

UNAUDITED FINANCIAL STATEMENTS AND RELATED ANNOUNCEMENT FOR THE FIRST QUARTER ENDED 31 MARCH 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 31 March | | |
|--|----------|-------------------------|-----------------|-----------------------------|
| | | 2020 S\$'000 | 2019 S\$'000 | Increase (Decrease) % |
| Revenue | | 1,232 | 66 | *n.m |
| Cost of sales | | (212) | (43) | 393% |
| Gross profit | | 1,020 | 23 | *n.m |
| Other operating (losses)/income | 1(a)(ii) | (22) | 97 | -123% |
| Other gains | 1(a)(ii) | 222 | 10 | *n.m |
| Expenses | | | | |
| - General and administrative expenses | | (729) | (614) | 19% |
| - Finance expenses | | (226) | (13) | *n.m |
| Profit/(loss) before income tax | 1(a)(ii) | 265 | (497) | |
| Income tax expense | | - | - | *n.m |
| Profit/(loss) after tax | | 265 | (497) | |
| Other comprehensive income/(loss): | | | | |
| Items that may be reclassified subsequently to profit or loss: | | | | |
| Currency translation differences arising from consolidation | | 491 | (40) | *n.m |
| Total comprehensive income/(loss) for the financial | | 756 | (537) | 241% |
| Profit/(loss) attributable to: | | | | |
| Equity holders of the Company | | 124 | (473) | 126% |
| Non-controlling interests | | 141 | (24) | 688% |
| | | 265 | (497) | 153% |
| Total comprehensive income/(loss) attributable to: | | | | |
| Equity holders of the Company | | 596 | (510) | 217% |
| Non-controlling interests | | 160 | (27) | 693% |
| | | 756 | (537) | 241% |

*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 31 March | | |
|--|------|-------------------------|--------------|-----------------|
| | | 2020 | 2019 | Increase |
| | | S\$'000 | S\$'000 | (Decrease) % |
| Other operating (losses)/income: | | | | |
| Interest income from PTMII | | 61 | 79 | -23% |
| Interest income from banks | | 19 | 43 | -56% |
| Government grants | | 1 | 7 | -86% |
| Fair value changes on profit guarantee due from Vendors [#] | | (103) | (34) | 203% |
| Sundry income | | - | 2 | -100% |
| | | <u>(22)</u> | <u>97</u> | -123% |
| Other gains: | | | | |
| Currency exchange gains/(losses) | | 222 | (4) | *n.m |
| Loss on disposal of property, plant and equipment | | - | (6) | 100% |
| Bad debt reversed | | - | 20 | -100% |
| | | <u>222</u> | <u>10</u> | *n.m |
| Depreciation included in: | | | | |
| - cost of sales | | - | (6) | -100% |
| - general and administrative expenses | | (238) | (31) | 668% |
| Interest expense | | (226) | (13) | *n.m |
| Employee compensation | | <u>(316)</u> | <u>(414)</u> | -24% |

*n.m = Not meaningful

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

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 | As at 31 | As at 31 | As at 31 |
| | | March 2020 | December 2019 | March 2020 | December 2019 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | | | (Audited) | | (Audited) |
| ASSETS | | | | | |
| Current assets | | | | | |
| Trade and other receivables | 1(b)(ii) | 6,103 | 6,914 | 2,777 | 2,391 |
| Inventories | | 31 | 21 | - | - |
| Amounts due from subsidiaries | | - | - | 3,735 | 4,369 |
| Cash and cash equivalents | | 7,650 | 2,552 | 5,808 | 1,019 |
| Loans due from PTMII | | 10,103 | 14,013 | 10,103 | 14,013 |
| Total current assets | | 23,887 | 23,500 | 22,423 | 21,792 |
| Non-current assets | | | | | |
| Property, plant and equipment | | 571 | 617 | 332 | 352 |
| Right-of-use assets | | 9,984 | 7,299 | 70 | 85 |
| Investment in subsidiaries | | - | - | 200 | 200 |
| Deferred tax asset | | 14 | 16 | - | - |
| Trade and other receivables | 1(b)(ii) | 3,246 | 3,699 | 3,246 | 3,699 |
| Club membership | | 6 | 6 | 6 | 6 |
| Total non-current assets | | 13,821 | 11,637 | 3,854 | 4,342 |
| Total assets | | 37,708 | 35,137 | 26,277 | 26,134 |
| LIABILITIES | | | | | |
| Current liabilities | | | | | |
| Trade and other payables | 1(b)(iii) | 5,635 | 2,894 | 351 | 316 |
| Amounts due to subsidiaries | | - | - | 150 | 150 |
| Obligations under finance lease | 1(b)(iv) | - | - | - | - |
| Lease liabilities | | 970 | 1,374 | 45 | 57 |
| Current income tax liabilities | | 10 | 12 | - | - |
| Total current liabilities | | 6,615 | 4,280 | 546 | 523 |
| Non-current liabilities | | | | | |
| Obligations under finance lease | 1(b)(iv) | - | - | - | - |
| Lease liabilities | | 4,278 | 4,798 | 26 | 29 |
| Total non-current liabilities | | 4,278 | 4,798 | 26 | 29 |
| Total liabilities | | 10,893 | 9,078 | 572 | 552 |
| NET ASSETS | | 26,815 | 26,059 | 25,705 | 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 | | 356 | (116) | - | - |
| Accumulated losses | | (9,290) | (9,414) | (10,058) | (10,181) |
| Capital reserve | | 146 | 146 | - | - |
| | | 26,975 | 26,379 | 25,705 | 25,582 |
| Non-controlling interests | | (160) | (320) | - | - |
| Total equity | | 26,815 | 26,059 | 25,705 | 25,582 |

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

| | Note | Group | | Company | |
|--|------|------------|---------------|------------|---------------|
| | | As at 31 | As at 31 | As at 31 | As at 31 |
| | | March 2020 | December 2019 | March 2020 | December 2019 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | | | (Audited) | | (Audited) |
| Current assets | | | | | |
| Trade receivables - non-related parties | | 942 | 735 | - | - |
| Allowance for impairment losses | | (1) | (1) | - | - |
| | | 941 | 734 | - | - |
| Advance payment to suppliers | | - | 1,304 | - | - |
| Value-added tax (VAT) recoverable | | 1,072 | 889 | 9 | 1 |
| Contingent consideration on acquisition of PTMII | | 2,707 | 2,357 | 2,707 | 2,357 |
| Sundry receivables (net) | | 1,215 | 1,456 | - | - |
| | | 5,935 | 6,740 | 2,716 | 2,358 |
| Deposits | | 21 | 19 | 16 | 14 |
| Prepayments | | 147 | 155 | 45 | 19 |
| | | 6,103 | 6,914 | 2,777 | 2,391 |
| Non-current assets | | | | | |
| Contingent consideration on acquisition of PTMII | | 3,246 | 3,699 | 3,246 | 3,699 |
| | | 3,246 | 3,699 | 3,246 | 3,699 |

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

| | Note | Group | | Company | |
|--|------|------------|---------------|------------|---------------|
| | | As at 31 | As at 31 | As at 31 | As at 31 |
| | | March 2020 | December 2019 | March 2020 | December 2019 |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| | | | (Audited) | | (Audited) |
| Current liabilities | | | | | |
| Trade payables - non-related parties | | 2,907 | 122 | - | - |
| Accruals | | 287 | 396 | 277 | 307 |
| Loan from third party (former non-controlling interest of a subsidiary) [Note 1] | | 1,902 | 2,119 | - | - |
| Other payables | | 539 | 257 | 74 | 9 |
| | | 5,635 | 2,894 | 351 | 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\$433,000, leaving balance of his loan of S\$1,902,000 to PT IPA as at 31 March 2020.

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

| | Note | As at 31 March 2020 | | As at 31 December 2019 | |
|--|------|---------------------|-----------|------------------------|-----------|
| | | Secured | Unsecured | Secured | Unsecured |
| | | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Amount repayable in one year or less, or on demand | | - | - | - | - |
| Amount repayable after one year | | - | - | - | - |

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 31 March | |
|--|-------------------------------------|----------------|
| | 2020 | 2019 |
| Note | S\$'000 | S\$'000 |
| Cash flows from operating activities | | |
| Profit/(loss) before taxation | 265 | (497) |
| Adjustments for: | | |
| Depreciation of property, plant and equipment | 238 | 37 |
| Loss on disposal of property, plant and equipment | - | 6 |
| Fair value changes on profit guarantee due from vendors | 103 | 34 |
| Interest income | (80) | (122) |
| Interest expense | 226 | 13 |
| Operating profit/(loss) before working capital changes | <u>752</u> | <u>(529)</u> |
| Changes in inventories | (10) | 36 |
| Changes in trade and other receivables | (1,840) | (138) |
| Changes in trade payables, other payables and accruals | 2,958 | (848) |
| Cash generated from/(used in) operations | <u>1,860</u> | <u>(1,479)</u> |
| Income tax paid | (2) | (8) |
| Net cash generated from/(used in) operating activities | <u>1,858</u> | <u>(1,487)</u> |
| Cash flows from investing activities | | |
| Interest received | 19 | 43 |
| Acquisition of property, plant and equipment | (17) | (230) |
| Proceeds from disposal of property, plant and equipment | - | 159 |
| Net cash generated from/(used in) investing activities | <u>2</u> | <u>(28)</u> |
| Cash flows from financing activities | | |
| Repayment of loans due from PTMII | 4,092 | - |
| Repayment of obligations under finance lease | - | (61) |
| Repayment of lease liabilities | (500) | - |
| (Decrease)/increase of loan due to third party (former non-controlling interest of a subsidiary) | (217) | 16 |
| Increase in short-term deposits pledged | - | (359) |
| Interest paid | (226) | (13) |
| Net cash generated from/(used in) financing activities | <u>3,149</u> | <u>(417)</u> |
| Net increase/(decrease) in cash and cash equivalents | 5,009 | (1,932) |
| Cash and cash equivalents at beginning of financial period | 2,552 | 4,546 |
| Effect of currency translation on cash and cash equivalents | 89 | 21 |
| Cash and cash equivalents at end of financial period | <u>7,650</u> | <u>2,635</u> |
| Cash and cash equivalents | | |
| Cash and bank balances | 7,650 | 5,634 |
| Less: Fixed deposits pledged with financial institutions | - | (2,999) |
| Cash and cash equivalents at end of financial period | <u>7,650</u> | <u>2,635</u> |

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 3 MONTHS ENDED 31 MARCH

GROUP

| | | | | | | | | |
|---|---------------|----------------|-------------|------------|------------|---------------|--------------|---------------|
| Balance as at 1 January 2020 | 35,763 | (9,414) | (116) | - | 146 | 26,379 | (320) | 26,059 |
| Net profit for the period | - | 124 | - | - | - | 124 | 141 | 265 |
| Other comprehensive income for the period | - | - | 472 | - | - | 472 | 19 | 491 |
| Balance as at 31 March 2020 | 35,763 | (9,290) | 356 | - | 146 | 26,975 | (160) | 26,815 |
| Balance as at 1 January 2019 | 35,763 | (8,082) | 24 | (3) | 146 | 27,848 | (359) | 27,489 |
| Net loss for the period | - | (473) | - | - | - | (473) | (24) | (497) |
| Other comprehensive loss for the period | - | - | (37) | - | - | (37) | (3) | (40) |
| Balance as at 31 March 2019 | 35,763 | (8,555) | (13) | (3) | 146 | 27,338 | (386) | 26,952 |

COMPANY

| | | | | | | | | |
|-------------------------------------|---------------|-----------------|----------|----------|----------|---------------|----------|---------------|
| Balance as at 1 January 2020 | 35,763 | (10,181) | - | - | - | 25,582 | - | 25,582 |
| Net profit for the period | - | 123 | - | - | - | 123 | - | 123 |
| Balance as at 31 March 2020 | 35,763 | (10,058) | - | - | - | 25,705 | - | 25,705 |
| Balance as at 1 January 2019 | 35,763 | (9,384) | - | - | - | 26,379 | - | 26,379 |
| Net loss for the period | - | (428) | - | - | - | (428) | - | (428) |
| Balance as at 31 March 2019 | 35,763 | (9,812) | - | - | - | 25,951 | - | 25,951 |

- 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 31 March 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 timely paid the 3 instalments. We are of the view that the Sudirman Group, being prominent business persons, will continue to settle the remaining 33 monthly instalments according to the Repayment Schedule stated in Schedule 2 of the Announcement dated 21 February 2020 to avoid adverse publicities arising from any default payments.

| 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 |

On PTMII's inability to settle balance of its indebtedness of US\$8.5 million, the Company, as disclosed in the Announcement dated 22 April 2020, is seeking professional legal advice on the course of action to be taken and will update the Shareholders on progress of the recovery action to be instituted.

(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 31 March | |
|---|----------------------------------|------------|
| | 2020 | 2019 |
| Earnings/(loss) per share | | |
| (i) Based on weighted average number of ordinary shares on issue (cents) | 0.22 | (0.85) |
| (ii) On a fully diluted basis (cents) * | 0.22 | (0.85) |
| Number of weighted average ordinary shares used in the computation of (i) and (ii) | 55,686,996 | 55,686,996 |

* There are no diluted ordinary shares.

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 2020 | As at 31 December 2019 |
|--|---------------------------|------------------------------|
| GROUP | | |
| Net asset value per ordinary share (dollars) | 0.48 | 0.46 |
| COMPANY | | |
| Net asset value per ordinary share (dollars) | 0.47 | 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 31 March 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 will be 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 will be financed by finance leases and the remaining by internal working capital.

Financial Performance – 1Q2020 vs 1Q2019

Revenue increased from S\$66,000 in 1Q2019 to S\$1.2 million in 1Q2020 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. In tandem with the higher revenue, cost of sales increased from S\$43,000 in 1Q2019 to S\$0.2 million in 1Q2020, resulting in an increase in gross profit from S\$23,000 for 1Q2019 to S\$1.0 million for 1Q2020.

Other operating (losses)/income decreased from S\$0.1 million in 1Q2019 to a loss of S\$22,000 in 1Q2020 mainly due to fair value changes on profit guarantee due from the Vendors of PTMII as well as a decrease in interest income from the loan to PTMII as a result of partial loan repayment made during the period.

Other gains increased from S\$10,000 in 1Q2019 to S\$0.2 million in 1Q2020 mainly due to an increase in foreign exchange gains arising from the appreciation of USD on the USD denominated loan due from PTMII.

General and administrative expenses increased from S\$0.6 million in 1Q2019 to S\$0.7 million in 1Q2020 mainly due to an increase in depreciation charges arising from the purchase of heavy equipment in 2Q2019.

Finance costs increased from S\$13,000 in 1Q2019 to S\$0.2 million in 1Q2020 mainly due to interest incurred on loans obtained by PT IPA to finance the purchase of heavy equipment.

In respect of the above, the Group recorded a profit after tax of S\$0.3 million for 1Q2020 as compared to a loss of S\$0.5 million for 1Q2019, mainly due to a significant increase in gross profit contributed by PT IPA from lease of heavy equipment to PT CRM as well as an increase in other gains arising from an increase in foreign exchange gains. This was partially offset by an increase in general and administrative expenses and higher finance costs incurred.

Cash flow – 1Q2020 vs 1Q2019

Net cash generated from operating activities was S\$1.9 million in 1Q2020 compared to net cash used in operating activities of S\$1.5 million in 1Q2019 mainly due to (i) an increase in profit before taxation, (ii) an increase in trade and other payables from the Construction Logistics segment arising from the acquisition of another 5 units of heavy equipment in 1Q2020, partially offset by (iii) an increase in trade and other receivables from the Construction Logistics segment arising from heavy equipment rental income due from PT CRM.

Net cash generated from investing activities was S\$2,000 in 1Q2020 compared to net cash used in investing activities of S\$28,000 in 1Q2019 mainly due to a decrease in the acquisition of property, plant and equipment, coupled with a reduction in proceeds from the disposal of property, plant and equipment.

Net cash generated from financing activities was S\$3.2 million in 1Q2020 compared to net cash used in financing activities of S\$0.4 million in 1Q2019 mainly due to partial repayment of loan due from PTMII of US\$3 million (S\$4.09 million) and changes in short-term deposits pledged to secure bank facilities. This was partially offset by repayment of finance lease liabilities, decrease in loan due to third party (former non-controlling interest of a subsidiary) denominated in IDR arising from the depreciation of IDR and 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\$7.7 million as at 31 March 2020.

Financial Position

Current assets increased by S\$0.4 million from S\$23.5 million as at 31 December 2019 to S\$23.9 million as at 31 March 2020 mainly due to an increase in cash and cash equivalents as highlighted in the cash flow statement above, partially offset by a decrease in trade and other receivables arising from subsequent receipts from debtors after year end as well as a decrease in loans due from PTMII due to partial loan repayment of US\$3 million (S\$4.09 million) subsequent to year end.

Non-current assets increased by S\$2.2 million from S\$11.6 million as at 31 December 2019 to S\$13.8 million as at 31 March 2020 mainly due to 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 arising from the reclassification from non-current to current.

Current liabilities increased by S\$2.3 million from S\$4.3 million as at 31 December 2019 to S\$6.6 million as at 31 March 2020 mainly due to an increase in trade and other payables from the Construction Logistics segment arising from the acquisition of another 5 units of heavy equipment in 1Q2020, partially offset by a decrease in loans obtained to finance the purchase of heavy equipment arising from repayment of lease liabilities subsequent to year end.

Non-current liabilities decreased by S\$0.5 million from S\$4.8 million as at 31 December 2019 to S\$4.3 million as at 31 March 2020 due to a decrease in loans obtained to finance the purchase of heavy equipment denominated in IDR arising from the reclassification from non-current to current lease liabilities coupled with the depreciation of IDR.

As a result of the above, the Group's net assets increased by S\$0.7 million from S\$26.1 million as at 31 December 2019 to S\$26.8 million as at 31 March 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.

The Company has on 19 February 2020 executed a New Settlement Agreement (“**Agreement**”) to resolve all outstanding disputes with the Mr Sudirman Kurniawan, Mr Angelo Fernandus, PT. Triputra Senamustika (collectively, the “**Sudirman Group**”) and PT. Momentum Indonesia Investama (“**PTMII**”) and expects to recover an estimated sum of US\$18.0 million, constituting (a) the entirety of the Shareholder’s Loan of US\$11.5 million owing by PTMII to the Company, (b) the insurance proceeds of US\$0.61 million (Rp 8.35 Billion) in respect of the sunken barge known as Momentum 3007, (c) 50% of the proceeds from the agreed sale of the barge known as Pacific 3002, in the sum of US\$0.31 million (Rp 4.25 Billion), and (d) the Profit Guarantee plus accrued interest of US\$5.57 million. To date and in accordance with the Agreement announced on 21 February 2020, the Company has received the following:

| Payment Date | Amount Received | Purpose of Transfer |
|-------------------------|------------------|---|
| 12 December 2018 | IDR 8.35 billion | Insurance proceeds from the sinking of the vessel Momentum 3007 |
| 4 and 5 February 2020 | US\$3 million | Partial repayment of the PSL Shareholder Loan |
| 10 and 13 February 2020 | US\$0.16 million | First instalment payment of the Total PG |
| 13 March 2020 | US\$0.35 million | Partial repayment of the accrued interest on the PSL Shareholder Loan |
| 16 March 2020 | IDR 4.25 billion | 50% share of the proceeds of sale of the vessel Pacific 3002 |
| 27 March 2020 | US\$0.16 million | Second instalment payment of the Total PG |
| 24 April 2020 | US\$0.16 million | Third instalment payment of the Total PG |

The above partial repayments have significantly improved the Company’s financial position. As of the date of the Announcement, these proceeds have not been utilised.

On 9 April 2020, the Company announced that it has on 8 April 2020, entered into an agreement with the Sudirman Group and PTMII for extension of the following timeline stated in the New Settlement Agreement (“**Agreement for Extension of Time**”):

- The deadline of thirty (30) calendar days after the date of the New Settlement Agreement in respect of the sale of the PT MIS Vessels shall be extended to 20 April 2020;
- The deadline of thirty (30) calendar days after the Withdrawal Date for the withdrawal and/or discontinuance of the Outstanding Disputes shall be extended to 25 April 2020; and
- The deadline of 31 March 2020 for the completion of the audit of PT MII’s financial accounts for the period ended 31 December 2019, the issuance of an unqualified auditor’s report, and the approval of such report by the board of PT MII shall be extended to 14 April 2020.

The Company has provided a detailed explanation on the extension in an announcement dated 15 April 2020.

On 22 April 2020, the Company announced that PTMII was unable to complete its sale of the PT MIS Vessels and accordingly, unable to repay the balance on 20 April 2020 of its indebtedness of US\$8.5 million relating to the PSL Shareholder’s Loan. The Company is currently seeking professional legal advice on the action to be instituted for recovery of the US\$8.5 million and will progressively update Shareholders on the developments.

The Covid-19 pandemic casts a depressing outlook for the global economy. The expected lower consumption has caused the demand for most commodities to significantly decrease. The lockdown measures in almost all countries have also disrupted the supply chains with production materially affected.

The Group’s Indonesian subsidiary PT Indah Perkasa Abadi (“PT IPA”) continues its best efforts to grow its business of leasing and operating heavy equipment. In view of the growing challenging environment, the Group will exercise greater prudence in financial management.

With continuing repayments from the New Settlement Agreement, the Group will explore other business opportunities within Indonesia to develop and or acquire profitable businesses through mergers and acquisitions to generate sustainable returns to our Shareholders.

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

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 Stephen Leong, BBM and Mr William Teo Choon Kow, BBM, 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 31 March 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

Stephen Leong, BBM
Vice Chairman and Executive Director

14 May 2020