significant costs which have resulted in a decrease of 92.9% for gross profit to only $0.078 million.

Company's Response:

The segment by operations are as follows:

	2Q2015			2Q2014		
	Trading & Engineering	**Excavation & Transportation**	**Total**	**Trading & Engineering**	**Excavation & Transportation**	**Total**
	$'000	**$'000**	**$'000**	**$'000**	**$'000**	**$'000**
Revenue	4	1,657	1,661	1,275	1,530	2,805
Cost of sales	-	(1,583)	(1,583)	(362)	(1,350)	(1,712)
Gross profit	4	74	78	913	180	1,093

The scale down of Trading & Engineering business has contributed to the significant variance on the gross profit recorded. In addition, stiffer competition faced by the Excavation & Transportation business and increase in manpower costs arising from labour constraints have further led to a lower gross profit recorded.

SGX Query 2:

We refer to paragraph 9 of the Announcement. Please comment whether the current results are in line with the Company's commentary on prospects or previous quarter outlook in paragraph 10 of its previous first quarter results announcement.

Company's Response:

The current results for the second quarter ended 30 June 2015 are generally in line with the Company's commentary set out in paragraph 10 of its previous results announcement for the first quarter ended 31 March 2015.

BY ORDER OF THE BOARD
PSL HOLDING LIMITED

Mark Zhou You Chuan
Executive Director

27 August 2015