

UPDATE ON THE SELECTIVE CAPITAL REDUCTION AND DESPATCH OF CIRCULAR

1. INTRODUCTION

Further to the announcement dated 12 January 2021 (“**Update to Exit Offer Proposal**”) and the quarterly updates dated 26 February 2021 and 14 May 2021, the board of directors (the “**Board**” or “**Directors**”) of PSL Holdings Limited (the “**Company**”) wishes to provide an update on the Company’s proposal on the Selective Capital Reduction exercise.

All capitalised terms are as defined in the circular to Shareholders (the “**Circular**”) or the Update to Exit Offer Proposal.

Shareholders are advised to refrain from taking any action in relation to their Shares which may be prejudicial to their interests until they or their advisers have considered the information in the Circular, as well as the recommendations set out therein.

2. SELECTIVE CAPITAL REDUCTION

Company’s Proposal

- 2.1. The Company proposes to implement the Selective Capital Reduction and cancel all the Shares held by the Eligible Shareholders to provide the Eligible Shareholders with an avenue to realise the value of their Shares which serves as an exit offer. The Eligible Shareholders will receive **S\$0.36** for each Share held that is cancelled as a result of the Selective Capital Reduction.
- 2.2. In arriving at the share price of S\$0.36 for each Share, the Company had taken into consideration, among others, the historical trading price of the Shares, the net asset value per Share, the poor financial performance of the Group and the current general weak market conditions in the industries and markets which the Group operates in. The share price of S\$0.36 for each Share represents: (i) a premium of approximately 143.2% over the volume weighted average price of the Shares of S\$0.148 on 13 July 2020, being the last market day which recorded trades in the Shares prior to the suspension of the Shares; and (ii) a discount of approximately 18.2% to the unaudited net asset value per Share of S\$0.44 as at 31 March 2021.
- 2.3. As set out in the IFA Letter, the IFA has opined that the financial terms of the Selective Capital Reduction, being the exit offer, are fair and reasonable, as required under Rule 1309 of the Listing Manual. Further details on the IFA are set out in paragraph 6 of this announcement. **Shareholders are advised to read the full text of the IFA letter set out in Appendix A to the Circular carefully.**
- 2.4. Accordingly, the aggregate sum of S\$9,106,499 arising from the Selective Capital Reduction will be returned to the Eligible Shareholders in cash, on the basis of S\$0.36 for each Share held by each Eligible Shareholder that is cancelled as a result of the Selective Capital Reduction. The aggregate sum of S\$9,106,499 represents 77.3% of the cash and cash equivalents of S\$11.8 million of the Group as at the Latest Practicable Date.

Reduction of Share Capital

- 2.5. The Selective Capital Reduction will involve reducing the share capital of the Company from S\$35,762,912 comprising 55,686,996 Shares to S\$26,656,413 comprising 30,391,165 Shares, representing a reduction of the total issued share capital of the Company by approximately 45.43%.

- 2.6. The Selective Capital Reduction will be funded from existing cash reserves. As at the Latest Practicable Date, the Company has cash and cash equivalents of S\$11.8 million.

Conditions

- 2.7. The Selective Capital Reduction is subject to: (a) the approval of the Eligible Shareholders by way of a special resolution at an EGM; and (b) the approval and confirmation by the High Court of Singapore. Eligible Shareholders should note that such special resolution will require the approval of at least 75% in number of all Shareholders or, if by poll, 75% of all Shares voted by Shareholders present and voting at the EGM.
- 2.8. The Selective Capital Reduction will take effect upon the lodgement of a copy of the Court Order approving the Selective Capital Reduction, together with the other documents as prescribed under the Companies Act, with the Registrar of Companies within 90 days beginning with the date the court order is made, or within such longer period as the Registrar may allow.
- 2.9. In the event that the special resolution for the Selective Capital Reduction is not approved by Shareholders at the EGM, the Board undertakes to pursue other options to provide a fair and reasonable exit offer to facilitate the delisting exercise.

3. CONFIRMATION OF FINANCIAL RESOURCES

The Company has appointed RHT Capital Pte. Ltd. as its financial adviser in respect of the Selective Capital Reduction. RHT Capital has confirmed that sufficient financial resources are available to the Company to fund the aggregate sum of the Cash Distribution which will be returned to the Eligible Shareholders if the Selective Capital Reduction becomes effective.

4. ELIGIBLE SHAREHOLDERS

Other than Atan, Melda Veronica, A Guat, Edison, Tan Chee Meng, Ng Yoke Chan, and Suman Hadi Negoro, who collectively hold 30,391,165 Shares representing approximately 54.57% of the issued and paid-up share capital of the Company (collectively, the “**Non-Participating Shareholders**”), all other shareholders of the Company (the “**Eligible Shareholders**”) are eligible to participate in the Selective Capital Reduction. The Non-Participating Shareholders will not be participating in the Selective Capital Reduction and, as per the requirement of the SGX-ST, each has provided unconditional and irrevocable undertakings to the Company to waive any rights that they may have as a Shareholder to participate in the Selective Capital Reduction.

5. EXEMPTIONS FROM THE SECURITIES INDUSTRY COUNCIL

- 5.1. The SIC has exempted the Selective Capital Reduction from Rules 14, 15, 16, 17, 20.1, 21, 22, 28, 29 and 33.2 and Note 1(b) on Rule 19 of the Code, subject to the following conditions:
- (i) the Non-Participating Shareholders abstain from voting on the Selective Capital Reduction;
 - (ii) the Executive Director, Mr. Kee Siang Hui, and Non-Executive Non-Independent Director, Ms. Ng Yoke Chan, abstain from making a recommendation on the Selective Capital Reduction to the Eligible Shareholders; and
 - (iii) the Company appoints an independent financial advisor to advise Eligible Shareholders on the Selective Capital Reduction.

6. APPOINTMENT AND ADVICE OF THE INDEPENDENT FINANCIAL ADVISER

- 6.1. The Company has appointed Novus Corporate Finance Pte. Ltd. as the IFA to advise the Recommending Directors (being the Directors other than Mr. Kee Siang Hui and Ms. Ng Yoke Chan) in respect of the Selective Capital Reduction, being the exit offer.
- 6.2. As set out in the IFA Letter, the IFA has opined that the financial terms of the Selective Capital Reduction, being the exit offer, are fair and reasonable, as required under Rule 1309 of the Listing Manual. Further details on the advice of the IFA to the Recommending Directors with respect to the Selective Capital Reduction, being the exit offer, are set out in paragraph 11 of the Circular and paragraph 9 of the IFA Letter. **Shareholders are advised to read the full text of the IFA Letter set out in Appendix A to the Circular carefully.**

7. RECOMMENDING DIRECTORS' RECOMMENDATIONS

The Recommending Directors are of the opinion that the Selective Capital Reduction is in the best interests of the Company in light of the rationale for the Selective Capital Reduction stated in paragraph 3.4 of the Circular, and the advice given by the IFA set out in paragraph 11 of the Circular and in Appendix A to the Circular. Accordingly, they recommend that the Eligible Shareholders vote in favour of the Selective Capital Reduction.

8. INTERESTS OF DIRECTORS AND NON-PARTICIPATING SHAREHOLDERS

As at the Latest Practicable date, save for the Executive Director, Mr. Kee Siang Hui, who has a deemed interest in 5,002,500 Shares comprising 8.98% of the issued and paid-up share capital of the Company and the Non-Executive Non-Independent Director, Ms. Ng Yoke Chan, who has a deemed interest in 1,353,700 Shares comprising of 2.43% of the issued and paid-up share capital of the Company, none of the Directors have any direct or deemed interests in the Non-Participating Shareholders' Shares and the Relevant Securities. Additionally, save as disclosed in **Appendix B** to the Circular, none of the Non-Participating Shareholders nor parties acting in concert with the Non-Participating Shareholders hold any other Relevant Securities nor have dealt for value in any Relevant Securities.

9. EGM AND DESPATCH OF CIRCULAR

The Company will convene the EGM on **30 July 2021** by electronic means at **10 a.m.** for the purpose of considering and, if thought fit, passing with or without modification, the special resolution in respect of the Selective Capital Reduction.

The Circular setting out relevant information relating to the Selective Capital Reduction, the notice of extraordinary general meeting of the Company (the "**EGM**") and the Proxy Form in respect of the EGM will be uploaded on SGXNet on 8 July 2021. Printed copies of the Circular, the Notice of EGM and the Proxy Form will also be despatched to Shareholders.

10. ALTERNATIVE ARRANGEMENTS FOR EGM

(A) No Physical Attendance

Pursuant to the COVID-19 (Temporary Measures) (Alternative Arrangements for Meetings for Companies, Variable Capital Companies, Business Trusts, Unit Trusts and Debenture Holders) Order 2020 (as amended from time to time), the EGM will be held by electronic means and members of the Company will NOT be allowed to attend the EGM in person.

Alternative arrangements are instead put in place to allow Shareholders to participate in the EGM by:

- (i) watching and/or listening to the EGM proceedings via a “live” webcast;
- (ii) submitting questions ahead of the EGM; and
- (iii) voting by proxy at the EGM.

(B) “Live” Webcast

The EGM proceedings will be conducted via electronic means. Shareholders will be able to watch or listen to the proceedings via a “live” webcast on their mobile phones, tablets or computers.

In order to do the above, Shareholders will have to follow these steps:

- (i) Shareholders (including those who hold their shares through relevant intermediaries (including CPFIS Investors or SRS investors)) who wish to watch or listen to the “live” webcast must pre-register with the Company at the URL: <https://conveneagm.com/sg/pslgroup> (the “**PSL EGM Website**”), to create an account, no later than 10 a.m. on 27 July 2021 (the “**Registration Deadline**”).
- (ii) Following authentication of a shareholder’s status, such shareholder will receive an email on their authentication status and will be able to access the “live” webcast of the EGM proceedings using the account created.
- (iii) Shareholders who have pre-registered by the Registration Deadline but do not receive the aforementioned email by 10 a.m. on 29 July 2021 should contact the Company at the following email address: angeline.yap@pslgroup.com.sg, with the following details included: (1) the full name of the shareholder; and (2) his/her/its identification/registration number.

Shareholders are reminded that the EGM proceedings are private. Instructions on access to the “live” webcast of the EGM proceedings should therefore not be shared with anyone who is not a shareholder of the Company or otherwise he or she shall not be authorised to attend the EGM. Recording of the “live” webcast in whatever form is also strictly prohibited.

For optimal user experience, it is recommended that shareholders use the following browser versions when accessing the PSL EGM Website as well as the “live” webcast of the EGM proceedings:

- Mozilla Firefox 69 and above; or
- Safari 12.1.2 and above; or
- Google Chrome 74 and above; or
- Microsoft Edge 79 and above.

(C) Submission of Questions

Shareholders may submit questions relating to the resolution to be tabled for approval at the EGM.

All questions must be submitted no later than 10 a.m. on 27 July 2021 (the “**Submission Deadline**”) via any one of the following means:

- (i) by email to Company’s Investor Relations team at elliott.siow@rhtgoc.com. When submitting the questions, please provide the Company with the following details, for verification purpose:

- (a) Full name (for individuals)/company name (for corporates) as per CDP/scrip/CPF/SRS Account records;
- (b) NRIC or Passport Number (for individuals)/Company Registration Number (for corporates);
- (c) Number of shares held;
- (d) The manner in which you hold shares in the Company (e.g. via CDP, scrip, CPF or SRS);
- (e) Address;
- (f) Contact Numbers; and
- (g) Email Address

OR

- (ii) by post to be lodged at the office of the Company's polling agent, In.Corp Corporate Services Pte. Ltd., at 30 Cecil Street #19-08 Prudential Tower Singapore 049712.

If the questions are deposited in physical copy at the Company's registered office or sent via email, and in either case not accompanied by the completed and executed proxy form, the following details must be included with the submitted questions: (1) the full name of the shareholder; and (2) his/her/its identification/registration number for verification purposes, failing which the submission will be treated as invalid.

The Company will provide responses to substantial queries and relevant comments from Shareholders relating to the agenda of the EGM prior to, or at, the EGM via LIVE WEBCAST and AUDIO ONLY MEANS. The Company will also address any subsequent clarifications sought, or follow-up questions, prior to, or at, the EGM in respect of substantial and relevant matters. The responses from the Board and management of the Company shall thereafter be published on SGXNet, together with the minutes of the EGM, within one (1) month after the EGM.

Please note that shareholders will not be able to ask questions at the EGM and accordingly, it is important for shareholders to submit their questions by the Submission Deadline.

(D) Appointment of Chairman of the EGM as Proxy

Shareholders (whether individuals or corporates) appointing the Chairman of the EGM as proxy must give specific instructions as to his/her/its manner of voting, or abstentions from voting, in the proxy form, failing which the appointment and votes will be treated as invalid.

The proxy form must be submitted to the Company no later than 10 a.m. on 27 July 2021 through any one of the following means:

- (i) by posting a physical copy at the registered office of the Company at 37 Jalan Pemimpin, #07-16 Mapex Building, Singapore 577177; or
- (ii) by sending a scanned PDF copy by email to angeline.yap@pslgroup.com.sg.

In view of the current COVID-19 situation and the related safe distancing measures which may make it difficult for Shareholders to submit completed Proxy Forms by post, Shareholders are strongly encouraged to submit completed Proxy Forms electronically via email as early as possible, to enable your vote(s) to be counted, and to follow all government guidance and requirements.

(E) Persons who hold Shares through Relevant Intermediaries

Persons who hold shares of the Company through relevant intermediaries (as defined in section 181 of the Companies Act, Chapter 50), including CPFIS Investors and/or SRS Investors, and who wish to participate in the EGM by:

- (i) observing and/or listening to the EGM proceedings via live audio-visual webcast or live audio-only stream;
- (ii) submitting questions in advance of the EGM; and/or
- (iii) voting by proxy at the EGM,

should approach the relevant intermediary (which would include, in the case of CPFIS Investors and SRS investors, their respective CPF/SRS approved nominees (CPF Agent Banks or SRS operators) through which they hold such shares as soon as possible in order for the necessary arrangements to be made for their participation in the EGM.

11. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors (including those who have delegated detailed supervision of the preparation of this announcement) have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate and that no material facts have been omitted from this announcement, and they jointly and severally accept responsibility accordingly.

Where any information has been extracted or reproduced from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure through reasonable enquiries that such information is accurately extracted from such sources or, as the case may be, reflected or reproduced in this announcement in its proper form and context.

12. CAUTIONARY STATEMENT

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stockbrokers, bankers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Kee Siang Hui
Executive Director
8 July 2021