

CIRCULAR DATED 12 APRIL 2019

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action that you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Unless otherwise stated, capitalised terms on this cover are defined in this Circular under the Section entitled "DEFINITIONS".

This Circular is circulated to shareholders ("**Shareholders**") of PSL Holdings Limited (the "**Company**") to provide them with the relevant information relating to, and seek Shareholders' approval for, the proposed adoption of the Share Purchase Mandate (as defined herein) to be tabled at the Extraordinary General Meeting (the "**EGM**") of the Company to be held on 29 April 2019 at 11.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10.00 a.m. on the same day and at the same place).

The Notice of EGM and the Proxy Form are enclosed with this Circular.

If you have sold or transferred all of your ordinary shares in the capital of the Company held through The Central Depository (Pte) Limited ("**CDP**"), you need not forward this Circular and the attached Proxy Form to the purchaser or transferee as arrangements will be made by CDP for a separate Circular and the attached Proxy Form to be sent to the purchaser or transferee. If you have sold or transferred all of your ordinary shares in the capital of the Company represented by physical share certificate(s), you should immediately forward this Circular and the attached Proxy Form to the purchaser or transferee or to the bank, stockbroker or agent through whom the sale or the transfer was effected, for onward transmission to the purchaser or transferee.

*The Singapore Exchange Securities Trading Limited (the "**SGX-ST**") assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular.*



PSL HOLDINGS LIMITED

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

CIRCULAR

IN RELATION TO

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

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DEFINITIONS

For the purposes of this Circular, the following definitions apply throughout unless the context requires otherwise:-

<i>"2019 EGM"</i>	The extraordinary general meeting of the Company to be convened on 29 April 2019 at 11.30 a.m.
<i>"ACRA"</i>	The Accounting and Corporate Regulatory Authority
<i>"AGM"</i>	The annual general meeting of the Company
<i>"Associate(s)"</i>	In relation to any Director, chief executive officer, Substantial Shareholder or Controlling Shareholder (being an individual) means: (i) his immediate family; (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more. In relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
<i>"Board"</i>	The board of Directors of the Company as at the date of this Circular
<i>"CDP"</i>	The Central Depository (Pte) Limited
<i>"Circular"</i>	This circular dated 12 April 2019 in relation to the proposed adoption of the Share Purchase Mandate
<i>"Company"</i>	PSL Holdings Limited (Company Registration Number 199707022K)
<i>"Companies Act"</i>	Companies Act (Chapter 50) of Singapore as amended, supplemented, or modified from time to time
<i>"Constitution"</i>	The memorandum and articles of association of the Company

DEFINITIONS

<i>“Controlling Shareholder(s)”</i>	A person who:– (a) holds directly or indirectly 15% or more of the total number of issued shares excluding Treasury Shares and subsidiary holdings in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a controlling shareholder; or (b) in fact exercises control over the Company
<i>“Director(s)”</i>	The director(s) of the Company as at the date of this Circular
<i>“EGM”</i>	The extraordinary general meeting of the Company
<i>“EPS”</i>	Earnings per Share
<i>“FY”</i>	Financial year of the Company ended or ending 31 December, as the case may be
<i>“Group”</i>	The Company and its subsidiaries (as defined in Section 5 of the Companies Act)
<i>“Latest Practicable Date”</i>	7 April 2019, being the latest practicable date prior to the printing of this Circular
<i>“Listing Manual”</i>	The listing manual of the SGX-ST, as amended, supplemented or modified from time to time
<i>“Listing Rules”</i>	The listing rules of the SGX-ST set out in the Listing Manual
<i>“Market Day”</i>	A day on which the SGX-ST is open for trading in securities
<i>“NAV”</i>	Net asset value
<i>“NTA”</i>	Net tangible assets
<i>“Relevant Period”</i>	The period commencing from the date on which the 2019 EGM is held and the resolution relating to the Share Purchase Mandate is passed and expiring on the earliest of (i) a date on which the next AGM is held or is required by law to be held; (ii) the date on which the Share Purchases are carried out to the full extent and mandated; or (iii) the date on which the authority conferred by the Share Purchase Mandate is adopted by Shareholders in a general meeting
<i>“ROE”</i>	Return on equity
<i>“SFA”</i>	Securities and Futures Act (Chapter 289) of Singapore as amended, supplemented or modified from time to time
<i>“SGX-ST”</i>	Singapore Exchange Securities Trading Limited

DEFINITIONS

<i>“Share Purchase”</i>	The purchase or acquisition of Shares by the Company pursuant to the Share Purchase Mandate
<i>“Share Purchase Mandate”</i>	A general and unconditional mandate given by Shareholders (including the subsequent renewal thereof if approved by Shareholders) that authorises the Directors to purchase or acquire Shares in accordance with the terms set out in this Circular as well as the rules and regulations set forth in the Companies Act and the Listing Manual
<i>“Share(s)”</i>	Ordinary shares in the capital of the Company
<i>“Shareholder(s)”</i>	Persons (other than CDP) who are for the time being registered as holders of Shares in the register of members maintained by the Company and the Depositors who have Shares entered against their names in the Depository Register
<i>“Substantial Shareholder(s)”</i>	A person who has an interest in the Shares of which is not less than five per cent. (5%) of all the voting shares
<i>“Take-over Code” or “Code”</i>	The Singapore Code on Take-overs and Mergers
<i>“Treasury Share(s)”</i>	Shares purchased or otherwise acquired by the Company and held by the Company in accordance with Section 76H of the Companies Act
<i>“S\$” and “cents”</i>	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
<i>“%” or “per cent.”</i>	Per centum or percentage

The terms “**Depositor**”, “**Depositors**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The term “**subsidiary**” shall have the same meaning ascribed to it in Section 5 of the Companies Act.

Words importing the singular shall, where applicable, include the plural and *vice versa*, and words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*.

References to persons shall include corporations.

Any reference in this Circular to any enactment is a reference to that enactment for the time being amended or re-enacted. Any word defined under the Companies Act or the Listing Manual or any modification thereof and used in this Circular shall have the same meaning assigned to it under the Companies Act or the Listing Manual or any modification thereof, as the case may be.

Any reference to a time of day or date in this Circular shall be a reference to Singapore time or date unless otherwise stated. The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any discrepancies in the tables in this Circular between the listed amounts and the totals thereof are due to rounding.

LETTER TO SHAREHOLDERS

PSL HOLDINGS LIMITED

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

Board of Directors:

Ms Ng Yoke Chan	(Non-Executive Chairman)
Mr Stephen Leong, BBM	(Vice Chairman and Executive Director)
Mr Tan Chee Tong	(Executive Director)
Mr William Teo Choon Kow, BBM	(Independent Non-Executive Director)
Mr Kevin Wong Wei Boon	(Independent Non-Executive Director)

Registered Office:

37 Jalan Pemimpin,
Mapex #07-16,
Singapore 577177

Date: 12 April 2019

To: The Shareholders of PSL Holdings Limited

Dear Sir/Madam,

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

1 INTRODUCTION

- 1.1** At the forthcoming EGM of the Company to be held on 29 April 2019, the Directors are seeking the approval of the Shareholders for an ordinary resolution pursuant to the proposed adoption of the Share Purchase Mandate to enable the Company to purchase its shares from Shareholders. The authority conferred in the resolution pursuant to the proposed Share Purchase Mandate may be exercised by the Directors at any time during the period commencing from the EGM dated 29 April 2019 and expiring on the date when the next AGM is held, or the date by which the next AGM is required by law to be held, whichever is earlier.
- 1.2** The purpose of this Circular is to provide Shareholders with relevant information relating to and explaining the rationale for the resolution pursuant to the proposed adoption of the Share Purchase Mandate to be tabled at the forthcoming EGM.

Shareholders are advised that the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made or reports contained in this Circular. If a Shareholder is in any doubt as to the action he should take, he should consult his stockbroker, bank manager, solicitor, accountant, tax adviser, or other professional adviser immediately.

2 THE PROPOSED ADOPTION OF SHARE PURCHASE MANDATE

2.1 The Proposed Adoption of Share Purchase Mandate

Any purchase or acquisition of Shares by the Company would have to be made in accordance with, and in the manner prescribed by the Companies Act, the Constitution and the Listing Rules and such other laws and regulations as may, for the time being, be applicable.

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The Constitution provides that the Company may purchase or otherwise acquire its issued Shares subject to and in accordance with the Companies Act on such terms and conditions as the Company may in a general meeting prescribe. The Listing Rules provide that if a company wishes to purchase or otherwise acquire its own shares, it should obtain the prior specific approval of the company's shareholders in a general meeting. Accordingly, approval is being sought from Shareholders at the 2019 EGM for the proposed adoption of the Share Purchase Mandate for the proposed purchase or acquisition by the Company of its issued Shares. A resolution will be proposed as an ordinary resolution pursuant to which the Share Purchase Mandate will be given to the Directors to exercise all powers on behalf of the Company to purchase or otherwise acquire its issued Shares in accordance with the terms of the Share Purchase Mandate.

If approved by Shareholders at the 2019 EGM, the authority conferred by the Share Purchase Mandate will continue in force until the conclusion of the next AGM of the Company, the date by which such AGM is required by law to be held, the date on which purchases or acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated or when the authority conferred is revoked or varied in any general meeting of the Company, whichever is the earliest. The Share Purchase Mandate may be renewed by the Shareholders in any general meeting.

2.2 Rationale for the Proposed Share Purchase Mandate

The approval of the Share Purchase Mandate authorising the Company to purchase or acquire its Shares would give the Company the flexibility to undertake Share Purchases or acquisitions up to the 10% limit described in paragraph 2.3.1 (*Maximum Number of Shares*) below at any time during the period when the Share Purchase Mandate is in force.

The rationale for the Company to undertake the purchase or acquisition of its issued Shares is as follows:–

- (a) In line with international practice, the Share Purchase Mandate will provide the Company with greater flexibility in managing its capital and maximising returns to Shareholders. To the extent that the Company has capital and sufficient funds, which are over and above its ordinary capital requirements, as well as taking into account its growth and expansion plans, the Share Purchase Mandate will facilitate the return of excess cash and surplus funds to Shareholders in an expedient, effective and cost-efficient manner.
- (b) The Share Purchase Mandate will provide the Company the flexibility to undertake Share Purchases at any time, subject to market conditions and compliance with the Listing Rules, during the period when the Share Purchase Mandate is in force.
- (c) Share Purchases may help mitigate short-term market volatility (by way of stabilising the supply and demand of issued Shares) and offset the effects of short-term speculation, supporting the fundamental value of the issued Shares, thereby bolstering Shareholders' confidence and employees' morale.

LETTER TO SHAREHOLDERS

- (d) The Company is also able to protect Shareholders' investments in the Company in a depressed Share price situation through judicious purchases of Shares to enhance the EPS. Shares purchased or acquired by the Company may also enhance the NAV per Share of the Group if the Share Purchases are made at a price below the NAV per Share of the Group.
- (e) The Share Purchase Mandate will accord greater flexibility to the Company in providing Shares to eligible employees and Independent Non-Executive Directors under its existing or future share-based incentive schemes including but not limited to the Company's existing performance share plan, namely the "PSL Performance Share Plan", which was approved by Shareholders in the EGM held on 30 May 2018. Subject to prevailing legislation, the Constitution, the Listing Rules and the rules of the relevant share-based incentive schemes, the Company has the discretion to either issue new Shares, deemed fully paid upon issuance and allotment, to eligible employees, or transfer existing Shares to such eligible employees (whether held as Treasury Shares or otherwise). Shares purchased or acquired under the Share Purchase Mandate can be held by the Company as Treasury Shares to satisfy the Company's obligation to furnish Shares to eligible employees under such share-based incentive schemes, thus giving the Company greater flexibility to select the method of providing Shares to eligible employees in a manner most beneficial to the Company and its Shareholders.

While the Share Purchase Mandate would authorise a purchase or acquisition of Shares up to the said 10% limit during the duration referred to in paragraph 2.3.2 (*Duration of Authority*) below, Shareholders should note that purchases or acquisitions of Shares pursuant to the Share Purchase Mandate may not be carried out to the full 10% limit as authorised. In particular, no purchases or acquisitions of Shares pursuant to the Share Purchase Mandate would be made in circumstances which would have or may have a material adverse effect on the financial position of the Company or the Group, or result in the Company being delisted from the SGX-ST. The Directors will use their best efforts to ensure that after a purchase or acquisition of Shares pursuant to the Share Purchase Mandate, the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity or adversely affect the orderly trading and listing status of the Shares on the SGX-ST.

2.3 Authority and Limits on the Share Purchase Mandate

The authority and limitations placed on purchases or acquisitions of Shares by the Company under the proposed Share Purchase Mandate are summarised below:–

2.3.1 Maximum number of Shares

Only Shares which are issued and fully paid-up may be purchased or acquired by the Company. The total number of Shares which may be purchased or acquired pursuant to the Share Purchase Mandate is limited to that number of Shares representing not more than 10% of the total number of issued Shares (ascertained as at the date of the 2019 EGM at which the Share Purchase Mandate is to be approved), unless the Company has, at any time during the Relevant Period, effected a reduction

LETTER TO SHAREHOLDERS

of its share capital in accordance with the applicable provisions under the Companies Act, in which event the total number of Shares shall be taken to be the total number of Shares as altered by the capital reduction. Any Shares which are held as Treasury Shares (if any) and subsidiary holdings will be disregarded for purposes of computing the 10% limit. As at the Latest Practicable Date, the Company does not hold any Treasury Shares.

For illustrative purposes only, on the basis of 55,686,996 Shares (excluding Treasury Shares and subsidiary holdings) in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2019 EGM, not more than 5,568,699 Shares (representing not more than ten per cent (10%) of the total number of issued Shares as at that date) may be purchased or acquired by the Company pursuant to the proposed Share Purchase Mandate during the duration referred to in paragraph 2.3.2 (*Duration of Authority*) below.

2.3.2 Duration of authority

Purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate may be made during the Relevant Period, at any time and from time to time, on and from the Approval Date, at which the proposed adoption of the Share Purchase Mandate is approved, up to the earlier of:–

- (a) the conclusion of the next AGM of the Company;
- (b) the date by which the next AGM is required by law to be held;
- (c) the date on which the purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate are carried out to the full extent mandated; or
- (d) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting.

The authority conferred on the Directors by the Share Purchase Mandate to purchase or acquire Shares may be renewed at the next AGM or an EGM to be convened immediately after the conclusion or adjournment of the next AGM. When seeking the approval of the Shareholders for the renewal of the Share Purchase Mandate, the Company is required to disclose details pertaining to purchases or acquisitions of Shares pursuant to the proposed Share Purchase Mandate made during the previous 12 months, including the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for such purchases of Shares, where relevant, and the total consideration paid for such purchases.

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2.3.3 Manner of purchases or acquisitions of Shares

Purchases or acquisitions of Shares may be made by way of:–

- (a) on-market purchase(s) (“**Market Purchase**”), transacted on the SGX-ST through the ready market, through one (1) or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
- (b) off-market purchase(s) (“**Off-Market Purchase**”) effected pursuant to an equal access scheme(s) as defined in Section 76C of the Companies Act.

The Directors may impose such terms and conditions which are consistent with the Share Purchase Mandate, the Listing Rules, the Companies Act and the Constitution, as they consider fit in the interests of the Company in connection with or in relation to any equal access scheme(s). An Off-Market Purchase must, however, satisfy all the following conditions:–

- (i) offers for the purchase or acquisition of Shares shall be made to every person who holds Shares to purchase or acquire the same percentage of their Shares;
- (ii) all of the abovementioned persons shall be given a reasonable opportunity to accept the offers made; and
- (iii) the terms of all the offers shall be the same, except that there shall be disregarded, where applicable:
 - (1) differences in consideration attributable to the fact that offers may relate to Shares with different accrued dividend entitlements;
 - (2) differences in consideration attributable to the fact that offers relate to Shares with different amounts remaining unpaid; and
 - (3) differences in the offers introduced solely to ensure that each person is left with a whole number of Shares.

In addition, pursuant to the Listing Rules, if the Company wishes to make an Off-Market Purchase in accordance with an equal access scheme, the Company must issue an offer document to all Shareholders containing, *amongst others*, the following information:–

- (i) the terms and conditions of the offer;
- (ii) the period and procedures for acceptances;
- (iii) the reasons for the proposed purchase or acquisition of Shares;

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- (iv) the consequences, if any, of the purchases or acquisitions of Shares by the Company that will arise under the Take-over Code or other applicable take-over rules;
- (v) whether the purchase or acquisition of Shares, if made, would have any effect on the listing of the Shares on the SGX-ST;
- (vi) details of any purchases or acquisitions of Shares made by the Company in the previous 12 months (whether Market Purchases or Off-Market Purchases), giving the total number of Shares purchased, the purchase price per Share or the highest and lowest prices paid for the purchases of Shares, where relevant, and the total consideration paid for the purchases; and
- (vii) whether the Shares purchased by the Company will be cancelled or, if permitted by the Company's Constitution, kept as Treasury Shares.

2.3.4 Maximum purchase price to be paid for the Shares

The purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) to be paid for a Share will be determined by the Directors or a committee of Directors that may be constituted for the purposes of effecting purchases or acquisitions of Shares by the Company under the Share Purchase Mandate. However, the purchase price to be paid for the Shares pursuant to the purchases or acquisitions of the Shares must not exceed:–

- (a) in the case of a Market Purchase, 105% of the Average Closing Price of the Shares; and
- (b) in the case of an Off-Market Purchase pursuant to an equal access scheme, 120% of the Highest Last Dealt Price of the Shares,

(the “**Maximum Price**”) in either case, excluding related expenses of the Share Purchase.

For the above purposes:–

“**Average Closing Price**” means the average of the closing market prices of a Share for the last five (5) consecutive Market Days on which the Shares are transacted on the SGX-ST immediately preceding the date of the Market Purchase by the Company and deemed to be adjusted in accordance with the Listing Rules for any corporate action which occurs after the relevant five (5)-day period.

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase.

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“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for an Off-Market Purchase, stating therein the purchase price (which shall not be more than the Maximum Price for an Off-Market Purchase calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase.

2.4 Status of Purchased Shares

2.4.1 Cancellation

Any Share which is purchased or acquired by the Company shall, unless held as Treasury Shares to the extent permitted under the Companies Act and the Constitution, be deemed cancelled immediately on purchase or acquisition, and all rights and privileges attached to that Share will expire on cancellation. Accordingly, the total number of issued Shares will be diminished by the number of Shares purchased or acquired by the Company and which are not held as Treasury Shares.

All Shares purchased or acquired by the Company (other than Treasury Shares held by the Company to the extent permitted under the Companies Act and the Company’s Constitution) will be automatically delisted by the SGX-ST, and certificates in respect thereof will be cancelled and destroyed by the Company as soon as reasonably practicable following settlement of any such purchase or acquisition.

At the time of each purchase of Shares by the Company, the Directors will decide whether the Shares purchased will be cancelled or kept as Treasury Shares, or partly cancelled and partly kept as Treasury Shares, depending on the needs of the Company and as the Directors deem fit in the interest of the Company at that time.

2.4.2 Treasury Shares

Under the Companies Act, Shares purchased or acquired by the Company may be held or dealt with as Treasury Shares. Some of the provisions on Treasury Shares under the Companies Act are summarised below:–

(i) Maximum Holdings

The number of Shares held as Treasury Shares cannot at any time exceed ten per cent (10%) of the total number of issued Shares (“**Treasury Shares Limit**”).

(ii) Voting and Other Rights

The Company cannot exercise any right in respect of Treasury Shares. In particular, the Company cannot exercise any right to attend or vote at meetings and for the purposes of the Companies Act, the Company shall be treated as having no right to vote and the Treasury Shares shall be treated as having no voting rights.

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In addition, no dividend may be paid, and no other distribution of the Company's assets may be made to the Company in respect of Treasury Shares. However, the allotment of shares as fully paid bonus shares in respect of Treasury Shares is allowed. A subdivision or consolidation of any treasury share into Treasury Shares of a smaller amount is also allowed so long as the total value of the Treasury Shares after the subdivision or consolidation is the same as before.

(iii) Disposal and Cancellation

Where Shares are held as Treasury Shares, the Company may at any time:—

- (a) sell the Treasury Shares (or any of them) for cash;
- (b) transfer the Treasury Shares (or any of them) for the purposes of or pursuant to an employees' share scheme and/or plan (such as in satisfying share awards under the PSL Performance Share Plan);
- (c) transfer the Treasury Shares (or any of them) as consideration for the acquisition of shares in or assets of another company or assets of a person;
- (d) cancel the Treasury Shares (or any of them); or
- (e) sell, transfer or otherwise use the Treasury Shares for such other purposes as may be prescribed by the Minister for Finance.

Where Shares purchased pursuant to the Share Purchase Mandate are held as Treasury Shares, the number of such Shares to be held as Treasury Shares, when aggregated with the existing Treasury Shares held, shall not, subject to the Companies Act, exceed the Treasury Shares Limit at any time.

2.5 Reporting Requirements

ACRA

Within 30 days of the passing of a Shareholders' resolution to approve the purchases or acquisitions of Shares by the Company, the Company shall lodge a copy of such resolution with ACRA.

Within 30 days of a purchase or acquisition of Shares by the Company, the Company shall lodge with ACRA the notice of the purchase or acquisition in the prescribed form, such notification including, *amongst others*, the date of the purchase or acquisition, the number of Shares purchased or acquired by the Company, the number of Shares cancelled, the number of Shares held as Treasury Shares, the Company's issued ordinary share capital before the purchase or acquisition and after the purchase or acquisition of Shares, the amount of

LETTER TO SHAREHOLDERS

consideration paid by the Company for the purchase or acquisition, and whether the Shares were purchased or acquired out of the profits or the capital of the Company.

Within 30 days of the cancellation or disposal of Treasury Shares in accordance with the provisions of the Companies Act, the Company shall lodge with ACRA the notice of cancellation or disposal of Treasury Shares in the prescribed form as required by ACRA.

SGX-ST

The Listing Rules specify that a listed company shall notify the SGX-ST of all purchases or acquisitions of its shares not later than 9.00 a.m.:

- (a) in the case of a Market Purchase, on the Market Day following the day on which the Market Purchase was made; and
- (b) in the case of an Off-Market Purchase under an equal access scheme, on the second Market Day after the close of acceptance of the offer for the Off-Market Purchase.

The notification of such purchases or acquisitions of Shares to the SGX-ST shall be in such form and shall include such details that the SGX-ST may prescribe. The Company shall make arrangements with its stockbrokers to ensure that they provide the Company, in a timely fashion, the necessary information which will enable the Company to make the notifications to the SGX-ST.

Under the Listing Manual, immediate announcement must be made of any sale, transfer, cancellation and/or use of Treasury Shares (in each case, the “**usage**”). Such announcement must include details such as the date of the usage, the purpose of the usage, the number of Treasury Shares comprised in the usage, the number of Treasury Shares before and after the usage, and the percentage of the number of Treasury Shares comprised in the usage against the total number of issued Shares (of the same class as the Treasury Shares) which are listed on the SGX-ST before and after the usage.

2.6 Source of Funds

The Companies Act provides that any purchase or acquisition of Shares by the Company may be made out of the Company’s capital or profits, so long as the Company is solvent (as defined in paragraph 2.7 (*Solvency Test*) below). The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that the working capital position of the Group would be materially adversely affected.

The Company intends to use internal sources of funds and/or if need be external borrowings to finance purchases or acquisitions of its Shares. The amount of funding required for the Company to purchase or acquire its Shares and the financial impact on the Company and the Group arising from such purchases or acquisitions of the Shares pursuant to the proposed Share Purchase Mandate will depend on, *amongst others*, the aggregate number of Shares purchased or

LETTER TO SHAREHOLDERS

acquired, the consideration paid at the relevant time and the amount (if any) borrowed by the Company to fund the purchases or acquisitions.

2.7 Solvency Test

Under the Companies Act in force as at the Latest Practicable Date, the Company may not purchase or acquire Shares if it is known that the Company not solvent. For this purpose, a company is “solvent” if:–

- (a) there is no ground on which the Company could be found to be unable to pay its debts;
- (b) if, (i) it is intended to commence winding up of the Company within the period of 12 months immediately after the date of payment, the Company will be able to pay its debts in full within the period of 12 months immediately following the date of commencement of the winding up; or (ii) it is not intended so to commence winding up, the company will be able to pay its debts as they fall due during the period of 12 months immediately after the date of the payment; and
- (c) the value of the Company’s assets is not less than the value of its liabilities (including contingent liabilities) and will not, after the proposed purchase or acquisition of shares, becomes less than the value of its liabilities (including contingent liabilities), having regard to the most recent financial statements of the company and all other circumstances that the directors or managers of the company know or ought to know affect, or may affect, such values.

2.8 Financial Effects

It is not possible for the Company to realistically calculate or quantify the impact of purchases or acquisitions of Shares that may be made pursuant to the Share Purchase Mandate on the NTA and EPS as the resultant effect would depend on factors such as the aggregate number of Shares purchased or acquired, the purchase prices paid at the relevant time, the amount (if any) borrowed by the Company to fund the purchases, whether the purchase or acquisition is made out of profits or capital, and whether the Shares purchased are held in treasury or cancelled. The Company’s total issued share capital will be diminished by the aggregate nominal value of the Shares purchased by the Company and which are cancelled. The NTA of the Group will be reduced by the aggregate purchase price paid by the Company for Shares.

Where the consideration paid by the Company for the Share Purchase is made out of profits, such consideration (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) will correspondingly reduce the amount available for the distribution of cash dividends by the Company. Where the consideration paid by the Company for the Share Purchase is made out of capital, the amount available for the distribution of cash dividends by the Company will not be reduced.

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The Directors do not propose to exercise the Share Purchase Mandate in a manner and to such an extent that it would have a material adverse effect on the working capital requirements of the Group. The purchase or acquisition of the Shares will only be effected after considering relevant factors such as the working capital requirement, availability of financial resources, the expansion and investment plans of the Group, and the prevailing market conditions.

For illustrative purposes only, the financial effects of the Share Purchase Mandate on the Company and the Group, based on the audited consolidated financial statements of the Group for FY2018, are based on the assumptions set out below:—

- (a) based on 55,686,996 Shares in issue as at the Latest Practicable Date and assuming no further Shares are issued on or prior to the 2019 EGM, not more than 5,568,699 Shares (representing not more than ten per cent (10%) (excluding all treasury shares and subsidiary holdings) of the total number of issued Shares as at that date) may be purchased by the Company pursuant to the proposed Share Purchase Mandate;
- (b) in the case of Market Purchases by the Company and assuming that the Company purchases or acquires 5,568,699 Shares at the Maximum Price of S\$0.104 for one (1) Share (being the price equivalent to five per cent (5%), (excluding all treasury shares and subsidiary holdings) above the Average Closing Price of the Shares for the last five (5) consecutive Market Days on which the Shares were traded on the SGX-ST immediately preceding the Latest Practicable Date), the maximum amount of funds required for the purchase or acquisition of 5,568,699 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$579,000;
- (c) in the case of Off-Market Purchases by the Company and assuming that the Company purchases or acquires 5,568,699 Shares at the Maximum Price of S\$0.122⁽¹⁾ for one (1) Share (being the price equivalent to twenty per cent (20%) (excluding all treasury shares and subsidiary holdings) above the Highest Last Dealt Price), the maximum amount of funds required for the purchase or acquisition of 5,568,699 Shares (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) is approximately S\$679,000; and
- (d) transaction costs incurred for the purchase or acquisition of Shares, pursuant to the Share Purchase Mandate are assumed to be insignificant and have been ignored for the purpose of computing the financial effects.

Note:

- (1) For the purposes of this illustration, the Highest Last Dealt Price is based on the highest price transacted for a Share as recorded on the SGX-ST on the Latest Practicable Date.

For illustrative purposes only, and based on the assumptions set out in sub-paragraphs (a) to (d) above and assuming that:

- (i) the purchase or acquisition of Shares is financed solely by internal sources of funds;

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- (ii) the Share Purchase Mandate had been effective on 1 January 2018; and
- (iii) the Company had purchased or acquired 5,568,699 Shares (representing the maximum ten per cent (10%) (excluding all treasury shares and subsidiary holdings) of the total number of issued Shares at the Latest Practicable Date that the Company can purchase or acquire pursuant to the Share Purchase Mandate) on the 1 January 2018,

the financial effects of the purchase or acquisition of 5,568,699 Shares by the Company pursuant to the Share Purchase Mandate on the audited consolidated financial statements of the Company and the Group for FY2018 are set out at the below:—

(i) Scenario 1: Purchases made entirely out of capital and held as Treasury Shares

(A) Market Purchases

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2018	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Shareholders' equity	27,489	26,910	26,379	25,800
NTA	27,489	26,910	26,379	25,800
Current assets	30,641	30,062	27,294	26,715
Current liabilities	3,737	3,737	5,969	5,969
Working capital	26,904	26,325	21,325	20,746
Total borrowings	61	61	—	—
Cash & cash equivalents	7,186	6,607	2,245	1,666
Loss attributable to Shareholders	(4,620)	(4,620)	(4,550)	(4,550)
Treasury shares ('000)	—	5,569	—	5,569
Number of shares ('000)	55,687	50,118	55,687	50,118
Financial Ratios				
NTA per share (cents) ⁽¹⁾	49.36	53.69	47.37	51.48
Gearing (%) ⁽²⁾	0.22%	0.23%	—	—
Current ratio (times) ⁽³⁾	8.20	8.04	4.57	4.48
Basic EPS (cents) ⁽⁴⁾	(8.30)	(9.22)	(8.17)	(9.08)

Notes:

- (1) NTA per Share equals NTA divided by the number of Shares (excluding treasury shares, if any) outstanding as at 31 December 2018.
- (2) Gearing equal total borrowings divided by Shareholders' equity.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is computed based on profit attributable to Shareholders divided by the weighted average number of Shares.

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(B) Off-Market Purchases

As at 31 December 2018	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
Shareholders' equity	27,489	26,810	26,379	25,700
NTA	27,489	26,810	26,379	25,700
Current assets	30,641	29,962	27,294	26,615
Current liabilities	3,737	3,737	5,969	5,969
Working capital	26,904	26,225	21,325	20,646
Total borrowings	61	61	–	–
Cash & cash equivalents	7,186	6,507	2,245	1,566
Loss attributable to Shareholders	(4,620)	(4,620)	(4,550)	(4,550)
Treasury shares ('000)	–	5,569	–	5,569
Number of shares ('000)	55,687	50,118	55,687	50,118
Financial Ratios				
NTA per share (cents) ⁽¹⁾	49.36	53.49	47.37	51.28
Gearing (%) ⁽²⁾	0.22%	0.23%	–	–
Current ratio (times) ⁽³⁾	8.20	8.02	4.57	4.46
Basic EPS (cents) ⁽⁴⁾	(8.30)	(9.22)	(8.17)	(9.08)

Notes:

- (1) NTA per Share equals NTA divided by the number of Shares (excluding treasury shares, if any) outstanding as at 31 December 2018.
- (2) Gearing equal total borrowings divided by Shareholders' equity.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is computed based on profit attributable to Shareholders divided by the weighted average number of Shares.

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(ii) Scenario 2: Purchases made entirely out of capital and cancelled

(A) Market Purchases

	Group		Company	
	Before Share Purchase	After Share Purchase	Before Share Purchase	After Share Purchase
As at 31 December 2018	(S\$'000)	(S\$'000)	(S\$'000)	(S\$'000)
Shareholders' equity	27,489	26,910	26,379	25,800
NTA	27,489	26,910	26,379	25,800
Current assets	30,641	30,062	27,294	26,715
Current liabilities	3,737	3,737	5,969	5,969
Working capital	26,904	26,325	21,325	20,746
Total borrowings	61	61	—	—
Cash & cash equivalents	7,186	6,607	2,245	1,666
Loss attributable to Shareholders	(4,620)	(4,620)	(4,550)	(4,550)
Treasury shares ('000)	—	—	—	—
Number of shares ('000)	55,687	50,118	55,687	50,118
Financial Ratios				
NTA per share (cents) ⁽¹⁾	49.36	53.69	47.37	51.48
Gearing (%) ⁽²⁾	0.22%	0.23%	—	—
Current ratio (times) ⁽³⁾	8.20	8.04	4.57	4.48
Basic EPS (cents) ⁽⁴⁾	(8.30)	(9.22)	(8.17)	(9.08)

Notes:

- (1) NTA per Share equals NTA divided by the number of Shares (excluding treasury shares, if any) outstanding as at 31 December 2018.
- (2) Gearing equal total borrowings divided by Shareholders' equity.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is computed based on profit attributable to Shareholders divided by the weighted average number of Shares.

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(B) Off-Market Purchases

	Group		Company	
	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)	Before Share Purchase (S\$'000)	After Share Purchase (S\$'000)
As at 31 December 2018				
Shareholders' equity	27,489	26,810	26,379	25,700
NTA	27,489	26,810	26,379	25,700
Current assets	30,641	29,962	27,294	26,615
Current liabilities	3,737	3,737	5,969	5,969
Working capital	26,904	26,225	21,325	20,646
Total borrowings	61	61	—	—
Cash & cash equivalents	7,186	6,507	2,245	1,566
Loss attributable to Shareholders	(4,620)	(4,620)	(4,550)	(4,550)
Treasury shares ('000)	—	—	—	—
Number of shares ('000)	55,687	50,118	55,687	50,118
Financial Ratios				
NTA per share (cents) ⁽¹⁾	49.36	53.49	47.37	51.28
Gearing (%) ⁽²⁾	0.22%	0.23%	—	—
Current ratio (times) ⁽³⁾	8.20	8.02	4.57	4.46
Basic EPS (cents) ⁽⁴⁾	(8.30)	(9.22)	(8.17)	(9.08)

Notes:

- (1) NTA per Share equals NTA divided by the number of Shares (excluding treasury shares, if any) outstanding as at 31 December 2018.
- (2) Gearing equal total borrowings divided by Shareholders' equity.
- (3) Current ratio equals current assets divided by current liabilities.
- (4) EPS is computed based on profit attributable to Shareholders divided by the weighted average number of Shares.

Shareholders should note that the financial effects set out herein are purely for illustrative purposes only. In particular, it is important to note that the analysis herein is based on the audited consolidated financial statements of the Company and the Group for FY2018 and is not necessarily representative of future financial performance.

Although the proposed Share Purchase Mandate would authorise the Company to purchase or acquire up to ten per cent (10%) of its total number of issued Shares (less Treasury Shares and subsidiary holdings), the Company may not necessarily purchase or acquire or be able to purchase or acquire the entire ten per cent (10%) of its total issued Shares. In addition, the Company may cancel, or hold as Treasury Shares, all or part of the Shares purchased or acquired.

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Shareholders who are in doubt as to their respective tax positions or any tax implications arising from the proposed Share Purchase Mandate or who may be subject to tax in a jurisdiction other than Singapore should consult their own professional advisers.

2.9 Take-over Implications under the Take-over Code

Appendix 2 of the Take-over Code contains the Share Buy-Back Guidance Note applicable as at the Latest Practicable Date. The take-over implications arising from any purchase or acquisition by the Company of its Shares are set out below.

2.9.1 Obligation to make a take-over offer

If, as a result of any purchase or acquisition by the Company of the Shares, the proportionate interest in the voting capital of the Company of a Shareholder and persons acting in concert with him increases, such increase will be treated as an acquisition for the purposes of Rule 14 of the Take-over Code. Consequently, a Shareholder or a group of Shareholders acting in concert with a Director could obtain or consolidate effective control of the Company and become obliged to make an offer under Rule 14 of the Take-over Code.

2.9.2 Persons acting in concert

Under the Take-over Code, persons acting in concert comprise individuals or companies who, pursuant to an agreement or understanding (whether formal or informal), co-operate, through the acquisition by any of them of shares in a company to obtain or consolidate effective control of the company.

Unless the contrary is established, the following persons, *amongst others*, will be presumed to be acting in concert, namely:–

- (a) a company with its parent company, its subsidiaries, its fellow subsidiaries, any associated companies of the foregoing companies, any company whose associated companies include any of the foregoing companies, and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing companies for the purchase of voting rights.
- (b) a company with any of its directors, together with their close relatives, related trusts and any companies controlled by any of the directors, their close relatives and related trusts; and
- (c) an individual, his close relatives, his related trusts, any person who is accustomed to act according to his instructions, companies controlled by any of the foregoing persons and any person who has provided financial assistance (other than a bank in the ordinary course of business) to any of the foregoing persons and/or entities for the purchase of voting rights.

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For this purpose, ownership or control of at least 20% but not more than 50% of the voting rights of a company will be regarded as the test of associated company status.

The circumstances under which Shareholders, including Directors and persons acting in concert with them respectively, will incur an obligation to make a take-over offer under Rule 14 of the Take-over Code after a purchase or acquisition of Shares by the Company are set out in Appendix 2 of the Take-over Code.

2.9.3 Effect of Rule 14 and Appendix 2 of the Take-over Code

In general terms, the effect of Rule 14 and Appendix 2 of the Take-over Code is that, unless exempted, Directors and persons acting in concert with them will incur an obligation to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Directors and their concert parties would increase to 30% or more, or in the event that such Directors and their concert parties hold between 30% and 50% of the Company's voting rights, the voting rights of such Directors and their concert parties would increase by more than one per cent (1%) in any period of six (6) months. In calculating the percentages of voting rights of such Directors and their concert parties, treasury shares shall be excluded.

Under Appendix 2 of the Take-over Code, a Shareholder who is not acting in concert with the Directors will not be required to make a take-over offer under Rule 14 if, as a result of the Company purchasing or acquiring its own Shares, the voting rights of such Shareholder would increase to 30% or more, or, if such Shareholder holds between 30% and 50% of the Company's voting rights, the voting rights of such Shareholder would increase by more than one per cent, (1%) in any period of six (6) months. Such Shareholder need not abstain from voting in respect of the resolution authorising the Share Purchase Mandate.

Based on the shareholdings of the Directors in the Company as at the Latest Practicable Date, none of the Directors will become obligated to make a mandatory offer by reason only of the purchase or acquisition of ten per cent (10%) Shares by the Company pursuant to the Share Purchase Mandate.

The Directors are not aware of any Shareholder or group of Shareholders acting in concert who may become obligated to make a mandatory offer in the event that the Directors exercise the power to purchase or acquire Shares pursuant to the Share Purchase Mandate.

Further details of the interests of Directors and Substantial Shareholders of the Company as at the Latest Practicable Date are set out in paragraph 2.14 (*Directors' and Substantial Shareholders' Interests*) of this Circular.

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Shareholders who are in doubt as to their obligations, if any, to make a mandatory takeover offer under the Take-over Code as a result of any share purchases by the Company are advised to consult their professional advisers and/or the Securities Industry Council and/or other relevant authorities at the earliest opportunity.

2.10 SGX-ST Listing Rules

While the Listing Rules do not expressly prohibit the purchase of shares by a listed company during any particular time or times, the listed company would be considered an “insider” in relation to any proposed purchase or acquisition of its issued shares. In this regard, the Company will not purchase any Shares pursuant to the Share Purchase Mandate after a price-sensitive development has occurred or has been the subject of a consideration and/or a decision of the Board until such time as the price-sensitive information has been publicly announced. In particular, the Company will not purchase or acquire any Shares during the following period and at all times in compliance with Rule 1207(19) of the Listing Manual:–

- (a) one (1) month immediately preceding the announcement of the Company’s annual results; and
- (b) two (2) weeks immediately preceding the announcement of the Company’s results for each of the first three (3) quarters of its financial year.

The Company does not have any individual shareholding limit or foreign shareholding limit. However, the Company is required under Rule 723 of the Listing Manual to ensure that at least ten per cent (10%) of its Shares are in the hands of the public. The “public”, as defined under the Listing Manual, are persons other than the Directors, chief executive officer, Substantial Shareholders or Controlling Shareholders of the Company and its subsidiaries, as well as the associates of such persons.

Based on the register of Directors’ shareholdings and the register of Substantial Shareholders maintained by the Company as at the Latest Practicable Date, approximately 27,950,831 Shares, representing 50.19% of the total issued Shares, are in the hands of the public. Assuming that the Company purchases its Shares through Market Purchases up to the full ten per cent (10%) limit pursuant to the Share Purchase Mandate, the number of Shares in the hands of the public would be reduced to 22,382,132 Shares, representing 44.66% of the reduced total issued Shares of the Company. Accordingly, the Company is of the view that there is a sufficient number of issued share capital held in the hands of the public which would permit the Company to undertake purchases or acquisitions of its issued share capital up to the full ten per cent (10%) limit pursuant to the proposed Share Purchase Mandate without affecting the listing status of the Shares on the SGX-ST, and that the number of Shares remaining in the hands of the public will not fall to such a level as to cause market illiquidity.

In undertaking any purchases or acquisitions of Shares through Market Purchases, the Directors will use their best efforts to ensure that, notwithstanding such purchases, a sufficient float in the hands of the public will be maintained so that the purchases or acquisitions of Shares will not adversely affect the listing status of the Shares on the SGX-ST, cause market illiquidity or adversely affect the orderly trading of the Shares.

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2.11 Previous Share Purchases

The Company has not made any purchases or acquisitions of its issued Shares in the twelve (12) months immediately preceding the Latest Practicable Date.

2.12 Interested Persons

The Company is prohibited from knowingly buying Shares on the SGX-ST from an interested person, that is, a Director, the chief executive officer of the Company or a Substantial Shareholder of the Company or any of their associates, and an interested person is prohibited from knowingly selling his Shares to the Company.

2.13 Tax Implications

Shareholders who are in doubt as to their respective tax positions or tax implications of a share purchase by the Company, or who may be subject to tax whether in or outside Singapore, should consult their own professional advisers.

2.14 Directors' and Substantial Shareholders' Interests

2.14.1 Directors' Interests

As at the Latest Practicable Date, the interests of the Directors in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum amount of ten per cent (10%) of the total issued Shares and (ii) there is no change in the number of Shares (whether direct or deemed) held by the Directors, are set out below:–

Director	Before the Share Purchase (as at the Latest Practicable Date)		After the Share Purchase	
	Number of Shares		Total Percentage Interest (%) ⁽¹⁾	
	Direct	Deemed	Interest (%) ⁽¹⁾	Interest (%) ⁽¹⁾
Ng Yoke Chan	–	1,353,700	2.43	2.70
Stephen Leong, BBM	–	–	–	–
Tan Chee Tong	–	68,000	0.12	0.14
William Teo Choon Kow, BBM	–	–	–	–
Kevin Wong Wei Boon	–	–	–	–

Note:

- (1) Based on 55,686,996 Shares before the Share Purchase and 50,118,297 Shares after the Share Purchase.

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2.14.2 Substantial Shareholders' Interests

As at the Latest Practicable Date, the interests of the Substantial Shareholders in the Shares before and after the Share Purchase pursuant to the Share Purchase Mandate, assuming (i) the Company purchases the maximum amount of ten per cent (10%) of the total issued Shares and (ii) there is no change in the number of Shares (whether direct or deemed) held by the Substantial Shareholders, are set out below:—

Director	Before the Share Purchase (as at the Latest Practicable Date)		After the Share Purchase	
	Number of Shares		Total Percentage Interest (%) ⁽¹⁾	Total Percentage Interest (%) ⁽¹⁾
	Direct	Deemed		
Suman Hadi Negoro	6,371,599	1,750,000	14.58	16.20
Atan	5,021,650	—	9.02	10.02
Melda Veronica	5,002,500	—	8.98	9.98
A Guat	4,176,524	—	7.50	8.33
Edison	3,867,292	124,900	7.17	7.97

Note:

(1) Based on 55,686,996 Shares before the Share Purchase and 50,118,297 Shares after the Share Purchase.

3 DIRECTORS' RECOMMENDATION

Having fully considered the rationale set out under paragraph 2.2 (*Rationale for the Proposed Share Purchase Mandate*) of this Circular for the proposed adoption of the Share Purchase Mandate, the Directors are of the opinion that the adoption of the Share Purchase Mandate is in the best interests of the Company. Accordingly, the Directors recommend that Shareholders vote in favour of the ordinary resolution relating to the proposed adoption of the Share Purchase Mandate to be proposed at the 2019 EGM.

4 APPROVAL AND RESOLUTION

Shareholders' approval for the proposed adoption of the Share Purchase Mandate will be sought at the 2019 EGM. The resolution relating to the proposed adoption of the Share Purchase Mandate is contained in the Notice of EGM as Special Business under Ordinary Resolution 1.

5 DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this Circular and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the proposed adoption of the Share Purchase Mandate and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading.

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Where information in this Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this Circular in its proper form and context.

6 DOCUMENTS FOR INSPECTION

The following documents are available for inspection at the registered office of the Company at 37 Jalan Pemimpin, Mapex #07-16, Singapore 577177 during normal business hours for a period of three (3) months from the date of this Circular:-

- (a) the annual report of the Company for FY2018; and
- (b) the Constitution of the Company.

Yours faithfully

For and on behalf of the Board of Directors of
PSL HOLDINGS LIMITED

Ng Yoke Chan
Non-Executive Chairman

NOTICE OF EXTRAORDINARY GENERAL MEETING

PSL HOLDINGS LIMITED

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

NOTICE IS HEREBY GIVEN that the extraordinary general meeting (the “**EGM**”) of PSL Holdings Limited (the “**Company**”) will be held at 37 Jalan Pemimpin #07-16, Mapex, Singapore 577177 on Monday, 29 April 2019 at 11.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the annual general meeting of the Company to be held at 10 a.m. on the same day and at the same place) for the purpose of considering and, if thought fit, passing with or without any modifications the following resolution.

ORDINARY RESOLUTION

THE PROPOSED ADOPTION OF THE SHARE PURCHASE MANDATE

That:

- (a) for the purposes of the Companies Act (Cap. 50) of Singapore (the “**Act**”), the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire Shares of the Company not exceeding in aggregate the Maximum Holdings (as defined below), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as defined below), whether by way of:
 - (i) on-market purchase(s) transacted on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) through the ready market of the SGX-ST and which may be transacted through one or more duly licensed stockbrokers appointed by the Company for the purpose; and/or
 - (ii) off-market purchase(s) otherwise than on a securities exchange, in accordance with any equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and Listing Manual of the SGX-ST,on the terms set out in the Circular and in accordance with all other laws and regulations and rules of the SGX-ST, be and is hereby authorised and approved generally and unconditionally (“**Share Buyback Mandate**”);
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buyback Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earliest of:
 - (i) the date on which the next AGM of the Company is held or required by law to be held;
 - (ii) the date on which the purchases or acquisitions of Shares by the Company pursuant to the Share Buyback Mandate have been carried out to the full extent mandated; or
 - (iii) the date on which the authority conferred by the Share Buyback Mandate is revoked or varied;

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (c) in this Ordinary Resolution: “**Maximum Holdings**” means that number of issued Shares representing ten per cent. (10%) of the total number of issued Shares as at the date of the passing of this Ordinary Resolution (excluding the Shares which are held as treasury shares and subsidiary holdings); and

“**Maximum Price**” in relation to a Share to be purchased or acquired, means the purchase price (excluding related brokerage, commission, applicable goods and services tax, stamp duties, clearance fees and other related expenses) which shall not be more than:

- (i) in the case of an on-market purchase(s) of a Share, five per cent. (5%) above the average of the closing market prices of the Shares over the last five (5) consecutive Market Days on which transactions in the Shares were recorded immediately preceding the day of the on-market purchase by the Company, and deemed to be adjusted for any corporate action that occurs after the relevant five-day period; and
 - (ii) in the case of an off-market purchase(s) of a Share, 20% above the highest price transacted for a Share as recorded on the SGX-ST on the Market Day on which there were trades in the Shares immediately preceding the day on which the Company announces its intention to make an offer for an off-market purchase, stating therein the purchase price and the relevant terms of the equal access scheme for effecting the off-market purchase; and
- (d) the Directors of the Company and each of them be and is hereby authorised to do such acts and things (including without limitation, to execute all documents as may be required, to approve any amendments, alterations or modifications to any documents, and to sign, file and/or submit any notices, forms and documents with or to the relevant authorities) as they and/or he may consider necessary, desirable or expedient to give effect to the adoption of the Share Buyback Mandate and/or authorised by this Ordinary Resolution.

By Order of the Board of Directors PSL Holdings Limited

Chua Kern
Company Secretary
Singapore, 12 April 2019

NOTICE OF EXTRAORDINARY GENERAL MEETING

Notes:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the “**Act**”), a member is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting (“**EGM**”). Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form. A proxy need not be a member of the Company.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. The instrument appointing a proxy or proxies must be deposited at registered office of the Company at **37 Jalan Pemimpin #07-16 Mapex Singapore 577177** not less than **72 hours** before the time set for the EGM.
4. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
5. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the EGM, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

Personal Data Privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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PSL HOLDINGS LIMITED

Company Registration No. 199707022K

PROXY FORM

(Please see notes overleaf before completing this Form)

IMPORTANT

1. Pursuant to Section 181(1C) of the Companies Act, Chapter 50 (the "Act"), Relevant Intermediaries may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. For investors who have used their CPF and/or SRS monies to buy shares in the Company ("CPF and SRS Investors"), this proxy form is not valid for use and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF and SRS Investors are requested to contact their respective Agent Banks for any queries they may have with regard to their appointment as proxies or the appointment of their Agent Banks as proxies for the Extraordinary General Meeting.

PERSONAL DATA PROTECTION ACT CONSENT

By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms and set out in the Notice of Extraordinary General Meeting dated 12 April 2019.

*I/We _____ (Name) _____ (NRIC/Passport No.)
of _____ (Address)
being a *member/members of PSL Holdings Limited (the "**Company**"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

*and/or

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing him/her, the Chairman of the Extraordinary General Meeting of the Company ("**EGM**") as my/our* proxy/proxies* to attend and vote for me/us* on my/our* behalf at the EGM to be held at 37 Jalan Pemimpin #07-16, Mapex, Singapore 577177 on Monday, 29 April 2019 at 11.30 a.m. (or as soon as practicable immediately following the conclusion or adjournment of the Annual General Meeting of the Company to be held at 10 a.m. on the same day and at the same place) and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against the Ordinary Resolution proposed at the EGM as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the EGM and at any adjournment thereof, the proxy/proxies* will vote or abstain from voting at his/her* discretion. The Ordinary Resolution proposed at the EGM as indicated hereunder will be put to vote at the EGM by way of poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Ordinary Resolution	By way of poll	
		For	Against
1.	The proposed adoption of the share purchase mandate		

Dated this _____ day of _____ 2019

Total Number of Shares Held

Signature of Shareholder(s) and,
Common Seal of Corporate Shareholder

* Delete as appropriate

IMPORTANT: PLEASE READ NOTES ON THE REVERSE CAREFULLY BEFORE COMPLETING THIS PROXY FORM

NOTES TO PROXY FORM:

1. Except for a member who is a Relevant Intermediary as defined under Section 181(6) of the Companies Act, Chapter 50 (the “**Act**”), a member is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting (“**EGM**”). Where a member appoints more than one proxy, the proportion of his concerned shareholding to be represented by each proxy shall be specified in the proxy form.
2. Pursuant to Section 181(1C) of the Act, a member who is a Relevant Intermediary is entitled to appoint more than two proxies to attend, speak and vote at the EGM, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the proxy form.
3. A proxy need not be a member of the Company.
4. A member should insert the total number of shares held. If the member has shares entered against his name in the Depository Register (as defined in Section 81SF of the Securities and Futures Act, Chapter 289 of Singapore), he should insert that number of shares. If the member has shares registered in his name in the Register of Members of the Company, he should insert that number of shares. If the member has shares entered against his name in the Depository Register and registered in his name in the Register of Members, he should insert the aggregate number of shares. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by the member.
5. The instrument appointing a proxy or proxies must be deposited at registered office of the Company at **37 Jalan Pemimpin #07-16 Mapex Singapore 577177**, not less than **72 hours** before the time set for the EGM.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of its attorney or duly authorised officer.
7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.
8. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

General:

The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the EGM, as certified by The Central Depository (Pte) Limited to the Company.

A Depositor shall not be regarded as a member of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register 72 hours before the time set for the EGM.

Personal Data Privacy:

By submitting a proxy form appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the EGM and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the EGM (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the EGM (including any adjournment thereof), and in order for the Company (or its agents) to comply with any EGM laws, listing rules, regulations and/or guidelines (collectively, the “**Purposes**”), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.