



PS GROUP HOLDINGS LTD.
Company Registration No. 201311530Z
Incorporated in the Republic of Singapore on 30 April 2013

(I) UPDATE ON THE USE OF NET PROCEEDS FROM THE INITIAL PUBLIC OFFERING OF THE COMPANY'S SHARES ON CATALIST; AND

(II) INCREASE IN ISSUED AND PAID-UP SHARE CAPITAL OF SUBSIDIARY

The board of directors (the "**Board**" or "**Directors**") of PS Group Holdings Ltd. (the "**Company**" and, together with its subsidiaries, the "**Group**") refers to the Company's offer document dated 3 July 2013 (the "**Offer Document**") in relation to its initial public offering on Catalist of the Singapore Exchange Securities Trading Limited (the "**IPO**") and the last update on the use of net proceeds from the placement of new shares in the capital of the Company ("**Shares**") pursuant to the IPO of approximately S\$3.8 million (the "**Net Proceeds**") in its announcement dated 5 August 2016 relating to the Group's financial statements and dividend for the half-year ended 30 June 2016.

The Board wishes to announce that the Company's wholly-owned subsidiary, PS Fasteners Pte. Ltd. ("**PSF**"), has on 24th January 2017, increased its issued and paid-up share capital from S\$400,016 to S\$4,400,000 (the "**Capital Increase**") by way of an allotment and issuance of 3,999,984 ordinary shares at S\$1.00 per share for a total consideration of S\$3,999,984 satisfied in full by (i) the capitalisation of an interest-free loan owing by PSF to the Company (the "**Loan Capitalisation**") of S\$3,739,984; and (ii) the balance of the Net Proceeds of S\$260,000 initially allocated to enhance the Group's existing warehouse facilities and upgrade its inventory management system which has been reallocated in part for the Capital Increase.

The Board wishes to inform the Company's shareholders that it has deemed it to be in the best interests of the Company and its shareholders to reallocate as in (ii) above the balance of the Net Proceeds of S\$260,000 in part for the Capital Increase.

Following the Capital Increase, the Company's effective interest in PSF remains unchanged. The Capital Increase is to allow PSF to meet with its business operation requirements in Singapore. Following the Loan Capitalisation, the amount of interest-free loan owing by PSF to the Company will decrease from S\$3,766,985 to S\$27,001. The Capital Increase is not expected to have any material impact on the net tangible assets per share or earnings per share of the Group on a consolidated basis for the current financial year ending 31 December 2017.

As at the date of this announcement, the Net Proceeds have been fully utilised in the manner set out below:

Use of Net Proceeds	Allocation of Net Proceeds (as disclosed in the Offer Document) S\$	Reallocation of the use of Net Proceeds S\$	Net Proceeds utilised as at date of this announcement S\$	Balance of Net Proceeds as at date of this announcement S\$
To enhance existing warehouse facilities and upgrade inventory management system	1,000,000	(710,000)	(290,000)	-
PSC Contribution ⁽¹⁾	-	450,000	(450,000)	-
PSF Capital Increase	-	260,000	(260,000)	-
General working capital ⁽²⁾	2,831,000	-	(2,831,000)	-
Total	3,831,000	-	(3,831,000)	-

Note:-

- (1) *This refers to the share capital contribution of the Company in PS Components Pte. Ltd. (“PSC”). Please refer to the Company’s announcement dated 26 February 2015 for further details on the incorporation of PSC.*
- (2) *To be applied mainly to the purchase of the Group’s inventory and towards its plans to diversify its product range.*

None of the Directors or substantial shareholders of the Company have any interest, direct or indirect, in the Capital Increase, save for their respective shareholdings in the Company.

BY ORDER OF THE BOARD

Teo Choon Hock
Executive Chairman
25th January 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company’s sponsor, United Overseas Bank Limited (the “Sponsor”), for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited (the “SGX-ST”). The Sponsor has not independently verified the contents of this announcement.

This announcement has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.

The contact persons for the Sponsor is Mr David Tham, Senior Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.