
QUARTERLY UPDATE PURSUANT TO RULE 1313(2) OF SGX-ST LISTING MANUAL

PSL Holdings Limited (the “Company” together with its subsidiaries, the “Group”) was placed on the watch-list under the Financial Entry Criteria pursuant to Rule 1311(1) of the SGX-ST Listing Manual and Minimum Trading Price (“MTP”) Entry Criteria pursuant to Rule 1311(2) of the SGX-ST Listing Manual on 5 June 2017 and 6 June 2019, respectively.

Pursuant to Rule 1313(2) of the SGX-ST Listing Manual, the Board of Directors of the Company (the “Board”) wishes to provide the following updates:

Update on Unaudited Financial Performance and Financial Position

The Company recorded a net profit of S\$0.5 million for the three months ended 30 September 2019 (“3Q2019”) compared with a net loss of S\$1.5 million for the three months ended 30 September 2018 (“3Q2018”). This was mainly due to a decrease in general and administrative expenses arising from a series of cost cutting measures implemented by the Management to emerge from the SGX Watchlist, coupled with an increase in other gains arising from an increase in foreign exchange gains as well as an increase in other operating income arising from the revaluation of profit guarantee denominated in USD due from the Vendors of PTMII.

The Group had net assets of S\$27.0 million as at 30 September 2019 as compared to S\$27.5 million as at 31 December 2018. The Group has cash and cash equivalents of S\$3.7 million as at 30 September 2019 as compared to S\$7.2 million as at 31 December 2018.

In relation to the above, please refer to the Company’s results announcement for the financial period ended 30 September 2019 released on 6 November 2019 for more details.

Update on Future Direction and other Material Development(s)

The Company entered into a Settlement Agreement on 10 December 2018 to resolve all outstanding disputes in relation to the Vendors and PT Momentum Indonesia Investama (“PTMII”) (collectively, the “Parties”) arising out of and in connection with Agreements which were entered into on behalf of the Company by the former management (“Proposed Settlement”). As previously announced, the completion of the Proposed Settlement is subject to, among other things, PSL obtaining approval from the Singapore Exchange and/or other regulatory authorities (the “Authorities”) and approval from its Shareholders (the “Shareholder Approval”). The Shareholder Approval was to be obtained within 6 months from the date i.e. by 10 June 2019 on which the Global Settlement Agreement is executed (the “Long-Stop Date”).

As at the Long-Stop Date, SGX’s approval of the Proposed Settlement was still pending. The Company was thus not in a position to put the Proposed Settlement before its Shareholders to obtain Shareholder Approval.

Despite PSL’s best efforts and attempts to negotiate in good faith from 10 June 2019 to 27 September 2019, the Parties were unable to reach an agreement for an extension of the Long-Stop Date. Since no extension of the Long-Stop Date was achieved, the Proposed Settlement had lapsed and been aborted. The Company will thus seek to continue the Singapore Proceedings against the Vendors for (among other things) amounts due and owing to PSL pursuant to the profit guarantee provided by the Vendors under the Agreements, and will continue relentlessly to pursue profitable business opportunities to enhance Shareholders’ value.

In 2Q2019, the Group’s Indonesian subsidiary, PT IPA purchased heavy equipment with the intention to lease along with operations to third parties to generate income. This leasing business is now operational and is expected to broaden the Group’s revenue. The Group continues to explore other potential business opportunities within Indonesia to develop and acquire profitable businesses through mergers and acquisitions which can generate sustainable returns to our Shareholders.

The Group has also strengthened its Board of Directors and management team. On 24 October 2019, Mr Lee Chee Tak, following his resignation as the Independent Director, was appointed as the Chief Executive Officer of the Group. Mr Lee is an industry veteran and was an Executive Director of a SGX-listed company. On the same day, the Group has also appointed Ms Leong Ting Ting as an Independent Director. Ms Leong has many years' experience as a practicing Lawyer. The Board welcome them to their new roles and believe they can contribute to the Group's success.

The Company will continue to make efforts and consider various options to meet the requirements of Rule 1314 of the SGX-ST's Listing Manual pursuant to the Financial Entry and MTP exit criterion and would update its shareholders in due course. The Company will take active steps to restore its financial health and meet the requirements of Listing Rule 1314(1) of the SGX-ST Listing Manual by 4 June 2020, failing which the SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

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

**Stephen Leong, BBM
Vice Chairman and Executive Director**

6 November 2019