



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

THE PROPOSED NON-RENOUNCEABLE NON-UNDERWRITTEN RIGHTS ISSUE OF UP TO 18,562,332 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT AN ISSUE PRICE OF S\$0.25 FOR EACH RIGHTS SHARE, ON THE BASIS OF ONE (1) RIGHTS SHARE FOR EVERY THREE (3) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY HELD BY SHAREHOLDERS OF THE COMPANY AS AT A BOOKS CLOSURE DATE TO BE DETERMINED, FRACTIONAL ENTITLEMENTS TO BE DISREGARDED

1. INTRODUCTION

The Board of Directors (the “**Board**”) of PSL Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) would like to announce that the Company is proposing to undertake a non-renounceable non-underwritten rights issue of up to 18,562,332 new ordinary shares in the capital of the Company (the “**Rights Shares**”) at an issue price of S\$0.25 (the “**Issue Price**”) for each Rights Share, on the basis of one (1) Rights Share for every three (3) existing ordinary shares in the capital of the Company (the “**Shares**”) held by the shareholders of the Company (the “**Shareholders**”) as at a time and date to be determined by the Directors for the purpose of determining the Shareholders’ entitlements under the Proposed Rights Issue (the “**Books Closure Date**”), fractional entitlements to be disregarded (the “**Proposed Rights Issue**”).

2. DETAILS OF THE PROPOSED RIGHTS ISSUE

The Company is proposing to undertake the Proposed Rights Issue, at the Issue Price for each Rights Share on a non-renounceable, non-underwritten basis to Shareholders whose registered addresses with the Company or the Central Depository (Pte) Limited (the “**CDP**”), as the case may be, are in Singapore as at the Books Closure Date, or who have, at least three (3) Market Days (as defined below) prior to the Books Closure Date, provided to the Company or the CDP, as the case may be, addresses in Singapore for the service of notices and documents (the “**Entitled Shareholders**”). Please refer to Paragraph 4 below entitled “Eligibility to Participate in the Rights Issue” for further details.

Fractional entitlements to the Rights Shares will be disregarded and will, together with the provisional allotments of Rights Shares which are not taken up or allotted for any reason, be aggregated and allotted to satisfy excess applications for the Rights Shares (if any), or disposed of or otherwise dealt with in such manner as the Directors may, in their absolute discretion, deem fit for the benefit of the Company.

The Rights Shares are payable in full upon acceptance and/or application, and when allotted and issued, will rank *pari passu* in all respects with the then existing Shares, save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Rights Shares. For this purpose, “record date” means, in relation to any dividends, rights, allotments or other distributions, the date as at the close of the business (or such other time as may have been notified by the Company) on which Shareholders must be registered with the Company or the securities accounts of Shareholders must be credited with Shares in order to participate in such dividends, rights, allotments or distributions.

Entitled Shareholders will be at liberty to accept, in whole or in part, or decline their provisional allotments of Rights Shares and will be eligible to apply for Rights Shares in excess of their provisional allotments under the Rights Issue.

Provisional allotments of Rights Shares which are not taken up for any reason shall be used to satisfy excess applications for Rights Shares (if any) or otherwise dealt with in such manner as the Board may in its absolute discretion deem fit in the interests of the Company. In the allotment of excess Rights Shares, preference will be given to Entitled Shareholders in satisfaction of their application for excess Rights Shares (if any), provided that where there are insufficient excess Rights Shares to allot to each application, the Company shall allot the excess Rights Shares to Entitled Shareholders such that preference will be given to the rounding of odd lots, and Directors and substantial shareholders of the Company who have control or influence over the Company in connection with the day-to-day affairs of the Company or the terms of the Rights Issue, or have representation (direct or through a nominee) on the Board will rank last in priority for the rounding of odd lots and allotment of excess Rights Shares. Fractional entitlements to the Rights Shares will be disregarded in arriving at the Entitled Shareholders' entitlements and will, together with the provisional allotments which are not taken up for any reason, be aggregated and used to satisfy excess applications (if any), or otherwise dealt with in such manner as the Directors may in their absolute discretion, deem fit for the benefit of the Company

The Issue Price of S\$0.25 for each Rights Share represents the weighted average price of S\$0.25 per Share for trades done on the Main Board of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 26 January 2018 (being the full market day immediately preceding this announcement).

As at the date of this announcement, the Company has 55,686,996 Shares (the "**Existing Share Capital**"). The Company has no existing warrants or other convertibles (including employee share options).

Based on the Existing Share Capital and assuming that the Proposed Rights Issue is fully subscribed by all Shareholders (the "**Maximum Scenario**"), up to 18,562,332 Rights Shares may be issued pursuant to the Proposed Rights Issue. Assuming the Maximum Scenario, upon the completion of the allotment and issuance of the Rights Shares, the number of issued and paid-up shares in the Company will increase to 74,249,328 Shares.

The terms and conditions of the Proposed Rights Issue are subject to such changes as the Directors may deem fit. The final terms and conditions of the Proposed Rights Issue will be contained in the offer information statement (including the accompanying application forms) to be despatched by the Company to the Shareholders in due course (the "**Offer Information Statement**").

An application will be made by the Company to the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST. The Company will release an announcement on the outcome of the application in due course.

3. PURPOSE OF RIGHTS ISSUE AND USE OF PROCEEDS

The Company intends to partially utilize the net proceeds of the Proposed Rights Issue (the "**Net Proceeds**") to fund the growth, development and expansion of its Construction and Marine Logistics business. The Company also intends to use the Net Proceeds of the Proposed Rights Issue for general working capital purposes. The Company believes that that the Proposed Rights Issue will strengthen the balance sheet and provide flexibility for the Group as the Group pursues its growth strategies.

Based on the Issue Price and assuming the Maximum Scenario, the Proposed Rights Issue will raise approximately S\$4,641,000 and the Net Proceeds, after deducting estimated expenses of approximately S\$160,000, will amount to approximately S\$4,481,000.

The Company intends to use between 20% to 40% of the Net Proceeds for general working capital purposes, and the remaining Net Proceeds for the growth, development and expansion of its Construction and Marine Logistics business, which includes, without limitation, capital expenditure and new projects under the Construction and Marine Logistics business. Pending the deployment of the Net Proceeds for the purposes mentioned above, such proceeds may be deposited with banks or financial

institutions, invested in short-term money markets or marketable securities or used for any other purpose on a short-term basis as the Directors may deem fit.

Based on the reasonable opinion of the Directors as at the date of this Announcement, there is no minimum amount which must be raised from the Rights Issue taking into consideration the intended use of the Net Proceeds.

After taking into consideration the cost of engaging an underwriter and having to pay commission in relation to the underwriting, and there being no minimum amount that must be raised from the Rights Issue, the Directors have decided to proceed with the Proposed Rights Issue on a non-underwritten basis.

The Directors are of the opinion that, after taking into consideration the present bank facilities and the operating cash flows of the Group, the working capital available to the Group is sufficient to meet its present funding requirements. Notwithstanding the foregoing, the Company is proposing the Rights Issue to raise proceeds (i) for funding the growth and expansion of its Construction and Marine Logistics business and (ii) for working capital purposes.

The Directors are also of the opinion that after taking into consideration the present bank facilities and operating cash flows of the Group as well as the Net Proceeds, the working capital available to the Group is sufficient to meet its present funding requirements.

The Company will make periodic announcements on the utilisation of the proceeds of the Proposed Rights Issue, as and when the funds from the Proposed Rights Issue are disbursed or utilised and provide the status of the use of proceeds in the annual report. Where proceeds are to be used for working capital purposes, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in the Company's announcements on use of proceeds and in the annual report.

4. ELIGIBILITY TO PARTICIPATE IN THE RIGHTS ISSUE

The Company proposes to provisionally allot the Rights Shares to Entitled Shareholders (comprising Entitled Depositors, Entitled Scripholders and excluding Foreign Shareholders, as defined below) under the Proposed Rights Issue.

(a) Entitled Depositors

Shareholders whose securities accounts with CDP are credited with Shares as at the Books Closure Date and whose registered addresses with CDP are in Singapore as at the Books Closure Date (the "**Entitled Depositors**") will be provisionally allotted the Rights Shares on the basis of the number of Shares standing to the credit of their securities accounts with CDP as at the Books Closure Date.

To be "Entitled Depositors", depositors must have registered addresses in Singapore with CDP as at the Books Closure Date, or if they have registered addresses outside Singapore, they must provide CDP at 9 North Buona Vista Drive #01-19/20 The Metropolis, Singapore 138588 with their registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

(b) Entitled Scripholders

Shareholders whose Shares are not registered in the name of CDP but whose names appear in the Register of Members of the Company with registered addresses in Singapore as at the Books Closure Date (the "**Entitled Scripholders**") will be provisionally allotted Rights Shares on the basis of the number of Shares held by them as stated in the Register of Members of the Company as at the Books Closure Date.

To be "Entitled Scripholders", Scripholders must have registered addresses in Singapore with the Company as at the Books Closure Date, or if they have registered addresses outside Singapore, must provide the Share Registrar, RHT Corporate Advisory Pte. Ltd. with registered addresses in Singapore for the service of notices and documents, not later than 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, in order to receive their provisional allotments of Rights Shares entitlements.

Duly completed and stamped transfers (in respect of Shares not registered in the name of CDP), together with all relevant documents of title, so as to be received up to 5.00 p.m. on the Books Closure Date by the Share Registrar, will be registered to determine the transferee's provisional allotments of Rights Shares entitlements.

(c) Foreign Shareholders

For practical reasons and in order to avoid any violation of the relevant legislation applicable in countries other than Singapore, the Rights Shares will not be offered to Shareholders with registered addresses outside Singapore as at the Books Closure Date and who have not, by 5.00 p.m. (Singapore Time) on the date being three (3) market days prior to the Books Closure Date, provided to the Share Registrar or CDP, as the case may be, with registered addresses in Singapore for the service of notices and documents (the "**Foreign Shareholders**") and the Offer Information Statement and its accompanying documents will not be despatched to Foreign Shareholders. Accordingly, no provisional allotments of the Rights Shares will be made to Foreign Shareholders and no purported acceptance thereof or application therefore by the Foreign Shareholders will be valid.

As the Rights Issue is made on a non-renounceable basis, Entitled Shareholders will not be able to trade their provisional allotments of Rights Shares. In addition the Company will not be able to arrange for provisional allotments of Rights Shares which would have otherwise have been provisionally allotted to Foreign Shareholders to be sold on the SGX-ST and apply the net proceeds from all such sales for distribution to Foreign Shareholders.

SHAREHOLDERS WITH REGISTERED ADDRESSES OUTSIDE SINGAPORE WHO WISH TO PARTICIPATE IN THE RIGHTS ISSUE MAY PROVIDE AN ADDRESS IN SINGAPORE FOR THE SERVICE OF NOTICES AND DOCUMENTS BY NOTIFYING IN WRITING, AS THE CASE MAY BE (I) CDP AT 9 NORTH BUONA VISTA DRIVE, #01- 19/20 THE METROPOLIS, SINGAPORE 138588 OR (II) PSL HOLDINGS LIMITED C/O THE SHARE REGISTRAR, RHT CORPORATE ADVISORY PTE. LTD. AT 9 RAFFLES PLACE #29-01, REPUBLIC PLAZA TOWER 1, SINGAPORE 048619, IN EACH CASE, AT LEAST THREE (3) MARKET DAYS PRIOR TO THE BOOKS CLOSURE DATE.

5. APPROVALS

The proposed Rights Issue is subject to, *inter alia*, the following conditions:

- (a) approval in-principle having been granted by the SGX-ST (and such approval not having been withdrawn or revoked on or prior to the closing date of the offer of the Rights Shares under the Proposed Rights Issue) for the listing of and quotation for the Rights Shares on the Mainboard of the SGX-ST and, if such approval is granted subject to conditions, such conditions being acceptable to the Company; and
- (b) the lodgment of the Offer Information Statement together with all other accompanying documents (if applicable) pursuant to the Securities and Futures Act (Cap. 289) of Singapore with the Monetary Authority of Singapore.

An application will be made by the Company to the SGX-ST for the dealing in, listing of and quotation for the Rights Shares on the Main Board of the SGX-ST.

The Offer Information Statement will also be lodged with the MAS and despatched to Entitled Shareholders in due course after, *inter alia*, obtaining the approval in-principle of the SGX-ST.

Announcements in relation to the above application, lodgment and despatch will be made in due course, as and when appropriate.

The issue of the Rights Shares will be made pursuant to the authority granted by the Shareholders under the general share issue mandate (the “**General Mandate**”) at the annual general meeting of the Company held on 23 May 2017, pursuant to Section 161 of the Companies Act, Chapter 50 of Singapore and Rule 806 of the Listing Manual of the SGX-ST.

The General Mandate, amongst other things, authorises the Directors to issue new Shares not exceeding 50 per cent. of the total number of issued Shares (excluding treasury shares and subsidiary holdings) of the Company as at 23 May 2017 (the “**Base Figure**”), provided that the aggregate number of Shares to be issued other than on a *pro rata* basis to existing Shareholders does not exceed 20 per cent. of the Base Figure.

As at 23 May 2017, the total number of Shares in issue (excluding treasury shares and subsidiary holdings) was 46,405,830. As such, the maximum number of Shares that may be issued pursuant to the General Mandate, on a *pro rata* basis, is 23,202,915.

As the maximum number of Rights Shares (being 18,562,332 Rights Shares) to be issued pursuant to the Rights Issue is within the number of Shares that can still be issued pursuant to the General Mandate, the Company will not be seeking specific approval from Shareholders for the Rights Issue.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors and substantial Shareholders, as well as their respective associates, has any interest, direct or indirect, in the Proposed Rights Issue (other than through their respective shareholdings in the Company).

7. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing or trading in the Shares. The completion of the Proposed Rights Issue is subject to certain conditions. As at the date of this Announcement, there is no certainty or assurance that the Proposed Rights Issue will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders and potential investors are advised to read this Announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bank managers, solicitors, accountants, tax advisers or other professional advisers if they have any doubt about the actions they should take.

**BY ORDER OF THE BOARD
PSL HOLDINGS LIMITED**

**Tan Cheang Shiong
Chief Executive Officer**

26 January 2018