

PSL HOLDINGS LIMITED

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

RESPONSE TO THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERY ON THE ANNUAL REPORT FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2013

The Board of Directors of PSL Holdings Limited (the "**Company**"), together with its subsidiaries, the ("**Group**") wishes to provide the following response to the queries raised by Singapore Exchange Securities Trading Limited ("**SGX-ST**") in their email dated 24 April 2014 in respect of the Company's Annual Report for the financial year ended 31 December 2013 (the "**AR2013**"):

Query 1:

Paragraph 11.3 of the Code of Corporate Governance 2012 (the "Code") states that the Board should comment on the adequacy and effectiveness of the internal controls, including financial, operational, compliance and information technology controls, and risk management systems, in the company's Annual Report. As recommended in paragraph 11.3 of the Code and pursuant to Rule 710 of the Listing Manual, please make disclosures on the Board's comments on the adequacy and effectiveness of the Company's information technology controls and risk management systems or otherwise explain the reason(s) for the deviation from the Code recommendations.

Company's response:

In relation to our disclosure pursuant to Principle 13: Internal Audit set out in our corporate governance statement, we wish to clarify that the Board, with the concurrence of the Audit Committee, is of the opinion that there are adequate internal controls (including financial, operational, compliance and information technology controls, and risk management systems) in place to meet the needs of the Group in its current business environment.

Query 2

We refer to page 18 of AR2013 which disclosed that "the remaining proceeds from rights and warrants issue has yet to be utilised and presently deposited in time deposit awaiting for deployment". Please provide background of the rights and warrants issue with a table showing the amount raised, amount utilised and balance of proceeds as at 31 December 2013.

Company's response:

On 28 March 2012, the Company has undertaken a renounceable and non-underwritten rights issue of up to 77,343,707 new ordinary shares in the capital of the Company at an issue price of S\$0.10 for each rights share with up to 77,343,707 free detachable warrants, each warrant carrying the right to subscribe for 1 new ordinary share in the capital of the Company at an exercise price of S\$0.34 for each new share, on the basis of 1 rights share with 1 warrant for every 4 existing ordinary shares held in the capital of the Company. The rights shares were listed for quotation on the Official List of SGX-ST and traded on 24 April 2012. The warrants were listed for quotation on the Official List of SGX-ST and traded on 25 April 2012.

Save as disclosed below (as set out in our earlier announcement dated 18 July 2012), there is no further utilization of the proceeds from the rights and warrants issue.

Net proceeds	S\$7.5 million	Used
Amount utilised	S\$2.2 million	For general working capital purposes
Balance	S\$5.3 million	

BY ORDER OF THE BOARD

Tang Yew Quan
Executive Director
25 April 2014