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

AGREEMENT REACHED ON RECEIVABLES OF THE DIVESTMENT OF SUBSIDIARIES

The board of directors (the "**Board**") of PSL Holdings Limited (the "**Company**") wishes to announce that an agreement has been reached with KH Foges Pte Ltd ("KH Foges") to settle the remaining balance of consideration of the divestment of subsidiaries pursuant to the Sale & Purchase Agreement dated 30 August 2013 (the "Agreement").

Under the terms of the settlement, KH Foges will pay a sum of S$4,370,000 within 30 days. This will be in full and final settlement of the final balance due to the Company pursuant to the Agreement.

As a result of the settlement, the Company will take a Profit & Loss charge of S$231,000 to its FY2014 accounts. This is difference between the S$4,601,000 as reflected in the current balance sheet and the aforementioned S$4,370,000.

In addition, KH Foges has agreed to use its best efforts to help secure the collection of outstanding debts due to the divested subsidiaries amounting to S$1,147,241 assigned to the Company. In consideration, the Company has agreed to pay KH Foges 50% of the debts collected. To-date approximately S$400,000 has been collected. The Company will on a prudent basis make a full provision of the remaining amount to its FY2014 accounts.

BY ORDER OF THE BOARD

Mark Zhou You Chuan
Executive Director
19 January 2015