
SUBSCRIPTION OF 11,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF PSL HOLDINGS LIMITED (THE “SUBSCRIPTION SHARES”) AT S\$0.156 FOR EACH SUBSCRIPTION SHARE TO RAISE GROSS PROCEEDS OF S\$1,716,000

1. BACKGROUND

- 1.1 The Board of Directors (the “**Board**” or the “**Directors**”) of PSL Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that it has entered into two subscription agreements both dated 23 November 2018 (the “**Subscription Agreements**”) with Awi Gunawan and Tan Chee Meng (collectively, the “**Subscribers**” and individually, a “**Subscriber**”) for the issue and allotment by the Company to the Subscribers of an aggregate number of 11,000,000 new ordinary shares in the capital of the Company (the “**Subscription Shares**”) on the terms and subject to the conditions of the Subscription Agreements (the “**Subscription**”).
- 1.2 Pursuant to the terms of the Subscription Agreements, the Company proposes to raise capital by issuing the Subscription Shares to the Subscribers at an issue price of S\$0.156 per Subscription Share (the “**Issue Price**”), to raise gross proceeds of S\$1,716,000.
- 1.3 The Subscription Shares shall be allotted and issued pursuant to the general share issue mandate to issue new ordinary shares in the capital of the Company passed by the Company’s shareholders at the Company’s annual general meeting held on 30 May 2018.
- 1.4 The Subscription is not underwritten and no placement agent will be appointed for the Subscription. The Subscription will be undertaken pursuant to a private placement exemption under Section 272B of the Securities and Futures Act (Chapter 289) of Singapore. As such, no prospectus or offer information statement will be issued by the Company in connection with the Subscription.

2. INFORMATION ON THE SUBSCRIBERS

- 2.1 Details of the Subscribers, the number of Subscription Shares to be subscribed by each Subscriber and the respective and aggregate consideration to be paid by each Subscriber are set out below:

Name of Subscribers	Number of Subscription Shares Subscribed	Aggregate Consideration (S\$)	Subscription Shares as a % of Existing Issued Share Capital⁽¹⁾	Subscription Shares as a % of Enlarged Issued Share Capital⁽²⁾	Total Shareholding as a % of Enlarged Issued Share Capital⁽³⁾
Awi Gunawan ⁽⁴⁾	7,500,000	1,170,000	13.5	11.2	11.3
Tan Chee Meng ⁽⁴⁾	3,500,000	546,000	6.3	5.2	9.0
Total	11,000,000	1,716,000	19.8	16.4	20.3

Notes:

- (1) Number of Subscription Shares divided by existing issued number of shares of 55,686,996.
 (2) Number of Subscription Shares divided by enlarged issued number of shares of 66,686,996.
 (3) Existing shareholding (if any) aggregated with the number of subscription shares, divided by enlarged issued number of shares of 66,686,996. As at the date of this announcement, Awi Gunawan does not hold any shares in the capital of the Company, while Tan Chee Meng holds 2,514,100 ordinary shares in the capital of the Company.

(4) Neither Awi Gunawan nor Tan Chee Meng falls within one of the restricted class of persons to whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual.

- 2.2 Awi Gunawan (“**Awi**”) is currently a commissioner and shareholder of PT. Riau Food Lestari (“**PT. Riau**”), an Indonesia-incorporated company engaged primarily in the importation of food and beverage. In his capacity as commissioner, Awi is tasked with, *inter alia*, providing direction and advice to the directors of PT. Riau and providing advice and opinions at general meetings of shareholders regarding PT. Riau’s strategic objectives, business development plans and other important matters. Awi was also the marketing manager of PT. Sinar Deli Pratama (“**PT. Sinar**”), an Indonesia-incorporated company engaged primarily in property development for more than 10 years. Awi expressed interest in the Subscription as he is looking for new investment opportunities.
- 2.3 Tan Chee Meng (“**TCM**”) is a Malaysian businessman and investor who possesses a diverse investment portfolio, having ventured into businesses such as trading (in timber and foodstuffs), property letting, construction and development, interior designing and renovation. He also holds the positions of managing director or director in several Malaysian companies engaged in the aforementioned businesses. As part of the expansion of his existing investment portfolio and shareholding in the Company, TCM is keen to invest further in the Company.
- 2.4 Notwithstanding the Company’s Watch-list status, the Subscribers are taking up new shares in the Company pursuant to the Subscription as the business model of the Company is in line with their respective investment strategies. Moreover, the Subscribers are also confident that the Company’s prospects remain healthy and encouraging, and they intend to hold their shares in the Company as passive investments.
- 2.5 The Subscribers were introduced to the Company by Mr Atan, a substantial shareholder of the Company. Mr Atan and Awi are childhood friends. Prior to Mr Atan’s resignation as a director of Malindo Exim Sdn. Bhd. (“**Malindo**”) in April 2017, TCM and Mr Atan shared a business relationship which lasted for over 10 years as TCM provided logistics services to Malindo for its import and export business. No introducer fees were paid or are payable to Mr Atan for introducing the Subscribers to the Company.
- 2.6 The Subscribers are individual investors and have represented to the Company that they are subscribing for the Subscription Shares for their own account for investment. The Subscribers are not persons whom the Company is prohibited from issuing shares to, as provided for by Rule 812 of the SGX-ST Listing Manual.

3. THE SUBSCRIPTION

3.1 The Issue Price and Consideration

The Subscribers propose to subscribe for an aggregate of 11,000,000 Subscription Shares for an aggregate consideration of S\$1,716,000 (the “**Consideration**”) at an Issue Price of S\$0.156, in the respective proportions set out in paragraph 2.1 of this announcement. The Issue Price represents a premium of 4% to the volume weighted average price of S\$0.150 for trades done on the Company’s shares on the SGX-ST on 22 November 2018 (being the last full market day prior to the date on which the Subscription Agreements were signed where trades were done on the Company’s shares). There were no trades in the Company’s shares on the SGX-ST on the date on which the Subscription Agreements were signed.

3.2 The Subscription Shares

The existing total number of issued and paid up ordinary shares in the share capital of the Company (“**Shares**”) as at the date of this announcement and prior to the issue of the Subscription Shares is 55,686,996. Assuming that all of the 11,000,000 Subscription Shares are issued on completion of the Subscription, the Company’s issued and paid-up share capital (excluding treasury shares) will increase to 66,686,996 Shares. The Subscription Shares represent approximately 19.8% of the existing issued and paid-up share capital (excluding treasury shares) of the Company as at the date of this announcement and approximately 16.4%

of the enlarged issued and paid-up share capital (excluding treasury shares) of the Company after the Subscription.

The Subscription Shares will be allotted and issued pursuant to the general share issue mandate (the “**Share Issue Mandate**”) approved and granted by shareholders of the Company at the annual general meeting held on 30 May 2018 (the “**AGM**”). Pursuant to the Share Issue Mandate, Directors have the authority to issue Shares and/or make or grant offers, agreements, or options (collectively, “**Instruments**”) that might or would require Shares to be issued, provided that the aggregate number of Shares to be issued (including Shares to be issued pursuant to the Instruments, made or granted) does not exceed 50% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM, of which the aggregate number of Shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued Shares (excluding treasury shares) as at the date of the AGM.

As at the date of the AGM, the total number of issued Shares (excluding treasury shares) was 55,686,996. Accordingly, the total number of Shares that may be issued pursuant to the Share Issue Mandate is 27,843,498 Shares, of which the maximum number of Shares that can be issued other than on a pro rata basis is 11,137,399 Shares. As at the date of this announcement, no Shares have been issued pursuant to the Share Issue Mandate. As such, the 11,000,000 Subscription Shares that may be issued pursuant to the Subscription falls within the limits of the Share Issue Mandate.

The issuance and allotment of the Subscription Shares will not result in a transfer of controlling interest of the Company. There is no moratorium imposed on the Subscription Shares.

The Subscription Shares, when issued and delivered, shall be free from all claims, charges, liens and other encumbrances whatsoever and shall rank *pari passu* in all respects with and shall carry all rights similar to the existing Shares except that they will not rank for any dividend, right, allotment or other distributions, the record date for which falls on or before the completion of the Subscription.

3.3 **Conditions**

Completion of the Subscription is conditional upon, *inter alia*:

- (a) approval in-principle for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST being obtained from the SGX-ST and not revoked or amended as at the date of completion of the Subscription (the “**Completion Date**”) and, where such approval is subject to conditions, such conditions being reasonably acceptable to the Subscribers;
- (b) the issue and subscription of the Subscription Shares not being prohibited by any statute, order, rule or regulation promulgated after the date of the Subscription Agreements by any applicable legislative, executive or regulatory body or authority of Singapore;
- (c) there having been no occurrence of any event or discovery of any fact rendering any of the warranties in the Subscription Agreements untrue or incorrect in any material respect as at the Completion Date as if they had been given again on the Completion Date; and
- (d) the Company and the Subscribers not being in breach of any of the undertakings and the covenants in the Subscription Agreements as at the Completion Date.

If the condition set forth in paragraph 3.3(a) above is not satisfied by 30 May 2019 (or such other date as may be mutually agreed between the Company and the relevant Subscriber), the relevant Subscription Agreement shall terminate and the obligations of the Company to issue the Subscription Shares and the relevant Subscriber to subscribe for the Subscription Shares shall *ipso facto* cease and determine thereafter, and no party shall have any claim against the others for costs, expenses, damages, losses, compensation or otherwise in respect of the Subscription, save for any antecedent breach of the relevant Subscription Agreement or the

parties' respective liability for the payment of costs and expenses under the relevant Subscription Agreement.

3.4 **Additional Listing Application**

The Company will be making an application to the SGX-ST for the listing and quotation of the Subscription Shares on the Official List of the SGX-ST. The Company will make the necessary announcements once the approval-in-principle for the listing and quotation of the Subscription Shares has been obtained from the SGX-ST.

4. **FINANCIAL EFFECTS OF THE SUBSCRIPTION**

The financial effects of the Subscription set out below are for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after completion of the Subscription.

The financial effects of the Subscription on the Group have been computed based on the latest audited consolidated financial statements of the Group for the financial year ended 31 December 2017 ("**FY2017**") and the following bases and assumptions:

- (a) the allotment and issuance of the 11,000,000 Subscription Shares are fully subscribed by all the Subscribers for the Consideration;
- (b) the expenses incurred in the Subscription are approximately S\$52,000;
- (c) the financial effect on the consolidated net tangible assets ("**NTA**") per Share of the Group is computed based on the assumption that the Subscription was completed on 31 December 2017; and
- (d) the financial effect on the consolidated loss per Share ("**LPS**") of the Group is computed based on the assumption that the Subscription was completed on 1 January 2017.

Based on the latest audited consolidated financial statements of the Group for FY2017, the consolidated NTA per Share of the Group after adjusting for the Subscription Shares will decrease from S\$0.59 to S\$0.52.

Based on the latest audited consolidated financial statements of the Group for FY2017, the consolidated LPS of the Group after adjusting for the Subscription Shares will decrease from S\$0.11 to S\$0.08.

5. **RATIONALE AND USE OF PROCEEDS**

The Company has decided to place the Subscription Shares to the Subscribers so as to raise funds to provide liquidity to the Company's working capital and for the growth, development and expansion of its existing marine logistics, construction logistics and property businesses as well as the exploration of new business opportunities as and when they arise. The Company believes that the Subscription will strengthen the balance sheet and provide flexibility for the Group as the Group pursues its growth strategies. Further, the Company wishes to increase its market capitalisation through the Subscription in hopes of being removed from the SGX-ST Watch-list.

The net proceeds from the Subscription (after deducting estimated expenses relating thereto) of approximately S\$1,664,000 (the "**Net Proceeds**") will be used by the Company in the following estimated proportions:

Use of Proceeds	Percentage Allocation (%)
i. Funding growth, development and expansion of its existing marine logistics, construction logistics and property business and exploration of new business opportunities as and when they arise	70 - 80
ii. Working capital purposes	20 - 30
Total	100

Pending the use of the Net Proceeds from the Subscription as outlined above, the net proceeds may be deposited in financial institutions or be used for working capital or any other purpose on a short-term basis.

The Company will make periodic announcements as and when the Net Proceeds are materially disbursed and whether the disbursements are in accordance with the use of proceeds as stated in this announcement. The Company will also provide a status report on the use of such Net Proceeds in the Company's annual report. Where there is any material deviation from the stated use of proceeds, the Company will announce the reasons for such deviation.

6. DIRECTORS' CONFIRMATION

The Directors are of the opinion that, after taking into consideration the Group's present financial position, including its banking facilities, its bank and cash balances, the Group will have adequate working capital for its present requirements, with or without the Subscription taking place. Notwithstanding the foregoing, the Directors are of the opinion that the Net Proceeds will further strengthen and supplement the Group's financial position and capital base.

7. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Subscription, save for their interests (if any) by way of their shareholdings and/or directorships, as the case may be, in the Company.

In addition, none of the Subscribers are under the control or influence of any of the Company's directors or substantial shareholders.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Subscription, the Subscription Agreement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement 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 announcement in its proper form and context.

9. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. There is no certainty or assurance as at the date of this announcement that the proposed allotment and issuance of the Subscription Shares will be completed or that no changes will be made to the terms thereof. Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

10. DOCUMENTS FOR INSPECTION

A copy of each of the Subscription Agreements is available for inspection during normal business hours at the registered office of the Company at 37 Jalan Pemimpin, #07-16, Mapex, Singapore 577177 for a period of three months from the date of this announcement.

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

**Tan Cheang Shiong
Chief Executive Officer
23 November 2018**