CIRCULAR DATED 3 NOVEMBER 2015

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 legal, financial, tax or other professional adviser.

If you have sold all your ordinary shares in the issued and paid-up share capital of PSL Holdings Limited (the "Company"), you should forward this Circular together with the Notice of Extraordinary General Meeting and the attached Proxy Form immediately to the purchaser or to the bank, stockbroker or agent through whom you effected the sale for onward transmission to the purchaser.

The Singapore Exchange Securities Trading Limited ("**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

(the "**Company**")
(Incorporated in the Republic of Singapore)
(Registration No. 199707022K)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

(1) THE PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP INTO THE MARINE LOGISTICS BUSINESS;

(2) THE PROPOSED ACQUISITION OF APPROXIMATELY 49% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PT MOMENTUM INDONESIA INVESTAMA;

(3) THE PROPOSED CONSOLIDATION OF EVERY TEN (10) SHARES IN THE COMPANY INTO ONE (1) CONSOLIDATED SHARE; AND

(4) THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM MESSRS RT LLP TO MESSRS PRICEWATERHOUSECOOPERS LLP.

Financial Adviser to the Company

TATA CAPITAL MARKETS PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration no. 200820715M)

IMPORTANT DATES AND TIMES

Last date and time for lodgement of Proxy Form	:	16 November 2015 at 9:30 a.m.
Date and time of Extraordinary General Meeting	:	18 November 2015 at 9:30 a.m.
Place of Extraordinary General Meeting	:	18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966

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DEFINITIONS

In this Circular, the following definitions shall apply throughout unless the context otherwise requires:

"1Q2015"	:	The financial period ended 31 March 2015
"Accounts Date"	:	31 December
"ACRA"	:	The Accounting and Corporate Regulatory Authority of Singapore
"Act" or "Companies Act"	:	The Companies Act, Chapter 50, of Singapore, as amended or modified from time to time
"Adjusted Warrant"	:	A Warrant that has been adjusted in accordance with section 4.5 of this Circular
"Articles" or "Articles of Association"	:	The Articles of Association of the Company
"Associates"	:	(a) 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; (b) 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
"Audit Committee"	:	The Audit Committee of the Company, as at the Latest Practicable Date, comprising Mr William Teo Choon Kow, Mr Jamshid K. Medora and Mr Chan Yu Meng
"Auditors"	:	Auditors of the Company for the time being
"Auditors' Certificate"	:	The certificate signed by the Auditors certifying the adjustment to the Warrants, as required under the terms of the Deed Poll
"BKPM"	:	The Investment Coordinating Board of Indonesia (*Badan Koordinasi Penanaman Modal*)
"Board" or "Board of Directors"	:	The board of directors of the Company for the time being
"Books Closure Date"	:	The time and date to be determined by the Directors, at and on which the Register of Members and the transfer books of the Company will be closed for the purpose of determining the entitlements of the Shareholders to the Consolidated Shares pursuant to the Proposed Share Consolidation

"CDP"	:	The Central Depository (Pte) Limited
"Circular"	:	This circular to Shareholders dated 3 November 2015
"Company"	:	PSL Holdings Limited
"Completion"	:	Completion of the Proposed Acquisition
"Completion Date"	:	The date on which the Proposed Acquisition is completed
"Consideration"	:	The consideration of US$11.5 million to be paid by the Company for the Sale Interest
"Consolidated Shares"	:	Shares following the Proposed Share Consolidation
"Controlling Shareholder"	:	A person who: (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares 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
"Deed Poll"	:	The deed poll dated 28 March 2012 executed by the Company for the purpose of constituting the Warrants
"Deposit Guarantee"	:	The joint and several personal guarantee issued by the Vendors in favour of the Company on 17 March 2015 for an aggregate guaranteed amount of US$2.0 million
"Director"	:	A director of the Company for the time being
"Director's Certificate"	:	The certificate signed by a Director setting out particulars of the adjustment to the Warrants, as required under the terms of the Deed Poll
"Effective Trading Date"	:	The date to be determined by the Directors as being the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will trade on the SGX-ST in board lots of 100 Consolidated Shares
"EGM"	:	The extraordinary general meeting of the Company, to be convened and held on 18 November 2015, the notice of which is set out on pages 116 to 117 of this Circular (or any adjournment thereof)
"EPS"	:	Earnings per Share
"Existing Business"	:	The existing business of the Group which comprises the provision of logistics and support services to the construction industry
"External Auditors' Letter"	:	Letter dated 23 October 2015 issued by RT LLP to the Company in relation to the Profit Guarantee
"Financial Adviser" or "Tata Capital"	:	Tata Capital Markets Pte. Ltd.

"Financial Adviser's Letter"	:	Opinion letter dated 3 November 2015 issued by Tata Capital to the Company in relation to the Proposed Acquisition
"FY"	:	Financial year ended or ending 31 December, as the case may be
"FY2014"	:	Financial year ended 31 December 2014
"Group"	:	The Company and its subsidiaries, collectively, for the time being
"Guaranteed Period"	:	In relation to the profit guarantee provided by the Vendors in the SPA, the period of 24 months (i.e. 730 calendar days) commencing from the date on which the Proposed Acquisition is completed
"IDR"	:	Indonesian Rupiah
"Independent Valuer"	:	Censere Singapore Pte Ltd
"Investama"	:	PT Momentum Indonesia Investama
"Investama FY2014 Accounts"	:	Investama's audited profit and loss accounts for FY2014, a copy of which is reproduced in Appendix A of this Circular
"**Latest Practicable Date**"	:	22 October 2015, being the latest practicable date prior to the printing of this Circular
"Listing Manual"	:	The listing manual of SGX-ST, as amended or modified from time to time
"Long-stop Date"	:	The long-stop date under the SPA, being the date falling 12 months after the date of the SPA (or such other date as the Vendors and the Company may mutually agree in writing)
"Marine Logistics Business"	:	The proposed new business of charter of tugs and barges and provision of other marine logistics services
"Market Day"	:	A day on which the SGX-ST is open for trading in securities
"New Share Certificates"	:	Share certificates for the Consolidated Shares
"NAV"	:	Net asset value
"NPAT"	:	The net operating profit after tax of Investama for each financial year ended on the Accounts Date, excluding exceptional items and non-controlling interests, as reflected in Investama's audited profit and loss accounts in respect of that financial year of the Company ended on the Accounts Date
"NPAT Target"	:	The Guaranteed Amount of US$12,244,898 pro-rated on an equal 730 calendar day basis and grossed up to the actual number of days comprising the period in which the Comparison is made
"NTA"	:	Net tangible assets

"Old Share Certificates"	:	Share certificates for the Shares
"Profit Guarantee"	:	The guarantee provided by the Vendors in the SPA that the aggregate NPAT of Investama shall be at least US$12,244,898 over 24 months commencing on the Completion Date
"Proposed Acquisition"	:	The proposed acquisition of the Sale Interest by way of the purchase of the Offshore Sale Shares from the Vendors by the Company, on the terms and subject to the conditions of the SPA, as a major transaction
"Proposed Change of Auditors"	:	The proposed change of auditors of the Company from RT LLP to PwC
"Proposed Business Diversification"	:	The proposed diversification of the core business of the Company to include the Marine Logistics Business
"Proposed Resolutions"	:	The proposed resolutions to be tabled at the EGM, being collectively, the Proposed Business Diversification, the Proposed Acquisition, the Proposed Share Consolidation and the Proposed Change of Auditors
"Proposed Share Consolidation"	:	The proposed consolidation of every ten (10) Shares held by Shareholders as at the Books Closure Date into one (1) Consolidated Share, fractional entitlements to be disregarded
"PSL Letter Of Credit"	:	The standby letter of credit issued by PT Bank Danamon Indonesia Tbk in favour of the Company for an amount of US$4.0 million on 10 April 2015, expiring on 2 April 2016
"Purchaser Loan"	:	The shareholders' loan of US$11.5 million that shall be granted by the Company to Investama within 30 days from the Completion Date
"PwC"	:	PricewaterhouseCoopers LLP
"Register of Members"	:	Register of members of the Company
"Reporting Auditors' Letter"	:	Letter dated 3 November 2015 issued by Investama's Reporting Auditors to the Company in relation to the Profit Guarantee
"Sale Interest"	:	Approximately 49% interest in the paid-up and issued share capital of Investama
"Securities Account"	:	A securities account maintained by a Depositor with the CDP but not including a securities sub-account maintained with a Depository Agent
"SGX-ST"	:	The Singapore Exchange Securities Trading Limited
"SGXNET"	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST

"Share Registrar"	:	The share registrar of the Company
"Shareholders"	:	Persons (other than CDP) who are for the time being registered as holders of Shares in the Register of Members of the Company and Depositors who have Shares entered against their names in the Depository Register
"Shareholders' Agreement"	:	The agreement to be entered into by the shareholders of Investama as at Completion Date, as a condition precedent to Completion. The form of the Shareholders' Agreement is set out in the SPA and details of the Shareholders' Agreement are disclosed in section 3.4(i) of this Circular
"Shares"	:	Ordinary shares in the capital of the Company, and each a "**Share**"
"SMAR" or "Investama's Reporting Auditors"	:	S. Mannan, Ardiansyah & Rekan
"SPA"	:	The conditional sale and purchase agreement dated 17 March 2015 entered into between the Company and the Vendors in respect of the Proposed Acquisition, as amended and supplemented by the supplemental sale and purchase agreement dated 3 August 2015
"Substantial Shareholders"	:	Persons who hold directly or indirectly 5.0% or more of the issued Shares excluding treasury shares in the Company
"S$" and "cents"	:	Singapore dollars and cents respectively, the lawful currency of the Republic of Singapore
"US"	:	United States of America
"US$" and "US cents"	:	United States dollars and cents respectively, the lawful currency of the United States of America
"Vendors"	:	Collectively, Sudirman Kurniawan and Angelo Fernandus, and each a "**Vendor**"
"Vendors Loan"	:	The Vendors' shareholders' loan of an aggregate amount of US$8.5 million which would be granted to Investama as at Completion Date
"Vendors' Personal Guarantee Expiry Date"	:	The date on which the Guaranteed Period ends, being the date falling on the last day of the 24 month period commencing from the Completion Date
"Vendors' Personal Guarantee"	:	The personal guarantee issued by the Vendors on 17 March 2015 on a several basis and in accordance with the Vendors' pro-rata proportion of the Sale Interest
"VWAP"	:	Volume-weighted average price
"Warrantholders"	:	Registered holders of the Warrants, except that where the registered holder is CDP, the term "**Warrantholders**" shall, where the context admits, mean the persons named as depositors in the Depository Register maintained by CDP and into whose Securities Accounts those Warrants are credited

"Warrants"	:	The warrants issued by the Company pursuant to the Deed Poll
"%" or "percent"	:	Percentage or per centum

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" have the same meanings ascribed to them in Section 130A of the Companies Act.

The term "**subsidiary**" has the 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 where applicable.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act or the Listing Manual or any statutory or regulatory modification thereof and used in this Circular shall, where applicable, have the meaning assigned to it under the Companies Act or the Listing Manual or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to a date and/or time of day in this Circular shall be a reference to Singapore time unless otherwise stated.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Circular may not be an arithmetic aggregation of the figures that precede them.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Any reference to "**we**", "**us**" and "**our**" in this Circular is a reference to the Group or any member of the Group as the context requires.

Cautionary Note on Forward-Looking Statements

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as "expect", "anticipate", "believe", "estimate", "intend", "project", "plan", "strategy", "forecast" and similar expressions or future or conditional verbs such as "if", will", "would", "should", "could", "may" and "might". These statements reflect the Company's current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders should not place undue reliance on such forward-looking statements. Further, the Company disclaims any responsibility to update or revise any forward-looking statements for any reason, even if new information becomes available or other events occur in the future, subject to compliance with all applicable laws and regulations and/or the rules of the SGX-ST and/or any other regulatory or supervisory body or agency.

PSL HOLDINGS LIMITED

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

Company Directors:

Mr Mark Zhou You Chuan	*(Executive Director)*
Mr William Teo Choon Kow	*(Independent Director)*
Mr Jamshid K. Medora	*(Independent Director)*
Mr Chan Yu Meng	*(Independent Director)*

Registered Office:

18 Boon Lay Way
Tradehub 21 #09-96
Singapore 609966

3 November 2015

To : The Shareholders of PSL Holdings Limited

Dear Sir/Madam

(1) THE PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP INTO THE MARINE LOGISTICS BUSINESS;

(2) THE PROPOSED ACQUISITION OF APPROXIMATELY 49% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PT MOMENTUM INDONESIA INVESTAMA;

(3) THE PROPOSED CONSOLIDATION OF EVERY TEN (10) SHARES IN THE COMPANY INTO ONE (1) CONSOLIDATED SHARE; AND

(4) THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM MESSRS RT LLP TO MESSRS PRICEWATERHOUSECOOPERS LLP.

1. INTRODUCTION

1.1 On 17 March 2015, the Company announced (a) its intention to diversify the Existing Business to include the new business of providing marine logistics services; and (b) that it had entered into the conditional sale and purchase agreement dated 17 March 2015 with the Vendors, being Sudirman Kurniawan ("**Mr Kurniawan**") and Angelo Fernandus ("**Mr Fernandus**"), for the acquisition by the Company of approximately 49% of the entire issued and paid-up capital of Investama for an aggregate purchaser consideration of US$11.5 million. On 3 August 2015, the Company announced that it had entered into a supplemental sale and purchase agreement dated 3 August 2015 with the Vendors in relation to the acquisition of approximately 49% of the entire issued and paid-up capital of Investama. Pursuant to the supplemental sale and purchase agreement, the parties agreed to insert a new condition precedent that the shareholders of Investama as at Completion Date shall enter into a shareholders' agreement in the form set out in the supplemental sale and purchase agreement. Pursuant to the supplemental sale and purchase agreement, Mr Kurniawan and Mr Fernandus also agreed to procure that following Completion, Investama shall dispose of the three self-unloading vessels that it owns. Further details of the foregoing are set out in section 3.4 of this Circular. A copy of the Company's announcement dated 3 August 2015, containing the key amendments in the supplemental sale and purchase agreement, is set out in Appendix E to this Circular.

The Company is acquiring only approximately 49% shareholding interest in Investama due to the limitation on foreign shares participation in the barge chartering industry. The Regulation of The President of The Republic of Indonesia Number 39 of 2014 on Lists of Business Fields That Are Closed to Investment and Business Fields That Are Conditionally Open for Investment ("**Indonesian Negative List**") regulates that in relation to foreign investors who participate in Indonesian incorporated companies engaged in the barge chartering industry, their participation are limited to 49% shareholding interest in such companies. In accordance with the terms of the SPA, upon completion of the Proposed Acquisition, the Company shall be entitled to nominate such number of persons to the board of directors of Investama as it may decide at its sole and absolute discretion, for the purposes of, *inter alia*, establishing "control" as defined in the Singapore Financial Reporting Standards, specifically Singapore Financial Reporting Standard 110. As such, the Company will obtain control of Investama post-completion of the Proposed Acquisition.

1.2 The Directors are convening an EGM to be held on 18 November 2015 to seek the Shareholders' approval for the following:

(a) the proposed diversification of the core business of the Company to include the proposed new business of charter of tugs and barges and provision of other marine logistics services (the "**Marine Logistics Business**") (the "**Proposed Business Diversification**");

(b) the proposed acquisition of approximately 49% of the issued and paid-up share capital of Investama, from the Vendors by the Company, on the terms and subject to the conditions of the conditional sale and purchase agreement dated 17 March 2015 as amended by the supplemental sale and purchase agreement dated 3 August 2015 (the "**SPA**"), as a major transaction (the "**Proposed Acquisition**");

(c) the proposed consolidation of every ten (10) Shares in the Company into one (1) Consolidated Share (the "**Proposed Share Consolidation**"); and

(d) the proposed change of auditors of the Company from messrs RT LLP to messrs PricewaterhouseCoopers LLP ("**PwC**") (the "**Proposed Change of Auditors**").

1.3 The purpose of this Circular is to provide Shareholders with information relating to the above proposals to be tabled at the EGM.

1.4 The Singapore Exchange Securities Trading Limited ("**SGX-ST**") takes no responsibility for the accuracy of any statements or opinions made in this Circular.

1.5 Shareholders should note the following:

(a) Ordinary Resolution 1 in respect of the Proposed Business Diversification is neither subject to nor conditional upon the passing of Ordinary Resolution 2, Ordinary Resolution 3 and/or Ordinary Resolution 4;

(b) Ordinary Resolution 2 in respect of the Proposed Acquisition is subject to and conditional upon the passing of Ordinary Resolution 1 but is neither subject to nor conditional upon the passing of Ordinary Resolution 3 and/or Ordinary Resolution 4;

(c) Ordinary Resolution 3 in respect of the Proposed Share Consolidation is neither subject to nor conditional upon the passing of Ordinary Resolution 1, Ordinary Resolution 2 and/or Ordinary Resolution 4; and

(d) Ordinary Resolution 4 in respect of the Proposed Change in Auditors is neither subject to nor conditional upon the passing of Ordinary Resolution 1, Ordinary Resolution 2 and/or Ordinary Resolution 3.

2. THE PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP INTO THE MARINE LOGISTICS BUSINESS

Shareholders' approval is being sought at the EGM for the Proposed Business Diversification by an ordinary resolution.

2.1 Introduction

The Existing Business of the Group comprises the provision of logistics and support services to the construction industry.

As at the Latest Practicable Date, the subsidiaries of the Company and their principal activities are as follows:

Name of subsidiary held by the Company	Country of Incorporation and operation	Principal activities	Equity Interest held (%)
Resource Hardware & Trading Pte. Ltd.	Singapore	Installation of industrial machinery and equipment; mechanical engineering works and building construction	100
TSL Transport & Engineering Pte. Ltd.	Singapore	Excavation and earth moving works and general engineering activities	75
PSL Energy Resources Pte Ltd[(1)]	Singapore	Investment holding	100
Geo Dynamics Pte Ltd[(2)]	Singapore	Dormant	100

Interest in a subsidiary with material non-controlling interest

Name of company	Country of Incorporation and operation	Principal activities	Equity Interest held (%)
TSL Transport & Engineering Pte. Ltd.	Singapore	Excavation and earth moving works and general engineering activities	25

Notes:

(1) As at the latest practicable date, PSL Energy Resources Pte Ltd holds approximately 1% shareholding interest in Sindo Resources Pte. Ltd., a coal mining company, as well as shares in a company listed on the SGX Mainboard. Save as otherwise disclosed, PSL Energy Resources Pte. Ltd. does not hold any other investments.

(2) Currently under liquidation

2.2 Strategy and Approach of the Proposed Business Diversification

Subject to the approval of the Shareholders being obtained at the EGM, the Group intends to diversify into the Marine Logistics Business.

The Company intends to diversify into the Marine Logistic Business as the business prospects for Indonesian cement producers look positive this year. The Company understands that the Indonesian government, under the leadership of President Joko Widodo, is eager to invest heavily in the country's infrastructure. In the revised 2015 state budget, the central government set aside IDR 290.3 trillion (US$22.3 billion) for infrastructure development. The cement industry is heavily reliant on coal, and this is expected to spur coal demand. Based on the aforementioned, the Company is of the view that there is ample demand for the provision of marine logistics services to the resource industry in Indonesia.

The Marine Logistics Business includes the acquisition of tugs and barges or other sea vessels for charter hire to third parties or to support the Group's provision of marine logistics services. The Group may engage a ship management company to operate and manage its vessels, or may operate and manage them on its own, depending on the cost efficacy.

The tugs and barges will be used for sea transportation purposes to carry a wide range of dry bulk cargo like coal, rock and sand or twenty (20) to forty (40) feet long containers which are used to transport oil and gas construction equipment and piping. Other sea vessels that the Group may invest in include accommodation barges to serve as accommodation for oil rig workers, vessels to carry the essential provisions to serve offshore oil and gas companies or other service providers, livestock shipping vessels for the transportation of livestock, and other types of sea vessels which the Group may find suitable from time to time to include in its fleet of vessels in order to increase business activities for the Marine Logistics Business.

In addition to deriving revenue from the charter hire of its vessels, the Group may also in the longer term leverage on its fleet of vessels to provide services to offshore oil and gas production companies or their services providers. Such services include offshore logistics support and offshore engineering support.

The Group intends to avoid undue reliance on any specific geographical region as each project and investment will be evaluated and assessed by the Board on its merits. Nevertheless, in the initial stages of the Marine Logistics Business, the Group intends to focus on the South-East Asia region. Should appropriate opportunities arise, the Group may explore joint ventures and/or strategic alliances to carry out the Marine Logistics Business and expand into overseas markets other than those in the South-East Asia region.

Before undertaking any major project in the Marine Logistics Business, where relevant, the management of the Company will prepare a feasibility study containing the financial forecasts, risk analyses, market studies, funding needs, growth potential and projected returns of the project concerned to decide on the nature and extent of the Group's investment in such project. Each project and investment would be evaluated and assessed by the Board on its own merits. In making its assessment on each project or transaction, the Group will consider the relevant market conditions, growth potential, projected returns and value enhancements of such project or transaction to the Group. In addition, the Board will regularly review the risk exposure of the Marine Logistics Business.

In the event the approval of the Shareholders is obtained at the EGM for the Proposed Business Diversification, the Company shall nonetheless still seek Shareholders' approval for major transactions relating to the Marine Logistics Business falling within the requirements of Chapter 10 of the Listing Manual. Please refer to section 2.8 of this Circular for more details.

2.3 Outlook of the Marine Logistics Industry

The Group currently envisages that in the initial stages of the Marine Logistics Business, the Group will focus on carrying out the business in the domestic market in Indonesia, with its major customers being in the coal mining industry.

Based on a publication by RambuEnergy on 4 January 2015[(1)(3)], the Energy and Mineral Resources Ministry (ESDM) of Indonesia expects the realization of coal consumption by the industrial sector to recover in 2015. Domestic coal consumption was targeted at 95.55 million tons in 2014. Of these, 85% were allocated to meet the demand of the state electricity company while 15% was allocated to industrial sector.

In accordance with the Mid-Term National Development Planning (RP JMN in its Indonesian Abbreviation) 2015 – 2019, coal export allocation will be reduced while coal domestic obligation will be increased from approximately 22% in the current year to an allocation of 60% of coal production for the domestic market in 2019[(2)(3)]. In addition, President Joko Widodo has launched an initiative to build power plants in Indonesia with an aggregate output of 35,000 MW within his five year term. This is an 87.5% growth of Indonesia's current power production capacity of 40,000 MW per annum and is expected to increase Indonesia's total GDP by six (6) to seven (7) percent. The initiative will result in a corresponding increase in domestic coal consumption if it comes to fruition. Based on the foregoing, there is expected to be an increase in demand for domestic coal consumption and hence the demand for marine logistics services to be provided to coal suppliers in Indonesia.

In addition to the growing demand for electricity, other complementary industries such as the cement industry, which are heavily reliant on coal, will also continue to spur the demand for coal. The Company is hence of the view that there is ample demand for the provision of marine logistics services in Indonesia.

Further, based on a publication released by a risk management organisation and maritime classification society on 21 May 2015, the Company notes that tugs currently represent the largest portion in the current global fleet of small vessels under 2,000 gross tonnes. Demand for tugs is projected to grow by 3.6% to 4.0% per annum in 2015 to 2017, with growth expecting to mature slightly to an average of 3.2% per annum in 2023 to 2027.

Notes:

(1) http://www.rambuenergy.com/2015/01/energy-ministry-expects-domestic-coal-consumption-increases-in-2015/

(2) http://www.tambang.co.id/indonesian-domestic-market-obligation-to-reach-60-percent-4291/

(3) Neither source as quoted above has provided its consent to the inclusion of the information in this section 2.3. While the Company has taken reasonable actions to ensure that the information is extracted accurately and fairly from such reports, and has been included in this Circular in its proper form and context, neither the Company nor any party has conducted an independent review of the information contained in such reports nor verified the accuracy of the contents of the relevant information.

2.4 Rationale for the Proposed Business Diversification

The Proposed Business Diversification is intended to introduce to the Group additional business activities that could provide alternative stream(s) of income for the Group and hence, potentially enhance the Group's performance and sustainability.

The Board is proposing to diversify into the Marine Logistics Business for the following reasons:

(a) the proposed inclusion of the Marine Logistics Business as a core business of the Group is part of the corporate strategy of the Group to provide Shareholders with diversified returns and long term growth. The Proposed Business Diversification would enable the Group to have additional revenue streams, thus enhancing Shareholders' value for the Company; and

(b) whilst the Group will continue to pursue sustainable growth strategies to strengthen its existing core businesses, the Group should as a matter of prudence also explore other growth areas for more sustained performance, particularly given the continuing uncertain global economic outlook. The Proposed Business Diversification would enable the Group to expand its revenue base so that it is not dependent entirely on its Existing Business for its revenue, and thereby allowing the Group to have better prospects of profitability and ensure long-term growth. In addition, notwithstanding recent trends of currency fluctuation resulting in the weakening of the Indonesian Rupiah against the US Dollar, the Board is of the view that the currency denomination of Investama's costs and revenue is advantageous to Investama. Investama's costs have historically been denominated in Indonesian Rupiah and its revenues have historically been denominated in US Dollar. This is not expected to change in the short term. In addition, notwithstanding that the US Federal Reserve has yet to announce definitively an increase in US interest rates, it is widely expected that US interest rates will rise before the end of the fourth quarter of 2015. If the rise in interest rates materialises, the US Dollar is expected to strengthen, and accordingly, the Group will benefit positively.

The Board is of the view that the Proposed Business Diversification is in the best interests of the Company.

2.5 Financing of the Marine Logistics Business

The Company intends to fund the Marine Logistics Business through internal resources, bank borrowings and proceeds from the Company's renounceable and non-underwritten rights issue which was completed in April 2012. The Company will make periodic announcements on the use of the aforesaid proceeds as and when they are materially disbursed, and provide a status report on the use of the aforesaid proceeds in the Company's annual report.

The Board will determine the optimal mix of internal funding and bank borrowings, taking into account the cash flow of the Group and the prevailing bank financing costs.

As and when necessary and deemed appropriate, the Company may explore secondary fund raising exercises by tapping into the capital markets, including but not limited to rights issues, share placements and/or issuance of debt instruments.

2.6 Management of the Marine Logistics Business

It is currently envisaged that the Marine Logistics Business and related management work will initially be spearheaded by Mr Kurniawan, who will report directly to the Board. Mr Kurniawan will be appointed as an executive officer of the Company subsequent to the completion of the Proposed Acquisition. As head of the Marine Logistics division, his responsibilities will include overseeing the entire operations of the vessel chartering business. The Company is of the view that it would suffice to appoint Mr Kurniawan as an executive officer and not a director of the Company, as he would oversee the operations of only one core business of the Company, namely the Marine Logistics Business. It is further noted that as at the Latest Practicable Date, Mr Kurniawan's declarations under Appendix 7.4.1 of the Listing Manual are negative. The relevant SGXNET announcement relating to his appointment as an executive officer will be made in due course.

Apart from the founding and establishment of Investama, Mr Kurniawan has more than twenty years of experience in the import and export of light weight machinery trading in Jakarta, Indonesia (from 1993 to present) through namely PT Kurnia Overseas Motor and PT. Sumber Cahaya Mas (as managing director). PT Kurnia Overseas Motor and PT. Sumber Cahaya Mas have market presence in all major Indonesian cities with its dealers situated from Sabang to Merauke. Collectively, they achieved annual sales of more than US$35.0 million for the last financial year. In addition, PT Kurnia Overseas Motor and PT. Sumber Cahaya Mas have been profitable since inception. Mr Kurniawan has also been involved in the property development business in Batam (from 1995 to present) through PT Nisenda Barka Alkanae (as a partner), having developed residential and commercial properties. Mr Kurniawan is also a shareholder of a crude palm oil milling business in Pekanbaru, Sumatra (from 2009 to present) through PT Gunung Sawit Mas (as a partner). Mr Kurniawan graduated from Golden Gate University with a cum laude degree in Masters of Business Administration, majoring in corporate finance, in 1992.

Mr Kurniawan will be the main driver of the Marine Logistics Business. Mr Kurniawan does not have executive positions in any other business and does not have any interest in any business competing with Investama. On completion of the Proposed Acquisition, Mr Kurniawan will be entering into a service agreement with the Company for an initial period of three (3) years, and will continue to manage Investama on a full-time basis. Please refer to section 7 of this Circular for more details of Mr Kurniawan's service agreement with the Company. Mr Kurniawan has not and does not intend to take on any executive positions in his other business interests, except as a passive shareholder. He will provide the strategic vision and policy on the Marine Logistics Business, and together with the Board, will manage the Marine Logistics Business. In making any decision with regard to the Marine Logistics Business, the Board will, where necessary and appropriate, seek the advice of reputable external consultants and professional advisers. It is further noted that Mr Fernandus has not been and does not intend to be involved in the management of Investama, as he is and will remain as a passive shareholder of Investama.

Mr Kurniawan has the relevant experience (three (3) years) in the marine logistics industry as he was the key personnel who was responsible for the establishment of Investama, having grown the vessel fleet from two (2) as at inception to the current twelve (12). Mr Kurniawan obtained management experience and a valuable network of contacts during the years in which he was involved in light weight machinery trading as well as the property development business, which laid the foundation for his venture into the marine logistics industry. Being the key personnel managing the operations of Investama, Mr Kurniawan was involved in securing the key accounts with large clientele as well as ensuring smooth running of the vessel operations.

Investama has been profitable since the commencement of its business in FY2013 (it was a dormant company prior to FY2013 since its inception on 25 October 2011). Mr Kurniawan is supported by two (2) key management personnel with approximately 15 years and 25 years of relevant experience in the marine logistics industry respectively. Further details of the two (2) key management personnel of Investama are set out in paragraph (i) of the risk factors set out in section 2.7 of this Circular. These two (2) key management personnel of Investama will not be part of the management of the Company.

As mentioned above, Mr Kurniawan does not have any interest in any business competing with Investama, as such, the probability of potential conflict of interest is currently not significant. In any event, the Board and the Audit Committee will review each case of potential conflict of interest as and when it arises in the future. The Company believes that any potential conflict of interest in the future may be mitigated as follows:

(a) The Company intends to, via the service agreement to be entered into with Mr Kurniawan, impose on Mr Kurniawan a duty to disclose his interests in respect of any contract, arrangement, proposal, transaction or matter in which he has any personal material interest, or any actual or potential conflict of interests (including a conflict of interests that arises from his directorship(s) or executive position(s) or personal investment in any other corporation(s) that may involve him). The Company notes that the Companies Act will be amended in 2016 so that chief executive officers of companies are required to disclose conflict of interests in transactions and shareholdings in the company and related corporations. While Mr Kurniawan will be appointed as an executive officer and not the chief executive officer of the Company, the Board is of the view that it would be in line with the spirit and principle of the aforesaid amendment to impose the same duty on Mr Kurniawan.

(b) The Board includes three (3) independent Directors who are members of the Audit Committee and who are responsible for ensuring that good corporate governance is practised. The Audit Committee will review any conflicts of interest of Mr Kurniawan disclosed by him to the Board. Upon disclosure of an actual or potential conflict of interests by Mr Kurniawan, the Audit Committee will consider whether a conflict of interests does in fact exist. The review will include an examination of the nature of the conflict and such relevant supporting data, as the Audit Committee may deem reasonably necessary.

In view of the above, the Board believes that adequate measures have been taken to safeguard the interests of the Group.

In addition, the Group will, where necessary and appropriate, hire suitably qualified staff, external consultants and professionals with the necessary expertise and experience to carry out the Marine Logistics Business. The Group will monitor developments and progress in the Marine Logistics Business and take the necessary steps to identify suitable candidates both from within the Group as well as externally to manage the Marine Logistics Business to take it forward as and when required. As the main driver of the Marine Logistics Business, Mr Kurniawan will be responsible for the hiring and review of suitability of potential candidates. As an executive officer of the Company, Mr Kurniawan shall report and be accountable to the Board.

The Group may also foster partnerships with various third parties in the marine logistics industry to assist it in undertaking the Marine Logistics Business more effectively and efficiently as the Group seeks to build its expertise and capabilities in this field. Such partnerships may be done either on a case by case basis or on a term basis. Where necessary, work may be outsourced to third parties who have expertise in the relevant area in relation to the projects concerned. In selecting its partners, the Group will take into account the specific expertise and competencies required for the project in question and the experience, historical track record and financial standing of the party concerned.

2.7 Risk Factors Associated with the Proposed Business Diversification

In undertaking the Proposed Business Diversification, the Company could be affected by a number of risks which relate to the industries and countries in which the Company intends to operate as well as those which may generally arise from, *inter alia*, economic, business, market and political factors, including the risks set out herein. Shareholders should carefully consider and evaluate each of the following considerations and all other information contained in this Circular.

To the best of the Board's knowledge and belief, all risk factors which are material to Shareholders in making an informed decision on the Proposed Business Diversification have been set out below. If any of the factors and/or uncertainties described below develops into actual events affecting the Proposed Business Diversification, this may have a material and adverse impact on the Proposed Business Diversification and consequently, the overall results of operations, financial condition and prospects of the Group could be similarly impacted. The risks described below are not intended to be exhaustive and are not presented in any particular order of importance. New risk factors emerge from time to time, and it is not possible for our management to predict all risk factors, nor can we assess the impact of all factors on the Proposed Business Diversification or the extent to which any factor, or combination of factors, may affect the Proposed Business Diversification. There may also be other risks associated with entry into the Proposed Business Diversification which are not presently known to the Group, or that the Group may currently deem immaterial and as such have not been included in the discussion below.

(a) The Group has no prior track record and operating experience in the Marine Logistics Business

There is no assurance that the Group's foray into the Marine Logistics Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the capital and start-up costs as well as operating costs arising from the Marine Logistics Business. The Marine Logistics Business may require high capital commitments and may expose the Group to unforeseen liabilities or risks associated with its entry into new markets or new businesses.

The Marine Logistics Business involves business risks including the financial costs of setting up new operations, capital investment and maintaining working capital requirements. If the Group does not derive sufficient revenue from or does not manage the costs of the Marine Logistics Business effectively, the overall financial position and profitability of the Group may be adversely affected.

The Group will also be exposed to the risks associated with a different competitive landscape and a different operating environment. In particular, the Group will be affected by factors affecting the barge chartering market in the regions where our Group ventures into.

The Group's future plans with regard to the Marine Logistics Business may not be profitable, may not achieve sales levels and profitability that justify the investments made and may take a long period of time before the Group could realise any return. Further, such future plans and new initiatives could be capital intensive and could also result in potentially dilutive issuances of equity securities, the incurrence of capital commitments, debt and contingent liabilities as well as increased operating expenses, all of which may materially and adversely affect the financial performance of the Group. The Group may face significant financial risks before it can realise any benefits from its investments in Marine Logistics Business.

As the Group intends to continue with its existing business of provision of logistic support services to the construction industry and trading and supply of construction hardware and accessories, and has no prior experience in the Marine Logistics Business, it may face difficulties in integrating the Marine Logistics Business into its existing business activities due to the different natures of the two industries. In addition, the current management of the Group will have to devote its existing resources to the Marine Logistics Business and may face limitations on its time and abilities.

(b) The Group operates in a competitive industry in relation to the Marine Logistics Business

The barge chartering industry is fragmented with many barge charterers, owners and operators of vessels. As such, the Group faces competition from both large and small companies in the barge chartering business. Increased refurbishment, conversion and construction of new tugboats and barges will increase the current vessel capacity in the barge chartering industry. In addition, vessels from other parts of the world could also be deployed into the region where the Group intends to operate the Marine Logistics Business subject to applicable rules and regulations. An increase in the supply of tugboats and barges would increase competition in the principal markets in which the Group operates and in turn, put a downward pressure on charter rates and result in a corresponding reduction in the Group's financial performance.

The Group's competitors and potential new entrants to the barge chartering industry may have lower costs of operations and greater access to financial, technological and/or other resources than the Group does. Some of its competitors, who may have lesser resources and capabilities than the Group, may compete with the Group through aggressive pricing in order to gain market share and fulfil customer requirements. In the event that its competitors are able to provide comparable services at a lower price and/or shorter turnaround time, the Group may have to lower its prices significantly in order to secure contracts, thus resulting in lower gross profit margin. Furthermore, the Group may not be able to secure further contracts.

(c) The Group may face uncertainties associated with entry into the Marine Logistics Business

As the Group does not have a proven track record in the Marine Logistics Business, there is no assurance that the Marine Logistics Business will achieve the expected level of revenue and margins. The Group's ability to successfully diversify into the Marine Logistics Business is dependent upon its ability to adapt its existing knowledge and expertise and to understand and navigate the Marine Logistics Business. There is no assurance that the Group will be able to hire and subsequently retain employees with the relevant experience and knowledge. There is also no assurance that the actual demand for the Group's marine logistics services in the future will meet the Group's expectations. Should the Group fail to achieve its business objectives, there may be an adverse effect on the Group's profitability. While the Group has planned the proposed diversification into the Marine Logistics Business based on the outlook and the Group's understanding of the current marine logistics market and general economic situation, there is no assurance that such plans will be commercially successful or the actual outcome of the proposed diversification into the Marine Logistics Business will match the Group's expectations. In such an event, the Group's business, financial condition, results of operations and prospects may be materially and adversely affected.

(d) The Marine Logistics Business is subject to the general risk of doing business overseas

The Group does not plan to restrict the Marine Logistics Business to any specific geographical markets but will in its initial foray, focus on opportunities in the Indonesian region. As such, the Group is subject to the general risk of doing business overseas. These general risks include unexpected changes in regulatory requirements, difficulties in staffing and managing foreign operations and contractors, social and political instability, fluctuations in currency exchange rates, potentially adverse tax consequences, legal uncertainty regarding legal liability or enforcement of legal rights, tariffs and other trade barriers variable and unexpected changes in local law and barriers to the repatriation of capital or profits, any of which could materially affect the overseas operations of the Group. These risks, if materialised, may affect the Group's business and financial condition.

In addition, if the governments of countries in which the Group operates tighten or otherwise adversely change their laws and regulations relating to the repatriation of their local currencies, it may affect the ability of the Group's overseas operations to repatriate profits to the Group and, accordingly, the cash flow of the Group may be adversely affected.

In particular, the barge chartering industry in Indonesia is highly competitive, with fragmented small as well as large scale service providers. In order to successfully compete with the competitors, the Group will have to offer charter rates which are price competitive. This in turn will affect the financial performance and future business prospects of the Group, in the event there is aggressive price competition from its competitors.

(e) The Group is subject to risks inherent in the shipping and marine industries

In entering into the Marine Logistics Business, the Group will be exposed to various inherent risks and external factors which are outside its control, such as adverse weather and sea conditions, mechanical failure of its vessels, pirate attacks and catastrophic marine disasters. Any of these factors may cause general disruptions to the operations of the Marine Logistics Business and may result in losses or damages to the Group's vessels or cargoes transported. The Group may also be liable for damages or compensation payable to third parties arising from vessel collisions in cases where negligence or contributory negligence is proved against the Group. In the event that the Group is liable for payment of any such costs, damages or compensation, and its existing insurance coverage does not cover, or is insufficient to pay for the total amounts incurred, the Group's financial performance may be materially and adversely affected. In addition, the Group's insurance premium costs may increase as a result, thereby leading to an increase in the cost of its operations, which may adversely affect its financial performance.

(f) The demand for the marine logistics services are affected by the global and regional economic, social and political environment

The marine logistics industry is generally dependent on the global and regional economic, social and political conditions. In general, weak global economic conditions or unfavourable social and political conditions such as terrorist attacks, war, political and social unrest and riots, trade sanctions and embargoes will result in a downturn in the barge chartering industry.

In particular, as the Group has concentrated its barge chartering business within Indonesia, any adverse economic development or political instability in Indonesia, if prolonged, could result in lower demand for and exert further pressure on the prices of the support services of the Group and thus adversely affect its business and financial performance.

Furthermore, a general economic slowdown may affect the demand for specific goods which the Group transports, in turn affecting the demand for the services of Marine Logistics Business. An occurrence of any unfavourable economic, social and political events may adversely affect the Group's financial performance. A prolonged recession in the global economy in the near future, for example, caused by the ongoing financial crisis in the United States of America and Europe could have an adverse impact on world trade and hence, the overall demand for the services of the Group which may in turn adversely affect its financial performance.

(g) The Group is exposed to fluctuations in freight and charter rates

Our operating results are dependent on the prevailing charter rates in a given time period, which are based on the supply of and demand for vessels and are extremely competitive. The prevailing charter rates are not based on any reference point and are instead largely influenced by factors such as supply and demand, global oil price, weather conditions, voyage difficulty, payment terms, client relationships, nature and scope of service and vessel age. The Group generally provides its customers with short-term or spot freight charters, wherein the Group's customers may approach the Group to provide chartering services on an immediate or ad hoc basis. Charter rates are generally reviewed on a

quarterly basis. Such charters will be based on the prevailing market rates and are usually for a short duration ranging from three to six months. Short-term charters give the Group the flexibility in managing fleet capacity in response to the demand for its vessels. However, it may expose the Group to short-term fluctuations in charter rates. In the event of a decline in the charter rates, this may adversely affect the Group's financial results.

(h) The Group is exposed to risks relating to non-renewal of barge charter contracts

The Group does not intend to have exclusive charter arrangements with its customers and will generally enter into freight and time charters which range from a period of one month to five years with its customers. There is no assurance that these customers will renew their contracts with the Group. Investama had ten (10) sets of tugs and barges in FY2013 and had expanded to a fleet of twelve (12) sets of tugs and barges in FY2015. In the event that a significant number of its customers, including its major customers, do not renew their contracts with the Group, the utilisation rate of the Group's vessels will be affected, resulting in a material and adverse impact on the Group's financial performance.

(i) The success of the Marine Logistics Business depends in large part on the Group's key personnel

The success of the Marine Logistics Business will largely depend on the strategy and vision of Mr Kurniawan, as well as the senior management team and operational personnel. The senior management team of Investama comprises Mr Achmad Chudori (general manager) and Mr Nugroho Budiaji (fleet manager).

Mr Chudori joined Investama in September 2013 and is responsible for marketing (including sourcing for cargoes and customers). Mr Chudori was previously with PT Arpeni Pratama Ocean Line Tbk (since 2000 till he left to join Investama), a company in the shipping industry (with customers mainly in the coal industry), where he was in charge of ship, tugboat, barge and floating crane representation as well as agency matters, and accumulated many contacts and much relevant experience through his dealings with customers who were in the coal industry. His last held position was vice branch manager of the Samarinda office of PT Arpeni Pratama Ocean Line Tbk. Mr Chudori was also previously with Nippon Yusen Kaisha from 1997 to 2000. Mr Chudori has a degree in shipping and economy management.

Mr Budiaji joined Investama in November 2013 and is responsible for fleet management. He started his shipping career as a cadet engineer at sea with PT Gesuri Llyod in 1990, and his last held sea position was as chief engineer with Alam Maritim Sdn Bhd Malaysia in 1998. He then moved to onshore positions with various companies, with his last held position prior to joining Investama being a technical manager with PT Manna Line International. Mr Budiaji graduated from the Indonesian Merchant Marine Institute in 1992 as a second marine engineer and has since undertaken various technical upgrading courses.

There is no assurance that the Group will be able to retain such key management personnel. A loss of any of the key personnel without sufficiently qualified and timely replacements may have an adverse impact on the Group's operations, growth, prospects and future performance.

As the Group's operations expand, its future success will depend greatly on its ability to attract and retain skilled and qualified personnel. Any future difficulty in its ability to attract, recruit, train and retain skilled and qualified personnel could materially and adversely affect its business, financial condition, results of operations and prospects.

(j) The Group is exposed to the credit risks of its customers

The financial performance in respect of the Marine Logistics Business is, to a large extent, dependent on the creditworthiness of the Group's customers. While there is no publicly available statistics for the rate of default in payment settlement in the Indonesian barge chartering industry, as with all industries, default in payment is a business risk. There is no assurance that the Group's customers will not default on payment. Although the Group regularly reviews its credit exposure to its customers, credit risks will nevertheless arise from events or circumstances that are difficult to anticipate or detect, including, but not limited to, political, social, legal, economic and foreign exchange risks, that may have an impact on the customers' ability to make timely payment and our ability to ensure or enforce payment. As a result of the customers delaying or defaulting on their payments to the Group, the Group would have to make allowances for doubtful trade receivables or incur bad debt write-offs, both of which may have an adverse impact on the Group's profitability and cash-flow. Please refer to notes 2 to 4 under section 3.2 of this Circular for further details on Investama's history in relation to payment settlement by its customers.

(k) The Group may not be able to complete our contractual obligations to our customers

In the ship chartering operations of the Marine Logistics Business, inclement weather may result in a delay in the transportation of goods to the Group's customers in the case of a voyage charter or a delay in the Group's delivery of vessels to its customers for their use in the case of a time charter. In particular, Investama has been involved in the freight chartering of dry bulk cargo such as coal and twenty (20) to forty (40) feet containers that transport oil and gas construction equipment and piping equipment. In such events of delay, the Group may be required to pay liquidated damages which would adversely affect our financial performance. It is noted that Investama has not been liable for any liquidated damages since its inception.

(l) The Group faces risks associated with strategic alliances and/or joint ventures

Any strategic alliance or joint venture entered into by the Group pursuant to the Marine Logistics Business may not be successful. The intended objectives of collaboration participation in strategic alliances and/or joint ventures may not be achieved due to disagreements and/or disputes amongst fellow partners, leading to delays and breakage costs.

(m) The Group faces the risks of natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group

The operations of the Marine Logistics Business may be adversely affected by natural disasters, wars, terrorist attacks, riots, civil commotions, widespread communicable diseases and other events beyond the control of the Group. Such events could adversely affect the economies and financial markets of many countries including Indonesia and may have a material adverse effect on the Marine Logistics Business. These could include disruptions to the transportation of its raw materials as well as temporary closure of construction sites. Such closures or travel or shipment restrictions would severely disrupt operations and adversely affect the Group's financial condition and results.

(n) Fluctuations in foreign exchange rates may have a material adverse effect on the Group's profitability

As the Company's functional and presentation currency is denominated in Singapore dollars, any depreciation in foreign exchange rates against the Singapore dollars may affect the Group's profitability and financial position. For example, any income or investment return derived from the Marine Logistics Business which is denominated in foreign currencies may decrease if the foreign exchange rates depreciate against the Singapore dollars, hence the profitability of the Group may be affected.

(o) Risks associated with the introduction of new laws, or changes to existing laws or strict enforcement of existing laws by the Indonesian government

The Group intends to venture into the Marine Logistics Business via Investama, a company domiciled in Indonesia. As such, the Group will be exposed to risks relating to operations in Indonesia. While Indonesia has opened up its economy to foreign investors, the political, regulatory and economic outlook for investors in Indonesia remains uncertain. It may be difficult to obtain a consistent or predictable outcome for dispute resolution as compared to other more developed jurisdictions and it may be difficult to obtain swift enforcement of the laws in Indonesia.

Judgments by a court of another jurisdiction will not be recognised and enforced in the courts of Indonesia while foreign arbitration awards may be recognised and enforced in Indonesia, subject to certain requirements, which include that the subject matter of the awards must relate to commerce, do not conflict with Indonesian public policy and has been issued in a country which has ratified the Convention on the Recognition and Enforcement of Foreign Arbitral Awards.

In certain industries that are closed to or conditionally open for investment (including the barge chartering industry), 100% foreign shares participation of Indonesian-incorporated companies is not allowed. Pursuant to the Indonesian Negative List, foreign investors in Investama are prohibited from owning more than 49% of the total issued and paid-up share capital of Investama. In view of this foreign ownership restriction, the Company is only able to acquire an indirect stake of approximately 49% in Investama. Any future changes to governmental guidelines, such as foreign ownership requirements, laws or regulations or the introduction of new regulations could affect the operations of Investama and have an adverse impact on the profitability of the Marine Logistics Business. Furthermore, in the event that the Indonesian government introduces new laws or regulations or changes or strictly enforces certain existing laws or regulations which may restrict shipping activities in Indonesia, the business and financial condition of the Marine Logistics Business will be adversely affected.

(p) The business is capital intensive and the Group may require further financing in the future

The Marine Logistics Business is operated in a capital intensive industry and the further expansion and development of the business may require significant additional capital. In particular, substantial additional funds will be required if the Group intends to expand the fleet of vessels. Further, there is no assurance that the Company will be successful in the Marine Logistics Business and its future plans. In addition, it may come across other potential business opportunities that it deems favourable to its future growth and prospects.

Under any of the above circumstances, the Group may need to obtain additional debt or equity financing. Additional equity financing may lead to a dilution in the interests of its Shareholders. Should additional debt financing be required, the ability of the Company to pay dividends may be restricted or it may need to seek the consent of third parties for the payment of dividends. Such financing may increase its vulnerability to adverse economic and industrial conditions and also reduce the availability of cash derived from operations due to repayment of its debt. Hence, the growth prospects of the Company may be limited due to reduction in funds for capital expenditures, working capital and other general corporate purposes and will affect its flexibility in planning for, or reacting to, changes in its business and industry. There is no assurance that the Company will be able to obtain additional financing on terms that are acceptable to it, or at all.

(q) The Group is subject to fixed operating costs regardless of the level of business activity

The Group's Marine Logistics Business will be subject to fixed operating costs such as crew wages, insurance premiums, dry-docking costs, interest costs and repair and maintenance costs which do not necessarily fluctuate in proportion to changes in operating revenues. These fixed costs can have a significant negative effect on the Group's financial condition and results of operations in the event of lower revenue arising from lower charter rates, downtime, reduced demand, weather interruptions or other causes.

Notwithstanding the risks set out above, the Board, having considered the rationale of the Proposed Business Diversification, believes that it is to the benefit of the Group to diversify its business to include the Marine Logistics Business. The Board will be mindful in managing the risks involved.

2.8 Listing Rules

As the Marine Logistics Business will involve a new business area which is substantially different from the Group's Existing Business and may in future form part of the core business of the Group, it is envisaged that the Marine Logistics Business will change the existing risk profile of the Group. Accordingly, an EGM will be convened by the Company to seek the Shareholders' approval for the Proposed Business Diversification into the Marine Logistics Business. Shareholders should note that even if Shareholders' approval is obtained for the Marine Logistics Business, the requirements under Chapter 10 of the Listing Manual would still apply to projects or transactions undertaken in the course of the Marine Logistics Business that fall within the ambit of Chapter 10 of the Listing Manual.

2.9 Financial Reporting

The Marine Logistics Business will be accounted for as a new business segment in the Group's financial statements in line with the Singapore Financial Reporting Standards and accordingly, the Group will disclose the financials results of the Marine Logistics Business with the Group's financial statements. The financial results of the Marine Logistics Business, together with the Group' financial statements, will be periodically announced pursuant to the requirements as set out in Chapter 7 of the Listing Manual. In these periodic announcements, the Group may provide segmented financial results relating to the Marine Logistics Business where appropriate or if required under any applicable accounting standards.

3. THE PROPOSED ACQUISITION OF APPROXIMATELY 49% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PT MOMENTUM INDONESIA INVESTAMA

Shareholders' approval is being sought at the EGM for the Proposed Acquisition by an ordinary resolution.

3.1 Information on Investama

Investama is a limited liability company established under the laws of the Republic of Indonesia, having its domicile at Batam. Investama was incorporated on 25 October 2011 and as at the Latest Practicable Date, Investama had an authorised capital of one hundred and ten billion Rupiah (Rp. 110,000,000,000) (S$11,330,000 (based on the exchange rate of Rp 1 to S$0.000103 as at the Latest Practicable Date)) and issued and paid up capital of one hundred and ten billion Rupiah (Rp. 110,000,000,000) (S$11,330,000 (based on the exchange rate of Rp 1 to S$0.000103 as at the Latest Practicable Date)) divided into 110,000 shares each with value of one million Rupiah (Rp. 1,000,000) (S$103 (based on the exchange rate of Rp 1 to S$0.000103 as at the Latest Practicable Date)).

Investama started commercial operations in 2013 and is a marine related logistics services company which is principally engaged in the provision of tug and barge freight logistics and owns its own fleet of tug and barge vessels. Investama has been in the provision of freight logistics services since April 2013 and it has operated in Indonesia. Investama provides transhipment mainly between Java, Kalimantan, Sumatra and Sulawesi. As at the Latest Practicable Date, Investama owns a fleet of twelve (12) sets of tugboats and barges and three (3) self-unloading vessels.

Investama's vessels operate in the Indonesian waters and are presently fully chartered. The list of vessels owned by Investama is provided below. Save for Pacific 01 and Pacific 02 which were acquired in FY2013, the remaining sets were newbuilts commissioned by Investama. The acquisition dates and age of the vessels, as well as the utilisation rates of the vessels in FY2014 are as follows:

	Vessel Name[1]	Acquisition Date	Age of Vessel as at December 2014	Utilisation rate in FY2014
1.	TB. Pacific 01/BG. Pacific 3001	July 2013	6 years	60%
2.	TB. Pacific 02/BG. Pacific 3002	July 2013	6 years	65%
3.	TB. Momentum 03/BG. Momentum 3003	February 2013	2 years	78%
4.	TB. Momentum 05/BG. Momentum 3005	February 2013	2 years	70%
5.	TB. Momentum 06/BG. Momentum 3006	February 2013	2 years	80%
6.	TB. Momentum 07/BG. Momentum 3007	February 2013	2 years	81%
7.	TB. Momentum 08/BG. Momentum 3008	February 2013	2 years	85%
8.	TB. Momentum 09/BG. Momentum 3009	February 2013	2 years	65%
9.	TB. Momentum 10/BG. Momentum 3010	July 2013	1.5 years	79%
10.	TB. Momentum 11/BG. Momentum 3011	July 2013	1.5 years	85%
11.	TB. Momentum 12/BG. Momentum 3012	January 2015	–	–
12.	TB. Momentum 13/BG. Momentum 3013	March 2015	–	–

Note:

(1) The list of vessels listed in the table above excludes the three self-unloading vessels which are to be disposed of pursuant to the terms of the SPA.

The abovementioned vessels are chartered by a range of customers under freight charter or time charter arrangements, depending on the customers' requirements.

3.2 Key Financial Information on Investama

The statement of comprehensive income of Investama for FY2013 and FY2014 is set out below:

	FY2013 US$	FY2014 US$
Revenue from vessel operations[1]	3,569,083	9,748,312
Vessel operation costs	4,023,160	7,649,029
Gross profit (loss)	(454,077)	2,099,283
Operating expenses	(59,180)	(675,226)
Interest and financing charges	(702,605)	(1,487,552)
Interest income	900	9,247
Gain on foreign exchange – net	1,641,905	425,653
Income before tax	426,943	371,405
Tax expenses	(42,829)	(116,980)
Total comprehensive income for the year	384,114	254,425

The statement of financial position of Investama for FY2013 and FY2014 is set out below:

	FY2013 US$	FY2014 US$
ASSETS		
Current assets		
Cash on hand and in banks	130,440	245,316
Trade accounts receivable[2]		
Related party[3]	–	411,587
Third parties[4]	11,102	429,870
Other accounts receivable	–	1,040
Inventories	271,640	237,783
Prepaid expenses	159,749	316,883
Advance	57,253	–
Total current assets	630,184	1,642,479
Non-current assets		
Due from related parties	102,635	3,855[3]
Advances for purchases of equipment	50,015	–
Property, vessel and equipment – net of accumulated depreciation of US$2,634,024 in 2014 and US$1,034,898 in 2013[5]	30,446,091	36,460,442
Total non-current assets	30,598,741	36,464,297
Total assets	31,228,925	38,106,776
LIABILITIES		
Current Liabilities		
Trade accounts payable	463,272	1,043,506
Taxes payable	19,497	75,132
Accrued expenses	10,271	10,271
Current maturities of long-term loan		
Banks	4,975,474	5,634,575
Consumer financing	8,493	5,951
Total current liabilities	5,477,007	6,769,435[6]
Non-current liabilities		
Other accounts payable	811,826	453,403
Due to related parties	6,754,693	4,622,507[3]
Long term loan – net of current maturities		
Banks	17,395,302	16,664,925
Consumer financing	6,074	–
Post-employment benefits obligation	–	37,158
Total non-current liabilities	24,967,895	21,777,993
EQUITY		
Capital stock – RP1,000,000 par value per share		
Authorised, subscribed and paid up – 4,000 shares	399,909	399,909
Advance for capital stock subscriptions	–	8,520,900[7]
Retained earnings	384,114	638,539
Total equity	784,023	9,559,348
Total equity and liabilities	31,228,925	38,106,776

Notes:

(1) The revenue of Investama was mainly generated from the business transactions with third parties. Since 1 January 2015 to the Latest Practicable Date, the top 10 customers (by revenue) of Investama, all of whom are third parties, are as follows: (1) PT Trans Power Marine, (2) PT Pancaran Samudera Transport, (3) PT Dharma Bangsa Mentari, (4) PT Navitama Mandiri, (5) PT Energy Transporter Indonesia, (6) PT Maritel Bahtera Abadi, (7) PT Kridautama Teknindo, (8) PT Titan Infra Energy, (9) PT Renjani Maritim Transportsi, and (10) PT Sumber Global Energy.

(2) The increase in trade accounts receivable in FY2014 as compared to FY2013 was attributable to the surge in business and the introduction of credit policies to customers. In implementing its credit policy, Investama is conservative in extending credit terms to its customers and reviews the credit profile of the relevant customer prior to extending credit terms. As at the Latest Practicable Date, Investama has had no default on payments by its customers.

(3) PT Deli Mitra Bahari, PT Momentum Anugerah Indonesia, Mr Tan Song Kar and Mr Charles Antonny Melati are related parties of Investama. PT Deli Mitra Bahari, which is engaged in the business of shipping agency and management, and PT Momentum Anugerah Indonesia, which is engaged in the business of ship building, have part of the same management and stockholders as Investama. As set out in the Investama FY2014 Accounts, Mr Tan Song Kar and Mr Charles Antonny Melati are both members of Investama's business group. The aforementioned position was taken by Investama's management because amounts are still owing to Mr Tan Song Kar and Mr Charles Antonny Melati for the three self-unloading vessels previously sold to Investama. PT Deli Mitra Bahari is owned by PT Pelayaran Momentum Mutiara (95%) and Felix Tanamas (5%), and its director is Arief Kusmahar. PT Pelayaran Momentum Mutiara is owned by PT Mutiara Cipta Boana Indonesia (55%), Dominicus Diter Diung (7%) and Felix Tanamas (38%). PT Mutiara Cipta Boana Indonesia is owned by Arief Kusmahar (34%), Sudjanto Djunaidi (33%) and Roni Waluyanto (33%). The Company understands that Felix Tanamas, being a shareholder of PT Deli Mitra Bahari, is also procurement manager of Investama. PT Momentum Anugerah Indonesia is owned by Mr Fernandus (23.25%), Mr Kurniawan (23.25%), Mr Charles Antonny Melati (23.25%), Junaidy Limgestu (5.25%) and Welly.SE (25%), and its director is Junaidy Limgestu. The related party transactions comprise primarily of loans and advance operational payments. As at 31 December 2014, there are trade account receivables of approximately US$0.4 million (receivables aging – less than 30 days) owing from PT Deli Mitra Bahari and receivables of US$3,855 (receivables aging – 6 to 9 months) owing from PT Momentum Anugerah Indonesia. Nothing has come to the attention of the Company and the Vendors that may cause these debts owing from related parties to be uncollectible. In addition, the amounts owing of US$4.1 million (owing for more than a year) and US$0.5 million (owing for less than 30 days) as at 31 December 2014 are due to Mr Tan Song Kar and Mr Charles Antonny Melati respectively. The amounts owed were attributable to the three self-unloading vessels that were originally owned by Mr Tan Song Kar and Mr Charles Antonny Melati and were subsequently acquired by Investama. These related party balances shall be repaid post completion of the Proposed Acquisition, upon the completion of the sale of the three self-unloading vessels. As at 31 December 2014, the asset value of the three self-unloading vessels (US$4.996 million) exceeds the liabilities (US$4.844 million) attributed to them. For the avoidance of doubt, the liabilities of US$4.844 million include the amounts owing to Mr Tan Song Kar and Mr Charles Antonny Melati. Furthermore, the Vendors have undertaken to dispose of the three self-unloading vessels and refund Investama any losses incurred by Investama as a result. Accordingly, in the event that the self-unloading vessels are disposed for amounts less than the liabilities attributed to them, the Vendors will refund Investama for the shortfall. As such, Investama does not expect to suffer a detriment as a result of the non-settlement of related party balances in relation to the three self-unloading vessels prior to completion of the Proposed Acquisition.

(4) The third parties and the trade accounts receivable owing by them as at 31 December 2014 are as follows:

1. PT Sumber Global Energy – US$52,000 (receivables aging – one to 30 days);
2. PT Energy Transporter Indonesia – US$228,000 (receivables aging – 31 to 90 days);
3. PT Titian Mining Energy – US$70,000 (receivables aging – 31 to 90 days);
4. PT Pancaran Samudera Transport – US$67,000 (receivables aging – one to 30 days); and
5. PT Dharma Bangsa Mentari – US$13,000 (receivables aging – one to 30 days).

(5) The net book value of the vessels as at 31 December 2014 is as follows:

	Vessel Name	Net book value as at 31 December 2014 (US$'000)
1.	TB. Pacific 01/BG. Pacific 3001	1,666
2.	TB. Pacific 02/BG. Pacific 3002	1,666
3.	TB. Momentum 03/BG. Momentum 3003	2,509
4.	TB. Momentum 05/BG. Momentum 3005	2,520
5.	TB. Momentum 06/BG. Momentum 3006	2,524
6.	TB. Momentum 07/BG. Momentum 3007	2,518
7.	TB. Momentum 08/BG. Momentum 3008	2,524
8.	TB. Momentum 09/BG. Momentum 3009	2,516
9.	TB. Momentum 10/BG. Momentum 3010	2,971
10.	TB. Momentum 11/BG. Momentum 3011	2,971
11.	TB. Momentum 12/BG. Momentum 3012 (construction in progress)	3,717
12.	TB. Momentum 13/BG. Momentum 3013 (construction in progress)	3,717

The net asset value (being all assets attributable to the three (3) self-unloading vessels less all liabilities attributable to the three (3) self-unloading vessels) of the three (3) self-unloading vessels is approximately US$152,000 as at 31 December 2014. The net tangible asset of the three (3) self-unloading vessels is equivalent to the net asset value. The net profit attributable to the three (3) self-unloading vessels for FY2014 is US$2,000. Subsequent to the commencement of due diligence, the Company is of the view that the acquisition of the three (3) self-unloading vessels is not in the interest of the Company due to the economics of the self-unloading vessel market, the current lack of market demand for the chartering of such vessels and as the self-unloading vessels do not currently contribute positively to the bottom-line of Investama. The Company hence agreed with the Vendors that the self-unloading vessels are to be disposed of subsequent to the completion of the Proposed Acquisition. For the avoidance of doubt, the Consideration agreed between the Company and the Vendors did not take into account the value of the three (3) self-unloading vessels. It is further noted that the Company agreed that the self-unloading vessels may be disposed subsequent to, rather than prior to, the completion of the Proposed Acquisition, as the Vendors had requested during negotiations of the Proposed Acquisition that more time be given to the Vendors to obtain a better offer for the self-unloading vessels and to dispose of all three (3) self-unloading vessels collectively.

(6) Despite having a negative working capital for FY2014, Investama will be able to repay its short term obligations when they fall due within one year. Pursuant to the terms of the SPA, the Vendors and the Company will grant shareholders' loan of US$8.5 million and US$11.5 million respectively to Investama. The shareholders' loans will be utilised to pay off bank loans of Investama. As a result, Investama will have no bank borrowings thereupon and is expected to have a positive working capital. Further, Investama has generated positive cash flows from its operations, namely, US$2.2 million and US$1.1 million in FY2013 and FY2014 respectively.

(7) The funds were previously injected into Investama by the existing shareholders in various tranches from January 2014 to December 2014 for additional working capital for Investama. However, the corresponding shares were not yet issued as at 31 December 2014.

3.3 Information on the Vendors

(a) Mr Angelo Fernandus ("Mr Fernandus")

As at the date of the SPA and prior to the Restructuring (as defined below), Mr Fernandus was the largest controlling shareholder of Investama(1). Pursuant to the Restructuring (as defined below) and post completion of the Proposed Acquisition, Mr Fernandus will have direct shareholding interest of 10.20% and deemed shareholding interest of 30.60% (through PT Triputra Senamustika) in Investama. Mr Fernandus is an independent third party and is not directly or indirectly related to the Company and/or its directors, controlling shareholders or their respective associates.

(b) Mr Sudirman Kurniawan ("Mr Kurniawan")

As at the date of the SPA and prior to the Restructuring (as defined below), Mr Kurniawan was a director and second largest controlling shareholder of Investama(1). Pursuant to the Restructuring (as defined below) and post completion of the Proposed Acquisition, Mr Kurniawan will have direct shareholding interest of 10.20% in Investama. As at the Latest Practicable Date, Mr Kurniawan is also a Substantial Shareholder (and the single largest Shareholder) of the Company. Mr Kurniawan first acquired 11.25 million Shares in the Company from RES Holdings Pte. Ltd. on 11 March 2014. From 21 April 2014 to 3 November 2014, Mr Kurniawan sold 3.05 million Shares in the Company. Mr Kurniawan subsequently acquired an aggregate of 43.3 million Shares from Mr Chang Yeh Hong and Nordic Group Limited on 4 November 2014. Mr Kurniawan then disposed of 24.3 million Shares in the Company on 7 November 2014. As at the Latest Practicable Date, Mr Kurniawan holds 27.2 million Shares in the Company, representing approximately 7.0% interest in the Company. As at the Latest Practicable Date, Mr Kurniawan is not a Controlling Shareholder of the Company.

Save as disclosed in this Circular, Mr Kurniawan has no other relationship with the Company and/or its directors, controlling shareholders or their respective associates. As at the Latest Practicable Date, Mr Kurniawan has no associate who has shareholding interest in the Company. In addition, Mr Kurniawan was previously a non-executive director of the Company and had stepped down from the Board with effect from 21 April 2014 due to his personal commitments. Mr Kurniawan has never held an executive position with the Company and as at the Latest Practicable Date is not involved with the operational management of the Company.

Note:

(1) Prior to the Restructuring, the shareholders of Investama were Mr Fernandus, Mr Kurniawan, Mr Junaidy Limgestu and Mr Hari Putra Senjaya. Their respective shareholdings in Investama were approximately 58.90%, 29.45%, 6.65% and 5.00%.

No introducer fees and/or arrangement fees are payable to any third parties as there is no third party introducer or arranger for the Proposed Acquisition.

3.4 Principal terms of the Proposed Acquisition

(a) Sale Interest and Restructuring

Pursuant to the terms of the SPA, the Vendors shall procure that a restructuring exercise (the "**Restructuring**") is carried out prior to Completion to achieve the following group structure:

(i) the Sale Interest, being approximately 49% interest in the issued share capital of Investama, shall be held by a limited liability company to be established under the laws of the Republic of Indonesia by the Vendors and/or their designated party (the "**Indonesian Holding Company**");

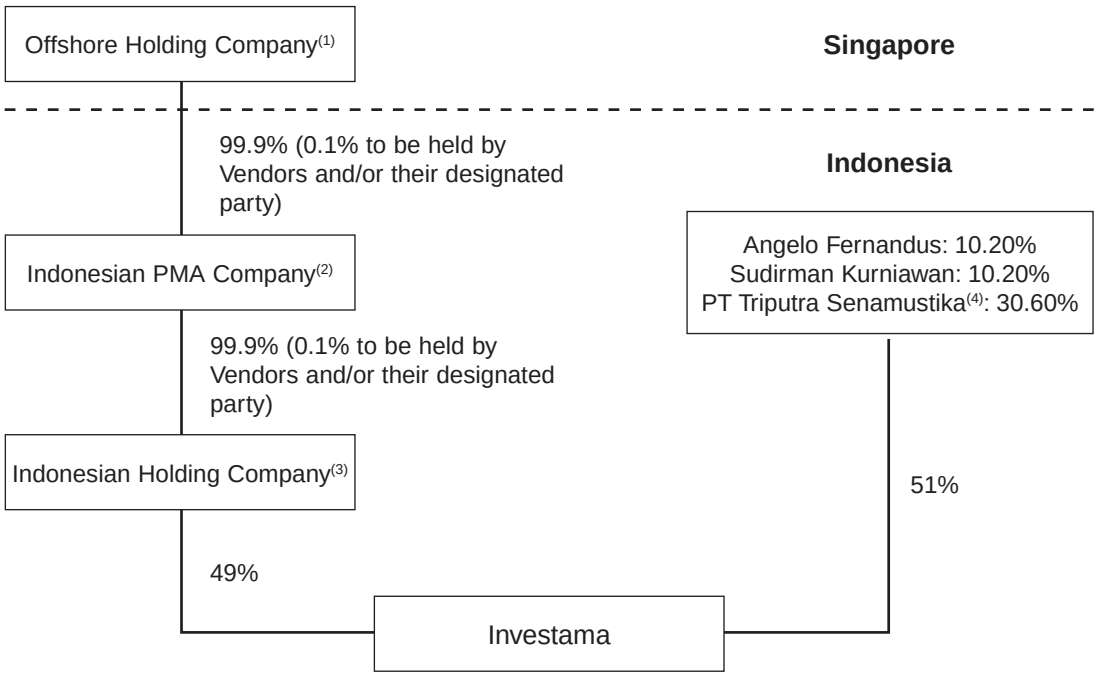
(ii) 99.9% shareholding interest in the Indonesian Holding Company shall be held by a foreign investment company (*Penanaman Modal Asing*) to be established under the laws of the Republic of Indonesia (Investment Law No. 25 of 2007) by the Vendors and/or their designated party (the "**Indonesian PMA Company**") and 0.1% shareholding interest in the Indonesian Holding Company shall be held by any of the Vendors and/or their designated party. The acquisition of 99.9% shares of the Indonesian Holding Company by the Indonesian PMA Company shall be completed prior the acquisition of 99.9% shares of Indonesian PMA Company by the Offshore Holding Company in order to maintain the status of Indonesian Holding Company as a local company. It should be noted that any subsidiaries of a PMA Company will not be treated as a PMA Company (provided that the subsidiaries were acquired prior to the conversion of such company to become a PMA Company);

(iii) 99.9% shareholding interest in the Indonesian PMA Company shall be held by a company to be established under any offshore legal jurisdiction by the Vendors and/or their designated party (the "**Offshore Holding Company**") and 0.1% shareholding interest in the Indonesian PMA Company shall be held by any of the Vendors and/or their designated party; and

(iv) 100% shareholding interest in the Offshore Holding Company (the "**Offshore Sale Shares**") shall be held by any of the Vendors and/or their designated party.

The Proposed Acquisition involves the acquisition by the Company of approximately 49% interest in the issued share capital of Investama (the "**Sale Interest**") by way of the purchase of the Offshore Sale Shares, free from any encumbrances and claims, and together with all rights, benefits and entitlements attaching thereto. Post completion of the Proposed Acquisition, the remaining 51% shall be held by the following shareholders in the stated proportions – (a) Mr Fernandus (10.20%), (b) Mr Kurniawan (10.20%), and (c) PT Triputra Senamustika (30.60%).

The diagram below sets out the resultant structure of the Restructuring as detailed in the preceding paragraphs:



Notes:

(1) The Offshore Holding Company, PSL Maritime Strategic Pte Ltd, was incorporated for the purpose of holding shareholding interest in PT Jaya Sukses Investasi, the Indonesian PMA Company. As at the Latest Practicable Date, the shareholders of the Offshore Holding Company are Mr Fernandus and Mr Kurniawan.

(2) The Indonesian PMA Company (*Penanaman Modal Asing*), PT Jaya Sukses Investasi, is a foreign investment company. The use of a foreign investment company is required under Indonesian law in instances where a foreign shareholder invests in a company incorporated in Indonesia. The acquisition of 99.9% shares of the Indonesian Holding Company by the Indonesian PMA Company shall be completed prior the acquisition of 99.9% shares of Indonesian PMA Company by the Offshore Holding Company in order to maintain the status of Indonesian Holding Company as a local company.

(3) The Indonesian Holding Company, PT Selaras Sukses Selalu, was incorporated to hold shareholding interest in Investama. The acquisition of 49% interest in Investama by PT Selaras Sukses Selalu will not change the status of Investama as a local company. This is in line with the BKPM Regulation No. 12/2013.

(4) The shareholders of PT Triputra Senamustika are Mr Fernandus (39.60%), Charles Antonny Melati (39.60%), Mr Kurniawan (10.80%), Ria Santy E (6.00%), Ghea Natasha (1.00%), Gilbert Hans (1.00%), Greadys Stephanie (1.00%) and Gracia Jane (1.00%). Mr Fernandus is deemed to be interested in PT Triputra Senamustika's shareholding in Investama, by virtue of Section 7 of the Companies Act.

Ali, Budiardjo, Nugroho, Reksodiputro, the Company's Indonesian legal advisers, have confirmed in their legal opinion dated 28 October 2015 that the Restructuring is in compliance with the existing laws and regulations of Indonesia. The Restructuring has been completed as at the date of the legal opinion.

(b) Consideration

The Consideration for the Offshore Sale Shares (and correspondingly, the Sale Interest) is an aggregate amount of US$11.5 million payable to the Vendors in the following manner:

(i) within seven (7) business days from the date of the SPA, the payment of US$6.0 million as deposit (the "**Deposit**"); and

(ii) on the Completion Date, the payment of US$5.5 million.

The Consideration will be funded by internal resources. The Company had made the payment of the Deposit to the Vendors after the execution of the SPA on 17 March 2015 in the following manner: (i) US$2.0 million on 23 March 2015 and (ii) US$4.0 million on 9 April 2015.

Discussions on the Proposed Acquisition commenced in March 2015 when the Board was looking for a suitable asset for the purpose of acquisition after the deal with Longmen Group Limited was aborted in the fourth quarter of FY2014. As such, the Board is of the view that Mr Kurniawan's previous directorship with the Company has no bearing on the Proposed Acquisition. In this regard, the terms of the Proposed Acquisition and the Consideration were arrived at after arm's length negotiations between the Company and the Vendors, and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the NTA (based on the unaudited management accounts of Investama, its NTA as at 31 March 2015 was approximately US$10.0 million) and the business prospects of Investama.

Based on the Consideration of US$11.5 million and the post-completion annualised guaranteed NPAT attributable to the Company of approximately US$3.0 million per year, the price earnings ratio is approximately 3.8 times. Please refer also to section 5.1.1 of the Financial Adviser's Letter set out in Appendix C of this Circular for details on the Financial Adviser's assessment on the implied valuation ratios of Investama.

In considering the business prospects of Investama, the Board took into account the past and existing secured contracts of Investama (including a five year freight charter agreement with Geo Coal International Pte. Ltd. with a contract value of approximately US$33.0 million commencing in January 2016), the past operating expenses of Investama and the launches of Momentum 012 and Momentum 013 in January 2015 and March 2015 respectively.

The net tangible asset value attributable to the Sale Interest as recorded in the audited financial statements of Investama for FY2014 and in the unaudited financial statements of Investama for the financial period ended 31 March 2015 were US$4,684,081 and US$4,918,305 respectively.

The Board has considered, *inter alia*, the market valuation of the twelve (12) sets of tugs and barges (excluding the three (3) self-unloading vessels) as at 31 December 2014 as assessed by the Independent Valuer, Censere Singapore Pte Ltd, and the aforesaid valuation amounted to approximately US$48.9 million as compared to their book value of approximately US$31.8 million, which implies a potential revaluation surplus of approximately US$17.1 million. The Independent Valuer has also assessed the market valuation of the twelve (12) sets of tugs and barges (excluding the three (3) self-unloading vessels) as at 31 August 2015 to be approximately US$47.4 million.

The Independent Valuer is part of the Censere group, which is a pan-Asian transaction support and strategic advisory group. The Censere group has thirteen (13) offices throughout Asia Pacific and its clients include multi-national corporations, banks, insurance companies, investment funds, financial advisers, audit firms and legal advisers. The Independent Valuer has worked with public companies and investment banks to facilitate initial public offerings and other related transactions. It has also identified and valued key assets in transactions, ranging from specific intangible assets to manufacturing assets to investment properties. The Independent Valuer's clients include SGX-listed companies and several large multi-national corporations.

The Independent Valuer adopted "market value" as its basis of valuation, and used both the cost approach and market approach in arriving at the market value. The valuation report is dated 29 September 2015. In arriving at their valuation, consideration was given to the "replacement cost new" of the assets, the accrued depreciation and the current prices for similar used items in the secondhand market. In preparing its assessment, the Independent Valuer made the following assumptions:

(i) In arriving at the valuation, no deduction has been made in respect of any grant either available or received, neither has any adjustment been made for any outstanding amounts owed under financing agreements.

(ii) The tugs and barges will continue in their present existing use in the business of Investama.

(iii) The tugs and barges are, or are capable of, being utilised as the assets of a profitable undertaking with the benefit of continuity of tenure of land and buildings during the foreseeable future.

(iv) The Independent Valuer has carried out a visual inspection of the tugs and barges on a sampling basis but not a running test or mechanical survey. The assessment is based on the premise that the tugs and barges are in a condition commensurate with age and usage.

(v) The Independent Valuer did not investigate any financial data pertaining to the present or prospective earning capacity of the operation in which the tugs and barges are used. It is assumed that prospective earnings would provide a reasonable return on the appraised value of the tugs and barges, plus the value of any assets not included in the valuation and adequate net working capital.

(vi) Investama has clear title of ownership over all the tugs and barges being assessed.

Taking into account the aforementioned valuation and the implied revaluation surplus on the vessels attributable to the Company of approximately US$8.4 million, the Board is of the view that there is no indication of over-valuation in respect of the Consideration amount.

The terms of the SPA provide that the Consideration shall be used by the Vendors to repay and hence reduce the outstanding bank loans of Investama to the aggregate amount of US$11.5 million (the "**Reduced Bank Loan Amount**"), following which the Company shall then pay down the Reduced Bank Loan Amount to nil within 30 days after the Completion Date.

The outstanding bank loans of Investama and their maturity dates are set out as follows:

Bank Loan	**Outstanding as at 31 August 2015**	**Maturity Date**
PT Bank OCBC NISP, Tbk	US$9.72 million	May 2018 (in relation to US$5.00 million) / March 2020 (in relation to US$4.72 million)
PT Bank Danamon Indonesia, Tbk	US$5.40 million	April 2017 (in relation to US$1.35 million) / July 2018 (in relation to US$4.05 million)
PT Bank Mandiri (Persero) Tbk	US$3.88 million	September 2018

(c) The Deposit

The Deposit shall be fully refundable in the event (i) the SPA and/or the transaction contemplated therein is terminated; or (ii) the sale and purchase of the Sale Interest is not completed (each a "**Deposit Refund Trigger Event**"). The refund shall be secured by:

(i) the PSL Letter Of Credit, which the Company shall be entitled to call on in the event any amount of the Deposit is not refunded within the time stipulated therein; and

(ii) the Deposit Guarantee, which the Company shall be entitled to call on in the event the Company has called on and received payment under the PSL Letter Of Credit and there are outstanding amounts of Deposit yet to be refunded by the Vendors.

PT Bank Danamon Indonesia, Tbk had on 10 April 2015 issued the PSL Letter Of Credit in favour of the Company. The PSL Letter Of Credit has been extended and will expire on 2 April 2016, such date being later than the Long-Stop Date.

As the Deposit is for the aggregate amount of US$6.0 million, and the security for the refund of the Deposit in the event of the occurrence of any of the Deposit Refund Trigger Events is by way of the PSL Letter Of Credit (for the amount of US$4.0 million) and the Deposit Guarantee (for the amount of US$2.0 million), the Board is of the view that the total security furnished for the refund of the Deposit is sufficient. Save as disclosed in this Circular, there are no other material conditions in relation to the Deposit.

The Deposit Guarantee is provided by Mr Kurniawan and Mr Fernandus on a joint and several basis. The Board has noted that Mr Kurniawan is a permanent resident of Singapore since January 2001 and has previously obtained a copy of his private banking statement containing details of his assets located in Singapore. The Board is of the view that these assets exceed any possible obligations that may crystallise as a result of the Deposit Guarantee.

(d) Adjustments to the Consideration

It is agreed that in the event the NTA of Investama for FY2014 is less than US$10.0 million, the Consideration payable to the Vendors shall be reduced by such amount equivalent to the deficit. Based on the audited accounts of Investama for FY2014 prepared by S. Mannan, Ardiansyah & Rekan, the auditors of Investama, the audited NTA of Investama for FY2014 was US$9,559,348, as such the Consideration may be reduced to US$11,059,348. The Company has in a letter dated 3 August 2015 agreed to waive the aforesaid adjustment to the Consideration. In reaching this decision, the Company had taken into consideration the valuation of the vessels and the resultant revaluation surplus attributable to the Company of approximately US$8.4 million, and that the unaudited NTA of Investama as at 31 March 2015 was in excess of US$10.0 million. In addition, the amount waived was approximately US$440,000, being approximately 3.83% of the Consideration, which is not material. As the Consideration will be used by the Vendors to pay down the existing bank borrowings of Investama in full, the Board is of the view that the waiver to the adjustment to the Consideration is not materially prejudicial to the Company and its shareholders.

In addition, the Vendors and the Company have also agreed that in the event that Investama shall be in any accumulated loss position (i.e. negative retained earnings) as reflected in the Investama FY2014 Accounts, the Consideration payable to the Vendors shall be reduced by such amount equivalent to the actual amount of the accumulated loss, as reflected in the Investama FY2014 Accounts. As there are positive retained earnings as reflected in the Investama FY2014 Accounts, there shall be no adjustment to the Consideration in this respect.

(e) Material Conditions Precedent

The Proposed Acquisition is conditional on, *inter alia*, the following being fulfilled:

(i) the approval of Shareholders been obtained at the EGM for the Proposed Acquisition and Proposed Business Diversification;

(ii) the results of the due diligence review of Investama being satisfactory to the Company in its sole discretion, save that such discretion not be exercised unreasonably and/or in bad faith;

(iii) completion of all regulatory requirements, including receipt of all necessary approvals from relevant authorities and compliance with all applicable laws and the rules of the SGX-ST;

(iv) completion of the Restructuring;

(v) Mr Kurniawan having entered into a service agreement with the Company for an initial period of three (3) years commencing from Completion. Please refer to section 7 of this Circular for more details on Mr Kurniawan's service agreement;

(vi) the Deposit Guarantee and the Vendors' Personal Guarantee duly issued by the Vendors in favour of the Company;

(vii) the delivery of the Investama FY2014 Accounts;

(viii) the Vendors having settled all related party balances of Investama, such that Investama has nil related party balances as at Completion Date, save that this clause shall not apply to any related party balances of Investama in connection with or in respect of the three (3) self-unloading vessels of Investama; and

(ix) all the shareholders of Investama as at the date of completion of the Proposed Acquisition having executed a shareholders' agreement in the form set out in the SPA.

In the event that any of the conditions precedents set out in the SPA is not fulfilled or waived within twelve (12) months from the date of the SPA, the SPA shall *ipso facto* lapse and cease to have effect and the Company and the Vendors shall not have any claim against the other party, save in respect of any accrued rights or liabilities under the SPA.

As at the Latest Practicable Date, the BKPM, which has oversight over all foreign investment in Indonesia, has approved the investment by the Offshore Holding Company, PSL Maritime Strategic Pte Ltd, in the Indonesian PMA Company, PT Jaya Sukses Investasi. Save as disclosed in this Circular, all required regulatory clearances in relation to the restructuring has been obtained.

The Investama FY2014 Accounts were delivered to the Company on 22 June 2015.

(f) Non-compete Obligations

Under the terms of the SPA, each Vendor undertakes with the Company that:

(i) for a period of five (5) years after the Completion Date, he shall not without the prior written approval of the Company, directly or indirectly, either on his own or jointly with a third party, carry on in Indonesia or in any country where it operates, a business which is or is likely to be in competition with the business of the Company; and

(ii) for a period of five (5) years after the Completion Date, he shall not without the prior written approval of the Company interfere with or endeavour to entice away from Investama any person who at the Completion Date, is an employee, customer or vendor of Investama.

For avoidance of doubt, while the Vendor(s) may request for written approval of the Company in relation to the above non-compete obligations, the Company does not expect to provide such written approval unless the Company shall not suffer any prejudice and/or detriment and/or the Vendor(s) shall not be in direct competition with the Company as a result of any such written approval. In the event any such written approval is given by the Company, the Company shall make the requisite announcement in relation to such approval.

As at the Latest Practicable Date, in addition to being a shareholder of Investama, Mr Fernandus is involved in several property development companies (both as a shareholder and director), developing residential, commercial properties in Batam, Indonesia as well as hotel management in Pekanbaru, Indonesia. Mr Kurniawan's business interests have been set out in section 2.6 of this Circular.

As at the Latest Practicable Date, save as disclosed in this Circular, the Vendors are not engaged in any business which is in the marine logistics industry and/or which is in direct competition with Investama.

(g) Long-Stop Date

In the event that any of the conditions precedents set out in the SPA is not fulfilled or waived within twelve (12) months from the date of the SPA (being 17 March 2015), the SPA shall *ipso facto* lapse and cease to have effect and each Vendor and the Company shall have not any claim against the other party, save in respect of any accrued rights or liabilities under the SPA.

(h) Disposal of Self-Unloading Vessels

The Vendors agree to procure that following Completion, Investama disposes of the three (3) self-unloading vessels that it owns. The Vendors shall be wholly responsible for marketing and negotiating the sale of the self-unloading vessels. In the event there is a net gain from the disposal of the self-unloading vessels (after paydown of the financing liabilities incurred for the initial purchase of the self-unloading vessels), the Company shall be entitled to retain the net gains on its balance sheet. In the event there is a net loss from the sale of the self-unloading vessels (after paydown of the financing liabilities incurred for the initial purchase of the self-unloading vessels), the Vendors shall refund the Company the net loss. The Vendors further undertook to bear all liabilities arising from or in connection with the self-unloading vessels from the date of Investama's acquisition of such self-unloading vessels until and including the date of completion of Investama's disposal of the self-unloading vessels.

(i) Shareholders' Agreement

Pursuant to the terms of the SPA, it is a condition precedent to Completion that all the shareholders of Investama as at Completion Date shall enter into a shareholders' agreement (the "**Shareholders' Agreement**") in the form set out in the SPA. The Shareholders' Agreement provide for, *inter alia*:

(i) the shareholders of Investama acknowledge that pursuant to the terms of the SPA:

(aa) the Deposit of US$6.0 million and US$2.5 million of the balance of the Consideration payable to the Vendors at Completion shall be used to pay down bank loans of Investama, and the balance US$3.0 million of the Consideration shall be paid to the Vendors in accordance with their pro-rata proportion of

the Sale Interest. Accordingly, as at Completion Date, the Vendors shall have collectively granted a shareholders' loan of US$8.5 million (in accordance with their pro-rata proportion of the Sale Interest), being part of the Consideration, to Investama (the "**Vendors Loan**");

(bb) the Company shall grant a shareholders' loan of US$11.5 million to Investama within 30 days from the Completion Date (the "**Purchaser Loan**"), such amount to be utilised to pay down bank loans of Investama;

(cc) the terms and conditions of the Vendors Loan and the Purchaser Loan shall be materially the same, and neither of the Vendors Loan nor the Purchaser Loan shall be on terms and conditions more favourable than the other. The shareholders of Investama agree that the terms and conditions of the Vendors Loan and the Purchaser Loan shall be agreed upon and documented at such time the respective lenders under the Vendors Loan and the Purchaser Loan deems fit in their own respective discretion. In this regard, the Company will make the relevant announcement at the appropriate time to disclose the salient terms of the Purchaser Loan and the Vendors Loan;

(ii) the shareholders of Investama agree that (i) Investama shall declare dividends for the financial year ending 31 December 2016, such dividends to be payable out of the profits of Investama available for the payment of dividends; (ii) no dividends shall be declared in respect of the financial year ending 31 December 2015; and (iii) no dividends shall be declared in respect of the financial years subsequent to the financial year ending 31 December 2016 unless the Vendors Loan and the Purchaser Loan have been repaid in full (the "**Dividend Policy**");

(iii) the shareholders of Investama agree that no dividends shall be declared by Investama until such time Investama has generated a cumulative NPAT of at least US$3.0 million (the "**Dividend Profit Target**"), such accumulation of the profit amount required to achieve the Dividend Profit Target to commence only subsequent to the Completion Date. Subject to the foregoing, the policy in relation to dividends to be declared in respect of the financial year ending 31 December 2016 shall be as follows:

NPAT for financial year ending 31 December 2016	**Dividend distribution scheme for financial year ending 31 December 2016**
Up to and including US$3.0 million	- No dividends payable
More than US$3.0 million and up to and including US$6.0 million	- Quantum of dividends to be declared shall be no more than the excess of NPAT over US$3.0 million - The Company shall renounce its dividend entitlement to the Vendors in accordance with their pro-rata proportion of the Sale Interest

NPAT for financial year ending 31 December 2016	Dividend distribution scheme for financial year ending 31 December 2016
More than US$6.0 million	- Quantum of dividends to be declared shall be no more than the excess quantum of NPAT over US$3.0 million - In the event the total declared dividends are less than US$3.0 million, the Company shall renounce its dividend entitlement to the Vendors in their pro-rata proportion of the Sale Interest - In the event the total declared dividends are more than US$3.0 million, the Company shall only receive its dividend entitlement in respect of the total declared dividend quantum which is in excess of US$3.0 million. The Company shall renounce its dividend entitlement in respect of the total declared dividend quantum of US$3.0 million to the Vendors in accordance with their pro-rata proportion of the Sale Interest

(iv) the shareholders of Investama agree that the restriction on the declaration of dividends until such time the Dividend Profit Target is achieved pursuant to paragraph (iii) above is to enable the outstanding principal under the Purchaser Loan to be paid down to the principal of US$8.5 million. Accordingly, the aggregate profit amount (i.e. US$3.0 million) generated pursuant to the Dividend Profit target shall be used by Investama to repay the outstanding principal under the Purchaser Loan (the "**Initial Purchaser Loan Paydown**"). Any repayment of the outstanding principal under the Vendors Loan shall be in accordance with paragraph (v) below. For the avoidance of doubt, there shall be no repayment of the outstanding principal under the Vendors Loan prior to the Initial Purchaser Loan Paydown.

(v) the shareholders of Investama agree that the restriction on the declaration of dividends in respect of the financial years subsequent to the financial year ending 31 December 2016 unless the Vendors Loan and the Purchaser Loan has been repaid in full is to enable the outstanding principal under the Purchaser Loan and the Vendors Loan to be paid down to nil balance. Any available profits generated in the financial years subsequent to the financial year ending 31 December 2016 (the "**Available Loan Repayment Profits**") shall be used by Investama to repay the Vendors Loan and the Purchaser Loan, until such time each of the Vendors Loan and the Purchaser Loan is fully repaid. Subject to the full repayment of each of the Vendors Loan and the Purchaser Loan, 51% of the Available Loan Repayment Profits in respect of each relevant financial year and 49% of the Available Loan Repayment Profits for that same financial year shall be used to repay the Vendors Loan and the Purchaser Loan respectively, save that in the event the Vendors Loan has been fully repaid, all available Available Loan Repayment Profits shall be used to repay the Purchaser Loan. Subsequent to the full repayment of both the Vendors Loan and the Purchaser Loan, Investama shall be allowed to declare dividends and each of the then existing shareholders of Investama shall be entitled to receive their dividends in accordance with their then shareholding percentages.

In relation to any loans granted by the Company to Investama pursuant to the Shareholders' Agreement, the Company will execute definitive agreements prior to disbursement of the loans and make the requisite announcements at the time of execution of such agreements and disbursement of the loans.

Investama has experienced growth in its fleet and revenue since its inception to-date and had also recorded cash outflow on loan repayment of approximately US$4.9 million in FY2014. Assuming that the Vendors Loan and Purchaser Loan are disbursed within the stipulated timeline under the Shareholders' Agreement and subject to the industry and commercial risks as highlighted in section 2.7 of this Circular entitled "Risk Factors", the Company is of the view that the aggregate loans will be amortised and fully repaid by 2019.

In relation to the Dividend Profit Target, the Board is of the view that the Dividend Profit Target of at least US$3.0 million is realistic because (i) Investama had incurred approximately US$1.5 million in finance costs in FY2014. With the repayment of all bank borrowings following the Proposed Acquisition, Investama is expected to have immediate savings on finance costs; and (ii) Investama's business prospects are expected to be positive. As mentioned previously, in considering the business prospects of Investama, the Board took into account the past and existing secured contracts of Investama (including a five year freight charter agreement with Geo Coal International Pte. Ltd. with a contract value of approximately US$33.0 million commencing in January 2016), the past operating expenses of Investama and the launches of Momentum 012 and Momentum 013 in January 2015 and March 2015 respectively. In relation to the charter rates that may be obtained by Investama, as the prevailing charter rates are not based on any reference point and are instead largely influenced by factors such as supply and demand, global oil price, weather conditions, voyage difficulty, payment terms, client relationships, nature and scope of service and vessel age, the Company has assumed that Investama will obtain charter rates similar to that obtained in the latest financial year.

3.5 Profit Guarantee

3.5.1 Under the terms of the SPA, the Vendors have guaranteed that the aggregate NPAT of Investama for the Guaranteed Period shall be at least US$12,244,898 (the "**Guaranteed Amount**") over 24 months following the Completion Date (the "**Profit Guarantee**"). For the avoidance of doubt, assuming the Profit Guarantee is met, the NPAT that will be attributable to the Company (based on its 49% interest in Investama) for the 24 months period following Completion is approximately US$6.0 million, which translates to an average of US$3.0 million for each twelve (12) month period. There is no assurance that Investama will achieve the Guaranteed Amount target, in which case the Vendors shall be required to pay compensation to the Company in accordance with section 3.5.2(c) below.

3.5.2 Rule 1013(1) of Listing Manual requires the Company to disclose the following information in respect of a profit guarantee:

(i) the views of the board of directors of the issuer in accepting the profit guarantee or the profit forecast and the factors taken into consideration and basis for such a view;

(ii) the principal assumptions including commercial bases and assumptions upon which the quantum of the profit guarantee or the profit forecast is based;

(iii) the manner and amount of compensation to be paid by the vendor in the event that the profit guarantee or the profit forecast is not met and the conditions precedent, if any, and the detailed basis for such a compensation; and

(iv) the safeguards put in place (such as the use of a banker's guarantee) to ensure the issuer's right of recourse in the event that the profit guarantee or the profit forecast is not met, if any.

(a) Views of the Board

The Board is of the view that the Profit Guarantee from the Vendors would be beneficial to the Company and in accepting the Profit Guarantee took into consideration the following factors:

(i) the past and existing secured contracts of Investama (including a five (5) year freight charter agreement with Geo Coal International Pte. Ltd. with a contract value of approximately US$33.0 million commencing in January 2016). The five year freight charter agreement will provide a stable income stream to Investama as the contract is relatively long-term, whereas Investama generally provides its customers with short-term or spot freight charters;

(ii) the past operating expenses of Investama;

(iii) the launches of Momentum 012 and Momentum 013 in January 2015 and March 2015 respectively, which will increase Investama's fleet capacity by approximately 20%; and

(iv) the savings in finance costs accruing from interest payments of approximately US$1.5 million in FY2014 as Investama will no longer be required to pay such finance costs subsequent to the paydown of bank loans as a result of the refinancing from the Vendors Loan and Purchaser Loan.

(b) The principal assumptions including commercial bases and assumptions upon which the quantum of the profit guarantee is based

In deriving the Guaranteed Amount, the principal assumptions including commercial bases and assumptions are as follows:

(i) the Profit Guarantee was determined on an "as-is" basis without taking into consideration the new customers contracted by Investama after the signing of the SPA;

(ii) the contracts with Investama's customers and suppliers remain intact and will be renewed as and when they expire either with existing customers or with new customers; and

(iii) operating expenses will either remain constant or there will be a corresponding increase in revenue when operating expenses increase.

(c) Manner and Amount of Compensation to be paid by the Vendors

In the event that Investama fails to meet the targeted NPAT for each financial year which falls within the Guaranteed Period, the Vendors shall, within thirty (30) days of the finalisation of the audited accounts for that relevant financial year by the auditors of the Company or such other date as the Vendors and Company may otherwise agree, repay to the Company such amount of cash compensation as set out below.

Under the terms and subject to the conditions of the SPA, the Vendors and the Company have agreed that (i) as at each Accounts Date for each Financial Year within the Guaranteed Period (but excluding the Financial Year in which the Guaranteed Period expires); and (ii) at the Vendors' Personal Guarantee Expiry Date for the Financial Year in which the Vendors' Personal Guarantee Expiry Date occurs, the actual NPAT for:

(i) the period commencing on the day immediately after Completion Date and ending on the Accounts Date (for the Financial Year in which the Completion Date falls);

(ii) the period commencing on 1 January and ending on the Accounts Date (for each subsequent Financial Year within the Guaranteed Period (but excluding the Financial Year in which the Guaranteed Period expires)); and

(iii) the period commencing on 1 January and ending on the Vendors' Personal Guarantee Expiry Date,

shall be compared against the corresponding NPAT Target (i.e. amount that is computed on a pro-rated basis based on a 24 month period) for the same period (the "**Comparison**"). The NPAT Target for the financial year in which the Completion Date falls ("**First Year**") cannot be determined until the Completion Date is firmed up. The NPAT Target for the financial year in which the Vendors' Personal Guarantee Expiry Date falls ("**Last Year**") cannot be determined as this is reliant on the NPAT Target for the First Year. The NPAT Target for the financial year subsequent to the First Year and preceding the Last Year is approximately US$6,122,449 (assuming that the aforementioned year comprises 365 days). For the avoidance of doubt, the Vendors' Personal Guarantee Expiry Date is dependent on the actual Completion Date, and falls on the last day of the 24 month period commencing from the Completion Date.

In the event there is any shortfall between the actual NPAT and the pro-rated NPAT Target (the "**Shortfall**"), subject to the terms and conditions of the SPA, the Vendors shall, within thirty (30) days of the finalisation of the audited accounts of Investama for that Financial Year by the auditors of Investama or such other date as the Vendors and the Company may otherwise agree, pay to the Company such amount of cash compensation representing a 49% share of the Shortfall for that period.

Illustration:

	FY2015[1]	**FY2016[2]**	**FY2017[3]**
Actual NPAT[4]	US$1,000,000	US$6,000,000	US$4,579,256
NPAT Target[5]	US$1,543,193	US$6,122,449	US$4,579,256
Shortfall	US$543,193	US$122,449	Nil
Payment Date	Within 30 days after finalisation of audited accounts for FY2015	Within 30 days after finalisation of audited accounts for FY2016	N.A.

Notes:

(1) Assumes that Completion Date is 1 October 2015, hence NPAT Target calculation is based on 92 calendar days.

(2) NPAT Target is calculated based on 365 calendar days.

(3) Guaranteed Period lapses on 30 September 2017, being the 273rd day of the year. NPAT Target is calculated based on 273 calendar days.

(4) Actual NPAT are assumed figures.

(5) All figures are rounded to nearest whole number.

Both the Company's external auditors, RT LLP, and Investama's reporting auditors, SMAR, have reviewed the Profit Guarantee as required under Listing Rule 1013(2). RT LLP is registered with ACRA as required under Listing Rule 712. Please refer to section 3.5.3 of this Circular for more details.

(d) Safeguards put in place to ensure the Company's rights of recourse

To ensure the Company's right of recourse in the event the Profit Guarantee is not met, pursuant to the terms of the SPA, the Vendors had issued the Vendors' Personal Guarantee which, for the avoidance of doubt, is a personal guarantee issued by the Vendors. Under the Vendors' Personal Guarantee, the Vendors have guaranteed to the Company, on a several basis in accordance with the Vendors' pro-rata proportion of the Sale Interest, to pay the Shortfall to the Company on demand. Under the terms of the SPA, the Company shall be entitled to call on the Vendors' Personal Guarantee if the Vendors fail to make payment of the Shortfall within the stipulated time period.

Prior to accepting the Vendors' Personal Guarantee, the Company had conducted financial due diligence on the Vendors. As previously mentioned, the Board has noted that Mr Kurniawan is a permanent resident of Singapore since January 2001 and has previously obtained a copy of his private banking statement containing details of his assets located in Singapore. The Board has also obtained copies of the financial statements of a property development company in Batam, Indonesia, of which Mr Fernandus is a controlling shareholder. The Board has also reviewed the list of past and present ongoing projects of such property development company and their respective estimated valuations.

In addition, the Board took into consideration the fact that the Company will have control over the board of directors of Investama after completion of the Proposed Acquisition and that Mr Kurniawan, who is responsible for managing the day-to-day operations of Investama, will also be an executive officer of the Company and will report directly to the Board in relation to Investama. As such, the Board will be in the position to closely monitor the business and operations of Investama.

Based on the foregoing, the Board is of the view that there are sufficient safeguards to ensure the Company's right of recourse.

(e) Force Majeure Event

It is agreed in the SPA that the Vendors shall not be liable for any Shortfall in any period used for comparison and/or for the Guaranteed Period if the Shortfall is caused by a force majeure event. In the event there is a dispute over whether any Shortfall is caused by a force majeure event, such dispute shall be referred to and finally resolved by arbitration in Singapore in accordance with the Arbitration Rules of the Singapore International Arbitration Centre.

3.5.3 Rule 1013(2) of Listing Manual further provides that where the transaction in respect of which a profit guarantee is accepted is a major transaction, a very substantial acquisition or a reverse takeover, the shareholders' circular must contain the information in Rule 1013(1) and the following:

(i) a confirmation from the auditors of the business/assets to be acquired that they have reviewed the bases and assumptions, accounting policies and calculations for the profit guarantee, and their opinion on the bases, assumptions, policies and calculations; and

(ii) a statement by the financial advisor to the issuer as to whether or not they are of the view that the transaction is on normal commercial terms and is not prejudicial to the interest of the issuer and its shareholders.

(a) Confirmation from Reporting Auditor of Investama

The reporting auditors of Investama, S. Mannan, Ardiansyah & Rekan ("**SMAR**" or "**Investama's Reporting Auditors**"), has examined the profit forecast for FY2015 and profit projection for the FY2016 and FY2017, on which the Profit Guarantee is based, in accordance with the International Standard on Assurance Engagements 3400 "The Examination of Prospective Financial Information" applicable to the examination of prospective financial information.

SMAR is a public accounting firm in Indonesia founded in 1987. It is a member of the Indonesian Institute of Certified Public Accountants since its establishment and has expanded its business network as part of the global community by joining Integra International, an interactive global association of independent accounting and consulting firms, comprising approximately 120 members in more than 64 countries. For more than 30 years, SMAR has carried out audit services, systems and taxation for different types of businesses (both private and state owned enterprises) in areas such as mining, banking, petrochemical, plantation, property, transportation etc.

According to Investama's Reporting Auditors' letter dated 3 November 2015 (the "**Reporting Auditors' Letter**"), they are of the opinion that the profit forecast for FY2015 and profit projection for FY2016 and FY2017 are properly prepared on the basis of the assumptions, are consistent with the accounting policies adopted by the Group, and are presented in accordance with the accounting policies adopted by the Group. Based on Investama's Reporting Auditors' examination of the evidence supporting the assumptions, nothing has come to its attention which causes it to believe that the assumptions do not provide a reasonable basis for the profit forecast for FY2015 and profit projection for FY2016 and FY2017 of Investama.

A copy of the Reporting Auditors' Letter, containing in full the opinion of Investama's Reporting Auditors', is set out in Appendix B to this Circular.

(b) Statement by the Financial Adviser to the Company

The Company has appointed Tata Capital Markets Pte. Ltd. (the "**Financial Adviser**") as its financial adviser in relation to the Proposed Acquisition. Save for its role as the Financial Adviser in relation to the Proposed Acquisition, Tata Capital does not have any (i) interest, direct or indirect, in the Proposed Acquisition; (ii) relationship, past or existing, with the Company or any other parties which might lead to a potential conflict of interest.

Having taken into consideration the factors as set out in the Financial Adviser's Letter, and subject to the assumptions and qualifications contained therein, the Financial Adviser is of the view that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interest of the Company and its Shareholders.

A copy of the Financial Adviser's Letter, containing in full the advice and opinion of Tata Capital, is set out in Appendix C to this Circular. Shareholders are advised to read the letter carefully before proceeding to vote on the resolution for the Proposed Acquisition at the EGM.

(c) Confirmation from External Auditors of the Company

The external auditors of the Company, RT LLP, have examined the profit forecast and profit projection, on which the Profit Guarantee is based, in accordance with the Singapore Standard on Assurance Engagements 3400 "The Examination of Prospective Financial Information" applicable to the examination of prospective financial information.

According to RT LLP's letter dated 23 October 2015 (the "**External Auditors' Letter**"), RT LLP is of the opinion that the profit forecast and profit projection on which the Profit Guarantee is based are properly prepared on the basis of the assumptions and are presented on a basis consistent with the accounting policies adopted and disclosed by the Group in its audited accounts for FY2014. Based on RT LLP's examination of the evidence supporting the assumptions, nothing has come to its attention which causes it to believe that the assumptions do not provide a reasonable basis for the aforesaid profit forecast and profit projection of Investama. In the External Auditors' Letter, it was assumed that the Completion Date is 1 October 2015.

A copy of the External Auditors' Letter, containing in full the opinion of RT LLP, is set out in Appendix D to this Circular.

3.6 Rationale for the Proposed Acquisition

The Proposed Acquisition represents a shift of emphasis of the Company towards the Marine Logistics Business and is in-line with the Group's strategic plans and on-going efforts to pursue new investment opportunities.

In addition, the Proposed Acquisition will give the Group further exposure to the marine related logistic services industry, to generate an alternative revenue stream for the Group so that the Group will be more resilient and not so dependent on a single industry and improve its profitability. The Proposed Acquisition is also intended to extend the Group's current expertise as a logistics provider for the construction industry to that also of the marine industry. This will help the Group to diversify its revenue stream so that the Group's financial performance is risk diversified across industries and not dependent on a single industry.

The Board is of the view that the Proposed Acquisition will result in a change in the risk profile of the Company.

In addition, the market valuation of the vessels of Investama implies a potential revaluation surplus of approximately US$17.1 million. Further, the Company's investment in Investama will entail that the gearing of Investama be reduced to nil and Investama will immediately have savings of approximately US$1.5 million per year on its finance costs after the debts have been fully repaid. With a profit guarantee of approximately US$3.0 million per year (attributable to the Company's 49% pro-rata entitlement) (based on the guaranteed profit of Investama of US$12,244,898 for a 24 month period), the Proposed Acquisition will translate into a guaranteed return to the Company of approximately 13% per annum for two (2) years.

3.7 The Proposed Acquisition as a Major Transaction

The Proposed Acquisition is governed by the rules in Chapter 10 of the Listing Manual. Based on the unaudited consolidated financial statements of the Group for the financial period ended 31 March 2015 ("**1Q2015**"), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Acquisition, are set out below.

Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as this is not a disposal of assets.
Rule 1006(b) – the net profits attributable to the assets acquired, compared with Group's net profits	172.1%[(1)]
Rule 1006(c) – the aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	41.2%[(2)] (82.3%[(3)], where the Consideration is aggregated with the Purchaser Loan for purposes of computing the relative figure under Rule 1006(c))

Rule 1006(d) – the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as no equity securities are to be issued by the Company as consideration.
Rule 1006(e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

(1) The net profits before tax attributable to the Sale Interest, based on the management accounts of Investama for 1Q2015, are approximately S$345,926. The unaudited net profits before tax of the Group for 1Q2015 are approximately S$201,000.

(2) The aggregate value of the consideration given for the Proposed Acquisition is US$11.5 million (which is equivalent to S$16.02 million based on the exchange rate of US$1:S$1.3925 as at 16 March 2015), compared to the Company's market capitalisation of S$38.9 million (based on 386,721,035 shares in issue and the weighted average price of S$0.1006 per Share of the Company transacted on 5 March 2015, being the full market day preceding the date of the SPA on which the Shares were traded).

(3) For illustrative purposes only, the consideration of US$11.5 million given for the Proposed Acquisition is aggregated with the Purchaser Loan of US$11.5 million, and the aggregate amount of US$23.0 million (which is equivalent to S$32.03 million based on the exchange rate of US$1:S$1.3925 as at 16 March 2015) is compared to the Company's market capitalisation of S$38.9 million (based on 386,721,035 shares in issue and the weighted average price of S$0.1006 per Share of the Company transacted on 5 March 2015, being the full market day preceding the date of the SPA on which the Shares were traded).

As the relative figures computed on the bases set out in Rule 1006(b) and Rule 1006(c) exceed 20%, the Proposed Acquisition constitutes a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, the Company would like to seek the approval of the Shareholders for the Proposed Acquisition at the EGM as set out in the notice of EGM. However, the Proposed Acquisition is conditional upon the Proposed Business Diversification being approved by the Shareholders and not *vice versa*.

3.8 Financial Effects of the Proposed Acquisition

(a) Assumptions

For the purposes of illustration only, the financial effects of the Proposed Acquisition taken as a whole are set out below. The financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2014 and the audited financial accounts of Investama for FY2014 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Acquisition.

(b) NTA per share of the Company

Assuming the Proposed Acquisition had been completed on 31 December 2014, the financial effects of the Proposed Acquisition on the Group's consolidated NTA per share as at 31 December 2014 would have been as follows:

	Before the Proposed Acquisition	After completion of the Proposed Acquisition
Audited NTA	S$46,571,000	S$37,574,000
Number of issued Shares	386,721,035	386,721,035
Audited NTA per share	12.04 cents	9.72 cents

(c) EPS

Assuming the Proposed Acquisition had been completed at the beginning of FY2014, the effects of the Proposed Acquisition on the EPS of the Group for FY2014 would have been as follows:

	Before the Proposed Acquisition	After completion of the Proposed Acquisition
Audited net loss after tax for FY2014	(S$4,181,000)	(S$4,016,000)
Weighted average number of Shares	386,721,035	386,721,035
Audited loss per share for FY2014	(1.08 cents)	(1.04 cents)

(d) Gearing

The Proposed Acquisition does not have any impact on the gearing of the Group.

(e) Share Capital

The Proposed Acquisition does not have any impact on the share capital of the Company.

3.9 Opinion of the Audit Committee

The Company notes that Mr Kurniawan does not have any interest in any business competing with Investama, as such, the probability of potential conflict of interest is currently not significant. In any event, the Board and the Audit Committee will review each case of potential conflict of interest as and when it arises in the future. Based on the foregoing and having reviewed and deliberated on the Proposed Acquisition, the Audit Committee recommends the same for approval by the Board after taking into consideration the terms and rationale of the Proposed Acquisition.

4. THE PROPOSED CONSOLIDATION OF EVERY TEN (10) SHARES IN THE COMPANY INTO ONE (1) CONSOLIDATED SHARE

Shareholders' approval is being sought at the EGM for the Proposed Acquisition by an ordinary resolution.

4.1 Introduction

The Company is seeking Shareholders' approval at the EGM to undertake the Proposed Share Consolidation pursuant to which the Company will consolidate every ten (10) Shares into one (1) Consolidated Share. Accordingly, under the Proposed Share Consolidation, every ten (10) Shares registered in the name of each Shareholder as at the Books Closure Date will be consolidated into one (1) Consolidated Share. The Company will announce details of the Books Closure Date to the Shareholders in due course.

Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share. Any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. No payment will be made to Shareholders in respect of any resulting fractional interests in the Consolidated Shares which are disregarded.

Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of one hundred (100) Consolidated Shares).

As at the Latest Practicable Date, the Company has an issued share capital of S$29,575,000 divided into 386,721,035 Shares. Following the completion of the Proposed Share Consolidation, the Company will have an issued share capital of S$29,575,000 divided into approximately 38,672,103 Consolidated Shares. As at the Latest Practicable Date, the Company is not aware of any shareholder which has more than 30% interest in the capital of the Company. As the Proposed Share Consolidation is done on a pro-rata basis to its existing shareholders' base of more than 2,500, the Board is of the view that there will be sufficient shares and liquidity in the Company's shares to enable a fair and orderly situation in the Company's shares and will not lead to cornering situations based on the consolidation ratio of 10 to 1.

The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the Shareholders' funds of the Group.

Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.

Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

4.2 Rationale for the Proposed Share Consolidation

The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders.

For the past six (6) months prior to the Latest Practicable Date, the absolute price of the Shares had traded in a range between S$0.057 and S$0.107. The highest and lowest market prices for each such month and the transacted volume of the Shares traded on the SGX-ST for each such month, up to the Latest Practicable Date, are as follows:

Month	Highest Price (S$)	Lowest Price (S$)	Volume of Shares traded ('000)	Percentage Fluctuation between the Lowest and Highest Price
April 2015	0.107	0.090	3,651	18.9
May 2015	0.099	0.085	3,546	16.5
June 2015	0.096	0.070	1,271	37.1
July 2015	0.093	0.079	2,059	17.7
August 2015	0.085	0.057	6,612	49.1
September 2015	0.083	0.058	1,855	43.1
1 October 2015 to the Latest Practicable Date	0.074	0.061	1,003	21.3

Source: Bloomberg L.P.[(1)]

Note:

(1) Bloomberg L.P. has not provided its consent to the inclusion of the information set out in the table above. While the Company has taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Circular in its proper form and context, neither the Company nor any party has conducted an independent review of the information nor verified the accuracy of the contents of the relevant information.

The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation. This will reduce the fluctuation in magnitude of the Company's share price and market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

The Proposed Share Consolidation may also increase the profile of the Company amongst the institutional investors and the coverage of the Company amongst research houses and fund managers. This may, in turn, increase market interest and activity in the Shares, and generally render the Shares more attractive to investors.

Further, SGX-ST has introduced a minimum trading price of S$0.20 as a continuing listing requirement for Mainboard-listed issuers. This has been implemented in March 2015 with a one-time transition period of twelve (12) months, after which affected issuers will be provided a cure period of 36 months to take remedial actions. Affected issuers which fail to take remedial actions during the cure period may be delisted from the Mainboard of the SGX-ST. The Proposed Share Consolidation would help facilitate the Company's ability to satisfy the continuing listing requirement imposed by SGX-ST for Mainboard-listed issuers to have a minimum trading price per share of S$0.20.

The VWAP and the theoretical adjustment to the VWAP of the Company's Shares for the six-month period up to and including the Latest Practicable Date are as follows:

VWAP[(1)] for the six-month period up to and including the Latest Practicable Date	S$0.0821
Assuming that the Proposed Share Consolidation was carried out prior to the six-month period up to and including the Latest Practicable Date:	
Adjusted VWAP for the six-month period up to and including the Latest Practicable Date	S$0.8210

Note:

(1) Based on data obtained from Bloomberg L.P. Bloomberg L.P. has not provided its consent to the inclusion of the information set out above. While the Company has taken reasonable actions to ensure that the information is extracted accurately and fairly, and has been included in this Circular in its proper form and context, neither the Company nor any party has conducted an independent review of the information nor verified the accuracy of the contents of the relevant information.

Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this section 4.2, nor is there assurance that such results (if achieved) may be sustained in the longer term.

4.3 Financial Effects of the Proposed Share Consolidation

(a) Assumptions

For the purposes of illustration only, the financial effects of the Proposed Share Consolidation are set out below, assuming that the Proposed Share Consolidation had been completed on 31 December 2014. The financial effects have been prepared based on the audited consolidated financial statements of the Group for FY2014 and do not necessarily reflect the actual future financial position and performance of the Group following completion of the Proposed Share Consolidation.

(b) Share Capital of the Company

	As at 31 December 2014	
Issued and Paid-up Share Capital	**No. of Shares**	**Issued and paid up capital (S$)**
Before the Proposed Share Consolidation	386,721,035	29,575,000
After the Proposed Share Consolidation	38,672,103	29,575,000

(c) NTA per share of the Company

	As at 31 December 2014			
	Company		Group	
	Before Proposed Share Consolidation	After Proposed Share Consolidation	Before Proposed Share Consolidation	After Proposed Share Consolidation
Audited NTA	S$40,922,000	S$40,922,000	S$46,571,000	S$46,571,000
Number of issued Shares	386,721,035	38,672,103	386,721,035	38,672,103
Audited NTA per share	10.58 cents	S$1.06	12.04 cents	S$1.20

(d) EPS

	As at 31 December 2014	
	Group	
	Before Proposed Share Consolidation	After Proposed Share Consolidation
Audited net loss after tax for FY2014	(S$4,181,000)	(S$4,181,000)
Weighted average number of Shares	386,721,035	38,672,103
Audited loss per share for FY2014	(1.08) cents	(10.81) cents

4.4 Conditions of the Proposed Share Consolidation

The implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM.

The SGX-ST had on 23 October 2015 granted its in-principle-approval for the listing of and quotation for (i) the Consolidated Shares arising from the Proposed Share Consolidation, (ii) all the Adjusted Warrants arising from the adjustments to the Warrants, and (iii) all the Consolidated Shares to be issued upon the exercise of the Adjusted Warrants subject to (a) the Shareholders' approval for the Proposed Share Consolidation being obtained at the EGM and (b) compliance with the listing requirements of the SGX-ST. The in-principle-approval of the SGX-ST is not to be taken as an indication of the merits of the Consolidated Shares, the Adjusted Warrants, the Proposed Share Consolidation, the Company and/or its subsidiaries.

Subject to the approval of the Proposed Share Consolidation by Shareholders at the EGM, an announcement will be made by the Company in due course to notify Shareholders of the date when the Proposed Share Consolidation will become effective and the date on which the Consolidated Shares will commence trading on the SGX-ST in board lots of one hundred (100) Consolidated Shares (the "**Effective Trading Date**").

4.5 Adjustments to the Warrants

In 2012, the Company undertook a renounceable and non-underwritten rights issue of up to 77,343,707 new Shares in the Company at an issue price of S$0.10 for each rights share with up to 77,343,707 free detachable warrants (the "**Warrants**"), each warrant carrying the right to subscribe for one new Share in the capital of the Company at an exercise price of S$0.34 for each new Share, on the basis of one rights share with one warrant for every four existing Shares held in the capital of the Company. As at the Latest Practicable Date, the Company has 77,341,207 unexercised Warrants.

Pursuant to the terms and conditions of the Deed Poll, the Proposed Share Consolidation will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the Warrants and the number of Warrants.

The adjustments to the Warrants will not result in any material impact on the share capital, NTA per Share and EPS of the Company. Further details of the adjustments have been announced by the Company in its announcement dated 3 August 2015.

In accordance with the provisions of condition 5.2.5 of the Deed Poll:

(a) the number of unexercised Warrants will be adjusted on the basis that 10 Warrants will be consolidated into one (1) Adjusted Warrant;

(b) the existing exercise price of each Warrant will be adjusted from S$0.34 to S$3.40; and

(c) each Adjusted Warrant shall carry the right to receive one (1) new Consolidated Share.

The adjustments set out in this section 4.5 were made pursuant to the conditions set out in the Deed Poll. Copies of the Auditors' Certificate and the Director's Certificate are available for inspection at the registered office of the Company at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966.

The adjustment will be effective from the close of the Market Day immediately preceding the date on which the Proposed Share Consolidation becomes effective. Pursuant to the Deed Poll, any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant.

4.6 Updating of Register of Members and Depository Register

After Shareholders' approval has been obtained for the Proposed Share Consolidation at the EGM, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be determined on the Books Closure Date, whereupon the Register of Members and the Depository Register will be updated to reflect the number of Consolidated Shares held by Shareholders based on their shareholdings in the Company as at the Books Closure Date. Trading will be in board lots of one hundred (100) Consolidated Shares on the Effective Trading Date.

(a) Deposit of Share Certificates with CDP

Shareholders who hold Old Share Certificates in their own names and who wish to deposit the same with CDP and have their Consolidated Shares (after the Proposed Share Consolidation) credited to their Securities Accounts maintained with CDP, must deposit their Old Share Certificates, together with the duly executed instruments of transfer in favour of CDP, no later than twelve (12) Market Days prior to the Books Closure Date. After the Books Closure Date, CDP will only accept deposit of New Share Certificates.

Shareholders who wish to deposit their Old Share Certificates with CDP after the Books Closure Date must first deliver such Old Share Certificates to the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, for cancellation and issue of the New Share Certificates in replacement thereof as described below. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the date of receipt of their Old Share Certificates. Upon receipt of the New Share Certificates, Shareholders may then proceed to deposit these New Share Certificates with CDP.

(b) Issue of New Share Certificates

Shareholders who have deposited their Old Share Certificates with CDP at least twelve (12) Market Days prior to the Books Closure Date need not take any action. The Company will arrange with CDP to facilitate the issue of New Share Certificates pursuant to the Proposed Share Consolidation.

Shareholders who have not deposited their Old Share Certificates at least twelve (12) Market Days prior to the Books Closure Date or who do not wish to deposit their Old Share Certificates with CDP are advised to deliver all their Old Share Certificates to the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, as soon as possible after they have been notified of the Books Closure Date and preferably, not later than five (5) Market Days after the Books Closure Date for cancellation and exchange for New Share Certificates. No receipt will be issued by the Share Registrar for the receipt of the Old Share Certificates tendered. The New Share Certificates will be sent by ordinary mail to the registered addresses of the Shareholders at their own risk within ten (10) Market Days from the Books Closure Date or the date of receipt of the Old Share Certificates, whichever is later.

Shareholders are to deliver their respective Old Share Certificates to the Share Registrar or CDP in accordance with the provisions set out in this section 4.6 only after the announcement of the Books Closure Date by the Company.

Shareholders should note that New Share Certificates will not be issued to Shareholders unless their Old Share Certificates have been delivered to the Share Registrar for cancellation.

Please notify the Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd, at 50 Raffles Place, #32-01 Singapore Land Tower, Singapore 048623, if you have lost any of your Old Share Certificates or if there is any change in your address from that reflected in the Register of Members.

(c) Share Certificates Not Valid for Settlement of Trades on SGX-ST

Shareholders are reminded that their Old Share Certificates will not be valid for settlement of trading in the Shares on the SGX-ST, as the Company is under a book-entry (scripless) settlement system. After the date on which the Proposed Share Consolidation becomes effective, the Old Share Certificates will continue to be accepted by the Share Registrar for cancellation and issue of New Share Certificates in replacement thereof for an indefinite period by the Share Registrar. The New Share Certificates will not be valid for delivery for trades done on the SGX-ST although they will continue to be *prima facie* evidence of legal title.

4.7 Trading Arrangements for the Shares and for Odd Lots

(a) Trading Arrangements for the Shares

Subject to Shareholders' approval for the Proposed Share Consolidation at the EGM, with effect from 9.00 a.m. on the Effective Trading Date, trading in the Shares will be in board lots of one hundred (100) Consolidated Shares. Accordingly, every ten (10) Shares as at 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date will represent one (1) Consolidated Share with effect from 9.00 a.m. on the Effective Trading Date. Trading in the Shares will cease after 5.00 p.m. on the Market Day immediately preceding the Effective Trading Date.

(b) Trading Arrangements for Odd Lots of Consolidated Shares

Shareholders should note that the number of Consolidated Shares which they will be entitled to pursuant to the Proposed Share Consolidation, based on their holdings of the Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share and any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. Affected Shareholders will not be paid for any fractional shares.

The Shares are currently traded in board lots of one hundred (100) Shares in the ready market. Following the Proposed Share Consolidation, the Securities Accounts of Shareholders (being Depositors) may be credited with odd lots of Consolidated Shares (that is, lots other than board lots of one hundred (100) Consolidated Shares). The market for trading of such odd lots of Consolidated Shares may be illiquid. Shareholders (being Depositors) who receive odd lots of Consolidated Shares pursuant to the Proposed Share Consolidation and who wish to trade such odd lots of Consolidated Shares on the SGX-ST should note that odd lots of Consolidated Shares can be traded on the unit share market which would allow trading in odd lots with a minimum size of one (1) Consolidated Share.

5. THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM MESSRS RT LLP TO MESSRS PRICEWATERHOUSECOOPERS LLP

Shareholders' approval is being sought at the EGM for the Proposed Change of Auditors by an ordinary resolution.

5.1 Background and Rationale

At the last annual general meeting of the Company held on 30 April 2015, RT LLP was re-appointed as auditors of the Company to hold office until the close of the next annual general meeting of the Company. RT LLP has been the auditors of the Group since the financial year ended 31 December 2005.

On 6 October 2015, the Company issued a letter to RT LLP informing them of the Company's intention to appoint PricewaterhouseCoopers LLP ("**PwC**") as the Company's independent auditors for FY2015. In initiating the change in auditors of the Company, the Company has noted that the change in auditors would be beneficial to the Company from the perspective of good corporate governance and would enable the Company to benefit from the fresh perspectives and views of another audit firm. The Company has considered the international network and global presence of PwC, as well as the relevant experience of and profile of the clientele of PwC and the engagement partner. With the pending acquisition of interest in Investama, the Board also feels that an international audit firm with presence and expertise in both Singapore and Indonesia is necessary to serve the needs of the Board and the shareholders of the Company.

In relation to the foregoing, RT LLP have, in their letter dated 9 October 2015, given a written statement to the Directors (the "**Written Statement**"), informing the Company (i) that RT LLP had applied for consent from ACRA to resign as auditors of the Company and (ii) the reasons for its resignation as auditors of the Company. A copy of the Written Statement is set out in Appendix F of this Circular.

PwC have, on 21 October 2015, given their consent to act as auditors of the Company, subject to the approval of the Shareholders at the EGM.

Pursuant to Rule 712(3) of the Listing Manual, the Proposed Change of Auditors must be specifically approved by the Shareholders in a general meeting. Accordingly, the appointment of PwC would take effect upon the approval of the same by Shareholders at the EGM.

5.2 Requirements under Rule 712 of the Listing Manual

The Board, having taken into account the Audit Committee's recommendation, and various factors, including, *inter alia*, the following:

(a) the fee structure, the adequacy of the resources and experience of PwC;

(b) the audit engagement partner assigned to the audit;

(c) PwC's other audit engagements;

(d) the size and complexity of the Group's operations; and

(e) the number and experience of supervisory and professional staff assigned to the audit of the Company and the Group,

are of the opinion that PwC will be able to meet the audit requirements of the Group and that Rule 712 of the Listing Manual has been complied with.

5.3 Requirements under Rule 715 of the Listing Manual

The Board confirms that pursuant to the Shareholders' approval of the Proposed Change of Auditors, PwC will become the auditors of the Company and of its Singapore-incorporated subsidiaries and significant associated companies.

5.4 Requirements under Rule 1203(5) of the Listing Manual

In accordance with the requirements of Rule 1203(5) of the Listing Manual:

(a) the Company has received a copy of RT LLP's professional clearance letter dated 21 October 2015 to PwC, confirming that they are not aware of any professional reasons why PwC should not accept appointment as the new auditors of the Company;

(b) the Board confirms that there were no disagreements with RT LLP on accounting treatments within the last 12 months from the date of this Circular;

(c) the Board confirms that the Company is not aware of any circumstances connected with the Proposed Change of Auditors that should be brought to the attention of the Shareholders which has not been disclosed in this Circular;

(d) the reasons for the Proposed Change of Auditors are disclosed in section 5.1 of this Circular; and

(e) the Board confirms that the Company is in compliance with Rules 712 and 715 of the Listing Manual in relation to the proposed appointment of PwC as its new Auditors.

5.5 Information on PwC

With more than 2,000 staff, including 90 partners, PwC is a leading professional services firm in Singapore. PwC provides a wide range of services to help organisations solve business issues, identify and maximise opportunities. Their highly qualified and experienced professionals, combined with PwC's global network, allow them to provide the support their clients need wherever they may be located.

For more information about PwC, please visit www.pwc.com/sg/en.

5.6 Information on the audit partner

The audit partner in charge of the Company is Mr Lee Chian Yorn. Mr Lee Chian Yorn has over 20 years of experience auditing and advising companies. In his career with PwC, Mr Lee Chian Yorn has gained extensive experience in auditing a diverse base of Singapore and US public companies, multinational companies, and technology start-up companies based in Singapore and US.

Mr Lee Chian Yorn has audited a diverse base of companies in various industries. He has significant experience and expertise in accounting, financial management, and equity and debt financing, including cross border debt issuance, perpertual bonds and other financing structure. He has also advised on mergers and acquisitions, valuations and complex accounting issues.

5.7 Opinion of the Audit Committee

The Audit Committee has reviewed and deliberated on the Proposed Change of Auditors and recommend the same for approval by the Board after taking into consideration the suitability of PwC and the requirements of the Listing Manual.

6. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

6.1 Interest in the Company

The direct and deemed interests of the Directors and the Substantial Shareholders in the Shares as at the Latest Practicable Date are as follows:

	Direct Interest		Deemed Interest	
	No. of Shares	(%)[1]	No. of Shares	(%)[1]
Directors				
Mr Mark Zhou You Chuan	13,333,333	3.45	–	–
Mr William Teo Choon Kow	–	–	–	–
Mr Jamshid K. Medora	–	–	–	–
Mr Chan Yu Meng	–	–	–	–
Substantial Shareholder				
Mr Sudirman Kurniawan	27,200,000	7.03	–	–

Note:

(1) Based on 386,721,035 issued Shares as at the Latest Practicable Date.

6.2 Interests in the Proposed Resolutions

Save for Mr Kurniawan who is one of the Vendors for the Proposed Acquisition, none of the Directors or the Substantial Shareholders or their Associates has any interest, direct or indirect, in the Proposed Resolutions other than through their respective shareholdings in the Company.

7. DIRECTORS' SERVICE AGREEMENT

No person is proposed to be appointed as a director the Company in connection with the Proposed Resolutions. However, under the terms of the SPA, Mr Kurniawan will be signing a service agreement with the Company on terms mutually agreeable between him and the Company for his appointment as an executive officer of the Company.

The Board is of the view that the appointment of Mr Kurniawan as an executive officer would be in the interest of the Company as Mr Kurniawan would be directly responsible to the Board on the performance of Investama and he would have to uphold and discharge his responsibilities consistent with the standards expected of an executive officer.

To ensure that Mr Kurniawan's package is competitive, apart from the existing salary of approximately S$7,000 per month which he receives from Investama, the Company would be paying him an additional S$7,000 per month for his additional responsibilities as an executive officer of the Company. In addition, the service agreement will contain a performance bonus component as summarised below:

Profit before tax[1] of Investama (per financial year) attributable to the Company ("PBT"), being 49% of the profit before tax of Investama	**Performance Bonus**
Up to and including US$3.0 million	1.5% of PBT
Above US$3.0 million but up to and including US$6.0 million	US$45,000 + 2.5% of PBT in excess of US$3.0 million
Above US$6.0 million but up to and including US$8.0 million	US$120,000 + 3.5% of PBT in excess of US$6.0 million
Above US$8.0 million	US$190,000 + 5.0% of PBT in excess of US$8.0 million

Note:

(1) Profit before tax of Investama attributable to the Company refers to 49% of the profit before income tax, minority interests and extraordinary items of Investama which is attributable to the Company, and excludes one-off gains and non-recurring income items.

The performance bonus is computed based on 49% of the profit before tax of Investama and will be borne by the Company.

Mr Kurniawan will spearhead the Marine Logistics Business of the Group. Please refer to section 2.6 of this Circular for more details on Mr Kurniawan's roles and responsibilities as an executive officer of the Company.

8. DIRECTORS' RECOMMENDATIONS

8.1 The Proposed Business Diversification, the Proposed Acquisition, the Proposed Share Consolidation and the Proposed Change of Auditors are subject to Shareholders' approval at the EGM.

8.2 None of the Directors is deemed to be interested for the purposes of making a recommendation to the Shareholders in respect of the Proposed Business Diversification, the Proposed Acquisition, the Proposed Share Consolidation and the Proposed Change of Auditors.

8.3 Proposed Business Diversification

After having considered, amongst other things, the terms and/or rationale of the Proposed Business Diversification, the Directors are of the view that the Proposed Business Diversification is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Business Diversification.

8.4 Proposed Acquisition

After having considered, amongst other things, the terms and/or rationale of the Proposed Acquisition, the Directors are of the view that the Proposed Acquisition is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Acquisition.

8.5 Proposed Share Consolidation

After having considered, amongst other things, the terms and/or rationale of the Proposed Share Consolidation, the Directors are of the view that the Proposed Share Consolidation is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Share Consolidation.

8.6 Proposed Change of Auditors

After having considered, amongst other things, the rationale of the Proposed Change of Auditors and the Audit Committee's recommendation, the Directors are of the view that the Proposed Change of Auditors is in the best interests of the Company and the Shareholders. Accordingly, the Directors recommend that the Shareholders vote in favour of the Proposed Change of Auditors.

8.7 The Directors, in rendering their recommendation, have not had regard to the specific investment objectives, financial situation, tax position or unique needs and constraints of any individual Shareholder. As different Shareholders would have different investment objectives and profiles, the Directors recommend that any individual Shareholder who may require advice in the context of his specific investment portfolio, should consult his stockbroker, bank manager, solicitor, accountant, tax adviser or other professional adviser immediately.

9. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 116 to 117 of this Circular, will be held on 18 November 2015, at 9:30 a.m. at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966, for the purpose of considering, and if thought fit, passing with or without any modifications, the ordinary resolutions set out in the aforementioned notice.

10. ACTIONS TO BE TAKEN BY THE SHAREHOLDERS

10.1 Shareholders who are unable to attend the EGM and who wish to appoint a proxy to attend and vote at the EGM on their behalf should complete, sign and return the Proxy Form attached to this Circular in accordance with the instructions printed thereon as soon as possible and in any event so as to arrive at the Company's registered office at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966 not less than 48 hours before the time fixed for the EGM. The sending of a Proxy Form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such event, the relevant Proxy Forms will be deemed to be revoked.

10.2 A Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 48 hours before the time fixed for the EGM.

11. ABSTENTION FROM VOTING

11.1 Shareholders who are interested in any of the Proposed Resolutions should abstain from voting on the respective resolution in which they are interested, and should not accept appointments as proxies to vote on such resolution, unless they as proxies are given specific instructions as to voting.

11.2 In particular, Mr Kurniawan will abstain from voting on the Proposed Acquisition at the EGM in respect of his shareholding in the Company and shall not accept nominations as proxies or otherwise for voting on the Proposed Acquisition. As at the Latest Practicable Date, Mr Kurniawan has no associate who has shareholding interest in the Company.

12. CONSENTS

12.1 Tata Capital has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, its letter or report, and all references thereto, in the form and context in which they appear in the Circular.

12.2 SMAR has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, its letter or report, and all references thereto, in the form and context in which they appear in the Circular.

12.3 Censere Singapore Pte Ltd has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, its letter or report, and all references thereto, in the form and context in which they appear in the Circular.

12.4 RT LLP has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, its letter or report, and all references thereto, in the form and context in which they appear in the Circular.

13. 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 Business Diversification, the Proposed Acquisition, the Proposed Share Consolidation and the Proposed Change of Auditors, the Company and its subsidiaries,

and the Directors are not aware of any facts the omission of which would make any statement in this Circular misleading. Where information in the 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 the Circular in its proper form and context.

14. FINANCIAL ADVISER'S RESPONSIBILITY STATEMENT

To the best of Tata Capital's knowledge and belief, this Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition, the Company and its subsidiaries, and Tata Capital is not aware of any facts the omission of which would make any statement in the document misleading.

15. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection during normal business hours at the registered office of the Company at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966 from the date hereof up to and including the date of the EGM:

(a) the memorandum and articles of association of the Company;

(b) the SPA;

(c) the valuation report prepared by the Independent Valuer;

(d) the Auditors' Certificate;

(e) the Director's Certificate;

(f) the written statement from RT LLP dated 9 October 2015;

(g) the letter of consent to act by PwC dated 21 October 2015;

(h) the letter of consent by Tata Capital referred to in section 12.1;

(i) the letter of consent by SMAR referred to in section 12.2;

(j) the letter of consent by Censere Singapore Pte Ltd referred to in section 12.3; and

(k) the letter of consent by RT LLP referred to in section 12.4.

Yours faithfully
for and on behalf of the Board of Directors of
PSL HOLDINGS LIMITED

Mark Zhou You Chuan
Executive Director

P.T. MOMENTUM INDONESIA INVESTAMA

LAPORAN KEUANGAN/*FINANCIAL STATEMENTS*
UNTUK TAHUN YANG BERAKHIR/
FOR THE YEAR ENDED
31 DESEMBER 2014/*DECEMBER 31, 2014*

DAN LAPORAN AUDITOR INDEPENDEN/
AND INDEPENDENT AUDITORS' REPORT

P.T. MOMENTUM INDONESIA INVESTAMA
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SHIPPING

SURAT PERNYATAAN DIREKSI TENTANG TANGGUNG JAWAB ATAS LAPORAN KEUANGAN UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2014

DIRECTORS' STATEMENT LETTER RELATING TO THE RESPONSIBILITY ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED DECEMBER 31, 2014

Kami yang bertanda tangan dibawah in/ *We, the undersigned:*

Nama/Name	: Sudirman Kurniawan
Alamat Kantor/ Office address	: Komplek Mahkota Raya Blok C/3A-5 Teluk Tering – Batam Kota
Nomor Telepon/*Phone Number*	: 0778 7483123
Jabatan/*Position*	: Direktur utama /*President Director*

Menyatakan bahwa/*state that:*

1. Bertanggung jawab atas penyusunan dan penyajian laporan keuangan Perusahaan untuk tahun yang berakhir 31 Desember 2014;

2. Laporan keuangan Perusahaan telah disusun dan disajikan sesuai dengan Standar Akuntansi Keuangan di Indonesia;

3. a. Semua informasi dalam laporan keuangan Perusahaan telah dimuat secara lengkap dan benar;

   b. Laporan keuangan Perusahaan tidak mengandung informasi atau fakta material yang tidak benar, dan tidak menghilangkan informasi atau fakta material;

4. Bertanggung jawab atas sistem pengendalian intern dalam Perusahaan.

Demikian pernyataan ini dibuat dengan sebenarnya.

1. Responsible for the preparation and presentation of the Company's financial statements for the year ended December 31, 2014;

2. The Company's financial statements have been prepared and presented in accordance with Indonesian Financial Accounting Standards;

3. a. All information contained in the Company's financial statements is complete and correct;

   b. The Company's financial statements do not contain misleading material information or facts, and do not omit material information and facts;

4. Responsible for the Company internal control system.

This statement letter is made truthfully.

Batam, 5 Juni 2015/ *June 5, 2015*

METERAI TEMPEL 0285BADF232945626 6000 ENAM RIBU RUPIAH

Sudirman Kurniawan
Direktur Utama/ *President Director*

PT. MOMENTUM INDONESIA INVESTAMA

S. MANNAN, ARDIANSYAH & REKAN
REGISTERED PUBLIC ACCOUNTANTS
SIU KAP Nomor : KEP-93/KM.1/2012

Member of
INTEGRA INTERNATIONAL®

Laporan Auditor Independen/*Independent Auditors' Report*

No. 16/MS.05/VI/2015

Pemegang Saham, Dewan Komisaris dan Direksi

P.T. Momentum Indonesia Investama

Kami telah mengaudit laporan keuangan P.T. Momentum Indonesia Investama terlampir, yang terdiri dari laporan posisi keuangan tanggal 31 Desember 2014, serta laporan laba rugi komprehensif, laporan perubahan ekuitas dan laporan arus kas untuk tahun yang berakhir tanggal tersebut, dan suatu ikhtisar kebijakan akuntansi signifikan dan informasi penjelasan lainnya.

Tanggung jawab manajemen atas laporan keuangan

Manajemen bertanggung jawab atas penyusunan dan penyajian wajar laporan keuangan tersebut sesuai dengan Standar Akuntansi Keuangan di Indonesia, dan atas pengendalian internal yang dianggap perlu oleh manajemen untuk memungkinkan penyusunan laporan keuangan yang bebas dari kesalahan penyajian material, baik yang disebabkan oleh kecurangan maupun kesalahan.

Tanggung jawab auditor

Tanggung jawab kami adalah untuk menyatakan suatu opini atas laporan keuangan tersebut berdasarkan audit kami. Kami melaksanakan audit kami berdasarkan Standar Audit yang ditetapkan oleh Institut Akuntan Publik Indonesia. Standar tersebut mengharuskan kami untuk mematuhi ketentuan etika serta merencanakan dan melaksanakan audit untuk memperoleh keyakinan memadai tentang apakah laporan keuangan tersebut bebas dari kesalahan penyajian material.

Suatu audit melibatkan pelaksanaan prosedur untuk memperoleh bukti audit tentang angka-angka dan pengungkapan dalam laporan keuangan. Prosedur yang dipilih bergantung pada pertimbangan auditor, termasuk penilaian atas risiko kesalahan penyajian material dalam laporan keuangan, baik yang disebabkan oleh kecurangan maupun kesalahan.

No. *16/MS.05/VI/2015*

The Stockholders, Board of Commissioners and Directors

P.T. Momentum Indonesia Investama

We have audited the accompanying financial statements of P.T. Momentum Indonesia Investama which comprise the statement of financial position as of December 31, 2014, and the statements of comprehensive income, changes in equity, and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Indonesian Financial Accounting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud of error.

Auditors' responsibility

Our responsibility is to express an opinion on such financial statements based on our audit. We conducted our audit in accordance with Standards on Auditing established by the Indonesian Institute of Certified Public Accountants. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether such financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

Head Office
Alamanda Tower Lt 2-G
Jl. TB. Simatupang Kav.23-24 Cilandak Barat - Jakarta Selatan
Tel : (021) 2966 1548, 29661549
Fax : (021) 2966 1550

Branch
• Komp. Perkantoran Pulo Gebang Permai Blok F2B Cakung, Jakarta I
Tel. : (021) 4870 5911, 4870 1917, Fax : (021) 4870 1917
• Jl. Rawa Bambu Raya B-6 Pasar Minggu
Tel. : (021) 7883 2340, Fax. : (021) 7883 2340

Dalam melakukan penilaian risiko tersebut, auditor mempertimbangkan pengendalian internal yang relevan dengan penyusunan dan penyajian wajar laporan keuangan entitas untuk merancang prosedur audit yang tepat sesuai dengan kondisinya, tetapi bukan untuk tujuan menyatakan opini atas keefektivitasan pengendalian internal entitas. Suatu audit juga mencakup pengevaluasian atas ketepatan kebijakan akuntansi yang digunakan dan kewajaran estimasi akuntansi yang dibuat oleh manajemen, serta pengevaluasian atas penyajian laporan keuangan secara keseluruhan.

Kami yakin bahwa bukti audit yang kami peroleh adalah cukup dan tepat untuk menyediakan suatu basis bagi opini audit kami.

Opini

Menurut opini kami, laporan keuangan terlampir menyajikan secara wajar, dalam semua hal yang material, posisi keuangan P.T. Momentum Indonesia Investama tanggal 31 Desember 2014, serta kinerja keuangan dan arus kasnya untuk tahun yang berakhir pada tanggal tersebut, sesuai dengan Standar Akuntansi Keuangan di Indonesia.

Hal lain

Seperti dijelaskan pada Catatan 4 atas laporan keuangan, pada tahun 2014, Perusahaan telah merubah mata uang pencatatan dan penyajian dari Rupiah menjadi Dollar Amerika Serikat untuk menyesuaikan dengan Pernyataan Standar Akuntansi Keuangan (PSAK) No. 10 (Revisi 2010), Pengaruh Perubahan Kurs Valuta Asing. Dengan demikian, laporan keuangan pada tanggal 31 Desember 2013 dan untuk tahun yang berakhir pada tanggal tersebut telah disajikan kembali.

In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of P.T. Momentum Indonesia Investama as of December 31, 2014 and its financial performance and cash flows for the year then ended in accordance with Indonesian Financial Accounting Standards.

Other matter

As discussed in Note 4 to the financial statements, in 2014, the Company have changed their recording and presentation currency from Indonesian Rupiah to U.S. Dollar to conform with the statement of Financial Accounting Standards (PSAK) No. 10 (Revised 2010), The Effects of Changes in Foreign Exchange Rates. Accordingly, the financial statement as of December 31, 2013 and for the year then ended have been restated.

S. MANNAN, ARDIANSYAH & REKAN

Drs. Muhammad Sofwan, CPA
Izin Akuntan Publik/*Public Accountant License* No. AP.0217
5 Juni 2015/*June 5, 2015*

P.T. MOMENTUM INDONESIA INVESTAMA
LAPORAN POSISI KEUANGAN
31 DESEMBER 2014

P.T. MOMENTUM INDONESIA INVESTAMA
STATEMENT OF FINANCIAL POSITION
DECEMBER 31, 2014

	2014	Catatan/ *Notes*	2013	
	USD		USD	
ASET				***ASSETS***
ASET LANCAR				***CURRENT ASSETS***
Kas dan bank	245.316	2d,5	130.440	*Cash on hand and in banks*
Piutang usaha		2d,6		*Trade accounts receivable*
Pihak berelasi	411.587	2c	-	*Related party*
Pihak ketiga	429.870		11.102	*Third parties*
Piutang lain-lain	1.040	2d	-	*Other accounts receivable*
Persediaan	237.783	2f	271.640	*Inventories*
Biaya dibayar dimuka	316.883	2g,7	159.749	*Prepaid expenses*
Uang muka	-		57.253	*Advance*
Jumlah Aset Lancar	1.642.479		630.184	***Total Current Assets***
ASET TIDAK LANCAR				***NON CURRENT ASSETS***
Piutang dari pihak-pihak berelasi	3.855	2c,2d,20	102.635	*Due from related parties*
Uang muka pembelian aset tetap	-		50.015	*Advances for purchases of equipment*
Aset tetap - setelah dikurangi akumulasi penyusutan sebesar USD 2.634.024 tahun 2014 dan USD 1.034.898 tahun 2013	36.460.442	2h,2i,2j,8	30.446.091	*Property, vessel and equipment - net of accumulated depreciation of USD 2,634,024 in 2014 and USD 1,034,898 in 2013*
Jumlah Aset Tidak Lancar	36.464.297		30.598.741	***Total Non Current Assets***
JUMLAH ASET	38.106.776		31.228.925	***TOTAL ASSETS***
LIABILITAS DAN EKUITAS				***LIABILITIES AND EQUITY***
LIABILITAS JANGKA PENDEK				***CURRENT LIABILITIES***
Utang usaha	1.043.506	2e,9	463.272	*Trade accounts payable*
Utang pajak	75.132	10	19.497	*Taxes payable*
Biaya masih harus dibayar	10.271	2e	10.271	*Accrued expenses*
Utang yang jatuh tempo dalam satu tahun		2e		*Current maturities of long - term loan*
Bank	5.634.575	12	4.975.474	*Banks*
Pembiayaan konsumen	5.951	13	8.493	*Consumer financing*
Jumlah Liabilitas Jangka Pendek	6.769.435		5.477.007	***Total Current Liabilities***
LIABILITAS JANGKA PANJANG				***NON CURRENT LIABILITIES***
Utang lain-lain	453.403	2e,11	811.826	*Other accounts payable*
Utang kepada pihak-pihak berelasi	4.622.507	2c,2e,20	6.754.693	*Due to related parties*
Utang jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun		2e		*Long-term loan - net of current maturities*
Bank	16.664.925	12	17.395.302	*Banks*
Pembiayaan konsumen	-	13	6.074	*Consumer financing*
Liabilitas imbalan pasca kerja	37.158	2k,14	-	*Post-employment benefits obligation*
Jumlah Liabilitas Jangka Panjang	21.777.993		24.967.895	***Total Non Current Liabilities***
EKUITAS				***EQUITY***
Modal saham - nilai nominal Rp 1.000.000 per saham Modal dasar, ditempatkan dan disetor penuh - 4.000 saham	399.909	2e,15	399.909	*Capital stock - Rp 1,000,000 par value per share Authorized, subscribed and paid up - 4,000 shares*
Uang muka setoran modal	8.520.900	2e,15	-	*Advance for capital stock subscriptions*
Saldo laba	638.539		384.114	*Retained earnings*
Jumlah Ekuitas	9.559.348		784.023	***Total Equity***
JUMLAH LIABILITAS DAN EKUITAS	38.106.776		31.228.925	***TOTAL LIABILITIES AND EQUITY***

Lihat catatan atas laporan keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan

See accompanying notes to financial statements which are an integral part of the financial statements.

P.T. MOMENTUM INDONESIA INVESTAMA
LAPORAN LABA RUGI KOMPREHENSIF
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2014

P.T. MOMENTUM INDONESIA INVESTAMA
STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 USD	Catatan/ *Notes*	2013 USD	
PENDAPATAN OPERASIONAL KAPAL	9.748.312	2l,16	3.569.083	***REVENUE FROM VESSEL OPERATIONS***
BEBAN OPERASIONAL KAPAL	7.649.029	2l,17	4.023.160	***VESSEL OPERATION COSTS***
LABA (RUGI) KOTOR	2.099.283		(454.077)	***GROSS PROFIT (LOSS)***
Beban usaha	(675.226)	2l,18	(59.180)	*Operating expenses*
Beban bunga dan keuangan	(1.487.552)	12,19	(702.605)	*Interest and financing charges*
Penghasilan bunga	9.247		900	*Interest income*
Keuntungan selisih kurs mata uang asing - bersih	425.653	2b	1.641.905	*Gain on foreign exchange - net*
LABA SEBELUM PAJAK	371.405		426.943	***INCOME BEFORE TAX***
BEBAN PAJAK	(116.980)	2m,10	(42.829)	***TAX EXPENSE***
LABA TAHUN BERJALAN	254.425		384.114	***INCOME FOR THE YEAR***
PENDAPATAN KOMPREHENSIF LAIN	-		-	***OTHER COMPREHENSIVE INCOME***
JUMLAH PENDAPATAN KOMPREHENSIF TAHUN BERJALAN	254.425		384.114	***TOTAL COMPREHENSIVE INCOME FOR THE YEAR***

Lihat catatan atas laporan keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan.

See accompanying notes to financial statements which are an integral part of the financial statements.

P.T. MOMENTUM INDONESIA INVESTAMA
LAPORAN PERUBAHAN EKUITAS
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2014

P.T. MOMENTUM INDONESIA INVESTAMA
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED DECEMBER 31, 2014

	Modal Ditempatkan dan Disetor/ *Issued and Paid-up Capital* USD	Uang Muka Setoran Modal/ *Advance For Capital Stock Subscriptions* USD	Saldo Laba/ *Retained Earnings* USD	Jumlah Ekuitas/ *Total Equity* USD	
Saldo per 1 Januari 2013	223.714	-	-	223.714	***Balance as of January 1, 2013***
Penambahan setoran modal	176.195	-	-	176.195	*Capital stock subscription*
Jumlah pendapatan komprehensif tahun berjalan	-	-	384.114	384.114	*Total comprehensive income for the year*
Saldo per 31 Desember 2013	399.909		384.114	784.023	***Balance as of December 31, 2013***
Uang muka setoran modal	-	8.520.900	-	8.520.900	*Advance for capital stock subscriptions*
Jumlah pendapatan komprehensif tahun berjalan	-		254.425	254.425	*Total comprehensive income for the year*
Saldo per 31 Desember 2014	399.909	8.520.900	638.539	9.559.348	***Balance as of December 31, 2014***

Lihat catatan atas laporan keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan.

See accompanying notes to financial statements which are an integral part of the financial statements

P.T. MOMENTUM INDONESIA INVESTAMA
LAPORAN ARUS KAS
UNTUK TAHUN YANG BERAKHIR 31 DESEMBER 2014

P.T. MOMENTUM INDONESIA INVESTAMA
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED DECEMBER 31, 2014

	2014 USD	2013 USD	
ARUS KAS DARI AKTIVITAS OPERASI			***CASH FLOWS FROM OPERATING ACTIVITIES***
Laba sebelum pajak	371.405	426.943	*Income before tax*
Penyesuaian untuk:			*Adjusments for:*
Imbalan pasca kerja	37.158	-	*Provision of employment benefit*
Penyusutan	1.599.126	1.034.898	*Depreciation*
Beban bunga dan keuangan	1.487.552	702.605	*Interest and financing charges*
Kerugian (keuntungan) selisih kurs mata uang asing	(188.568)	15.365	*Loss (gain) on foreign exchange*
Arus kas operasi sebelum perubahan modal kerja	3.306.673	2.179.811	*Operating cash flows before changes in working capital*
Perubahan modal kerja:			*Changes in working capital:*
Piutang usaha	(830.355)	(11.102)	*Trade accounts receivable*
Piutang lain-lain	(1.040)	-	*Other accounts receivable*
Persediaan	33.857	(271.640)	*Inventories*
Biaya dibayar dimuka	(157.134)	(159.749)	*Prepaid expenses*
Uang muka	57.253	(57.253)	*Advance*
Utang usaha	580.234	463.272	*Trade accounts payable*
Utang pajak	43.125	14.320	*Taxes payable*
Biaya masih harus dibayar	-	10.271	*Accrued expenses*
Utang lain-lain	(358.423)	811.826	*Other accounts payable*
Kas yang diperoleh dari operasi	2.674.190	2.979.756	*Cash generated from operations*
Pembayaran beban bunga dan keuangan	(1.503.242)	(776.068)	*Payment of interest and financing charges*
Pembayaran pajak penghasilan final	(104.470)	(37.652)	*Payment of final tax*
Kas Bersih Diperoleh dari Aktivitas Operasi	1.066.478	2.166.036	***Net Cash Provided by Operating Activities***
ARUS KAS DARI AKTIVITAS INVESTASI			***CASH FLOWS FROM INVESTING ACTIVITIES***
Perolehan aset tetap	(5.417.730)	(24.087.292)	*Acquisitions of property, vessel and equipment*
Uang muka pembelian aset tetap	-	(50.015)	*Advance for the purchases of property, vessel and equipment*
Kas Bersih Digunakan untuk Aktivitas Investasi	(5.417.730)	(24.137.307)	***Cash Used in Investing Activities***
KAS BERSIH DARI AKTIVITAS PENDANAAN			***CASH FLOWS FROM FINANCING ACTIVITIES***
Penerimaan dari utang bank jangka panjang	5.082.000	18.209.477	*Proceed from long-term bank loans*
Pembayaran utang bank jangka panjang	(4.949.018)	(1.835.484)	*Payment for long-term bank loans*
Pembayaran utang sewa pembiayaan konsumen	(8.616)	(13.697)	*Payment for consumer financing*
Penerimaan dari pihak-pihak berelasi-bersih	(4.179.138)	5.341.506	*Proceed from related parties-net*
Penerimaan uang muka setoran modal	8.520.900	-	*Receipts of advance for capital stock subscriptions*
Penerimaan modal disetor selama tahun berjalan	-	176.195	*Capital stock subscriptions received during current year*
Kas Bersih Diperoleh dari Aktivitas Pendanaan	4.466.128	21.877.997	***Net Cash Provided by Financing Activities***
KENAIKAN (PENURUNAN) BERSIH KAS DAN BANK	114.876	(93.274)	***NET INCREASE (DECREASE) IN CASH ON HAND AND IN BANKS***
KAS DAN BANK AWAL TAHUN	130.440	223.714	***CASH ON HAND AND IN BANKS AT BEGINNING OF YEAR***
KAS DAN BANK AKHIR TAHUN	245.316	130.440	***CASH ON HAND AND IN BANKS AT END OF YEAR***

Lihat Catatan atas Laporan Keuangan yang merupakan bagian yang tidak terpisahkan dari laporan keuangan.

See accompanying Notes to Financial Statements which are an integral part of the financial statements.

1. UMUM

P.T. Momentum Indonesia Investama ("Perusahaan"), didirikan berdasarkan akta No. 20 tanggal 11 Oktober 2011 dari Maria Hilaria Salim, S.H., notaris di Batam. Akta pendirian ini telah disahkan oleh Menteri Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusannya No. AHU-51963.AH.01.01.Tahun 2011 tanggal 25 Oktober 2011. Anggaran dasar Perusahaan telah mengalami beberapa kali perubahan, terakhir dengan akta No. 17 pada tanggal 17 Oktober 2013 dari notaris yang sama, mengenai perubahan susunan pengurus dan pemegang saham Perusahaan. Akta perubahan ini telah diterima dan dicatat dalam *database* Sistem Administrasi Badan Hukum Kementerian Hukum dan Hak Asasi Manusia Republik Indonesia dalam Surat Keputusannya No.AHU-AH.01.10-47866 tanggal 12 Nopember 2013.

Perusahaan berdomisili di Batam dengan kantor beralamat di Komplek Mahkota Raya Blok C/3A-5, Teluk Tering, Batam.

Sesuai dengan pasal 3 anggaran dasar Perusahaan, ruang lingkup kegiatan Perusahaan bergerak dalam bidang pelayaran (*shipping*) meliputi pengangkutan dan pelayaran muatan kapal laut serta persewaan kapal laut. Perusahaan mulai beroperasi komersial pada tahun 2013.

Susunan pengurus Perusahaan pada tanggal 31 Desember 2014 dan 2013 adalah sebagai berikut:

1. GENERAL

P.T. Momentum Indonesia Investama (the "Company") was established based on notarial deed No. 20 dated October 11, 2011 of Maria Hilaria Salim, S.H., notary in Batam. The deed of establishment was approved by the Minister of Law and Human Right of the Republic Indonesia in his Decision Letter No. AHU-51963.AH.01.01.Tahun 2011 dated October 25, 2011. The Company's Articles of Association have been amended several times, most recently by deed No. 17 dated October 17, 2013 of the same notary, concerning the changes of the board and shareholders of the Company. This amendment has been reported to and recorded in the database of the Legal Entity Administration System of the ministry of Laws and Human Rights of the Republic of Indonesia with Decision Letter No. AHU-AH.01.10-47866 dated November 12, 2013.

The Company is domiciled in Batam with its office located in Komplek Mahkota Raya Blok C/3A-5, Teluk Tering, Batam.

In accordance with article 3 of the Company's articles of association, the scope of its activities are engaged in shipping including transport and shipping cargo and rental of vessels. The Company has started commercial operation in 2013.

The Company's management at December 31, 2014 and 2013 consisted of the following:

Komisaris Utama	Angelo Fernandus	*President Commissioner*
Komisaris	Junaidy Limgestu	*Commissioner*
Direktur Utama	Sudirman Kurniawan	*President Director*
Direktur	Johnny Suhali	*Director*

Pada tanggal 31 Desember 2014 dan 2013, Perusahaan mempunyai jumlah karyawan masing-masing sebanyak 28 dan 7 karyawan.

As of December 31, 2014 and 2013, the Company had total number of employees of 28 and 7, respectively.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN

a. Penyajian Laporan Keuangan

Laporan keuangan telah disusun sesuai dengan Standar Akuntansi Keuangan di Indonesia (SAK), yang mencakup Pernyataan Standar Akuntansi Keuangan (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK) yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan Ikatan Akuntan Indonesia.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

a. Financial Statement Presentation

The financial statements have been prepared in accordance with Indonesian Financial Accounting Standards ("SAK"), which are comprised of the Statements of Financial Accounting Standards ("PSAK") and Interpretations to Financial Accounting Standards ("ISAK") issued by the Board of Financial Accounting Standards of the Indonesian Institute of Accountants.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

a. Penyajian Laporan Keuangan (lanjutan)

Laporan keuangan disusun berdasarkan konsep akrual dengan menggunakan konsep biaya historis, kecuali untuk beberapa akun tertentu yang diukur berdasarkan pengukuran sebagaimana diuraikan dalam kebijakan akuntansi masing-masing akun tersebut.

Laporan arus kas disusun dengan menggunakan metode tidak langsung, menyajikan penerimaan dan pengeluaran kas dan bank yang diklasifikasikan dalam aktivitas operasi, investasi dan pendanaan.

Akun-akun yang tercakup dalam laporan keuangan Perusahaan diukur dengan menggunakan mata uang dari lingkungan ekonomi utama di mana Perusahaan beroperasi ("mata uang fungsional"), dimana Perusahaan menggunakan Dollar Amerika Serikat (USD) sebagai mata uang pelaporan, yang merupakan mata uang fungsional.

Penerapan Standar Akuntansi Keuangan Baru dan Revisi (PSAK) dan Interpretasi Standar Akuntansi Keuangan (ISAK)

Standar yang berlaku efektif pada tahun berjalan

Dalam tahun berjalan, Perusahaan telah menerapkan standar baru dan revisi berikut yang dikeluarkan oleh Dewan Standar Akuntansi Keuangan dari Ikatan Akuntan Indonesia yang diwajibkan efektif untuk periode akuntansi yang dimulai pada tanggal 1 Januari 2014. Penerapan standar ini tidak berdampak terhadap nilai tercatat aset dan liabilitas serta pengungkapan terkait, tetapi terdapat kemungkinan akan mempengaruhi akuntansi dan pengungkapan transaksi dan pengaturan di masa yang akan datang:

- ISAK 27, "Pengalihan Aset dari Pelanggan"
- ISAK 28, "Pengakhiran Liabilitas Keuangan dengan Instrumen Ekuitas"

Standar dan interpretasi telah diterbitkan tapi belum diterapkan

Efektif untuk periode yang dimulai pada atau setelah 1 Januari 2015 adalah:

- PSAK 1 (Revisi 2013), "Penyajian Laporan Keuangan"
- PSAK 4 (Revisi 2013), "Laporan Keuangan Tersendiri"
- PSAK 15 (Revisi 2013), "Investasi pada Entitas Asosiasi dan Ventura Bersama"
- PSAK 24 (Revisi 2013), "Imbalan kerja"

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

a. *Financial Statement Presentation (continued)*

The financial statements are prepared under the accrual basis of accounting using historical cost measurement, except for certain accounts which are measured on the bases described in the related accounting policies.

The statement of cash flow is prepared using the indirect method, presenting the receipts and disbursements of cash on hand and in banks with classification of cash flow into operating, investing and financing activities.

Accounts included in the financial statements of the Company are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"), whereby the Company uses United Stated Dollar (USD) as reporting currency, which is also the functional currency.

Adoption of New and Revised Financial Accounting Standards ("PSAK") and Interpretations to Financial Accounting Standards ("ISAK")

Standards effective in the current period

In the current year, the Company has adopted the following new and revised standards issued by the Financial Accounting Standards Board of the Indonesian Institute of Accountants that are mandatorily effective for accounting periods beginning on January 1, 2014. Their adoption has not had any significant impact on the amounts reported in these financial statements but may impact the accounting for future transactions or arrangements:

- *ISAK 27, "Transfers Assets from Customers"*
- *ISAK 28, "Extinguishing Financial Liabilities with Equity Instrument"*

Standards and interpretation in issue not yet adopted

Effective for periods beginning on or after January 1, 2015:

- *PSAK 1 (Revised 2013), "Presentation of Financial Statements"*
- *PSAK 4 (Revised 2013), "Separate Financial Statement"*
- *PSAK 15 (Revised 2013), "Investments in Associates and Joint Ventures"*
- *PSAK 24 (Revised 2013), "Employee Benefits"*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

a. Penyajian Laporan Keuangan (lanjutan)

Standar dan interpretasi telah diterbitkan tapi belum diterapkan (lanjutan)

- PSAK 65, "Laporan Keuangan Konsolidasian"
- PSAK 66, "Pengaturan Bersama"
- PSAK 67, "Pengungkapan Kepentingan dalam Entitas Lain"
- PSAK 68, "Pengukuran Nilai Wajar"

Sampai dengan tanggal penerbitan laporan keuangan, manajemen sedang mengevaluasi dampak dari penerapan standar-standar tersebut terhadap laporan keuangan.

b. Transaksi dan Saldo Dalam Mata Uang Asing

Transaksi dalam mata uang selain Dolar Amerika Serikat (USD) dicatat dalam USD pada kurs yang berlaku pada saat transaksi dilakukan. Pada tanggal pelaporan, aset dan liabilitas moneter dalam mata uang selain USD disesuaikan untuk mencerminkan kurs yang berlaku pada tanggal tersebut. Laba atau rugi kurs yang terjadi dikreditkan atau dibebankan pada operasi tahun berjalan.

c. Transaksi dengan Pihak-Pihak Berelasi

Pihak yang berelasi adalah orang atau entitas yang terkait dengan Perusahaan yaitu:

a) Orang atau anggota keluarga terdekat yang mempunyai relasi dengan Perusahaan jika orang tersebut:

1. Memiliki pengendalian atau pengendalian bersama atas Perusahaan;
2. Memiliki pengaruh signifikan atas Perusahaan; atau
3. Personil manajemen kunci Perusahaan atau entitas induk Perusahaan.

b) Suatu entitas berelasi dengan Perusahaan jika memenuhi salah satu hal berikut:

1. Entitas dan Perusahaan adalah anggota dari kelompok usaha yang sama.
2. Perusahaan adalah entitas asosiasi atau ventura bersama dari entitas lain atau sebaliknya (atau entitas asosiasi atau ventura bersama yang merupakan anggota suatu kelompok usaha, yang mana entitas lain tersebut adalah anggotanya).

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

a. Financial Statement Presentation (continued)

Standards and interpretation in issue not yet adopted (continued)

- *PSAK 65, "Consolidated Financial Statements"*
- *PSAK 66, "Joint Arrangements"*
- *PSAK 67, "Disclosures of Interests in Other Entities"*
- *PSAK 68, "Fair Value Measurements"*

As of issuance date of the financial statements, the effect of adoption of the above standards is still being evaluated by management.

b. Foreign Currency Transactions and Balances

Transactions involving in other currencies other than U.S. Dollar (USD) are recorded in USD at the rates of exchange prevailing at the time the transactions are made. At the reporting date, monetary assets and liabilities denominated in currencies other than USD are adjusted to reflect the rates of exchange prevailing at that date. The resulting gains or losses are credited or charged to current operations.

c. Transaction with Related Parties

A related party is a person or entity that is related to the Company:

a) A person or a close member of that person's family is related to the Company if that person:

1. *Has control or joint control over the Company;*
2. *Has significant influence over the Company;*
3. *Is a member of the key management personnel of the Company.*

b) An entity is related to the Company if any of the following conditions applies:

1. *The entity and the Company are members of the same group.*
2. *The Company is an associate or joint venture of the other entity or vice versa (or an associate or joint venture of a member of a group of which the Company and the other entity is a member).*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

c. Transaksi dengan Pihak-Pihak Berelasi (lanjutan)

3. Perusahaan adalah ventura bersama dari pihak ketiga yang sama.

4. Perusahaan adalah ventura bersama dari entitas ketiga dan entitas yang lain adalah entitas asosiasi dari entitas ketiga atau sebaliknya.

5. Entitas tersebut adalah suatu program imbalan pasca kerja untuk imbalan kerja dari salah satu entitas pelapor atau entitas yang terkait dengan Perusahaan.

6. Entitas yang dikendalikan atau dikendalikan bersama oleh orang yang diidentifikasi dalam huruf a).

7. Orang yang diidentifikasi dalam huruf a)1. memiliki pengaruh signifikan atas entitas atau personil manajemen kunci entitas.

Semua transaksi yang dilakukan dengan pihak-pihak berelasi, baik yang dilakukan dengan kondisi dan persyaratan yang sama dengan pihak ketiga maupun tidak, akan diungkapkan pada laporan keuangan.

d. Aset Keuangan

Seluruh aset keuangan diakui dan dihentikan pengakuannya pada tanggal diperdagangkan dimana pembelian dan penjualan aset keuangan berdasarkan kontrak yang mensyaratkan penyerahan aset keuangan dalam kurun waktu yang ditetapkan oleh kebiasaan pasar yang berlaku, dan awalnya diukur sebesar nilai wajar ditambah biaya transaksi, kecuali untuk aset keuangan yang diukur pada nilai wajar melalui laporan laba rugi, yang awalnya diukur sebesar nilai wajar.

Aset keuangan diklasifikasikan sebagai berikut:

- Nilai wajar melalui laporan laba rugi
- Dimiliki hingga jatuh tempo
- Tersedia untuk dijual
- Pinjaman yang diberikan dan piutang

Pengklasifikasian ini tergantung pada sifat dan tujuan aset keuangan dan ditetapkan pada saat pengukuran awal. Pada tanggal 31 Desember 2014 dan 2013, Perusahaan memiliki aset keuangan yang diklasifikasikan hanya sebagai pinjaman yang diberikan dan piutang.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

c. *Transaction with Related Parties (continued)*

3. *The Company and the entity are joint ventures of the same third party.*

4. *The Company is a joint venture of a third entity and the other entity is an associate of the third entity or vice versa.*

5. *The entity is a post-employment defined benefit plan for the benefit of employees of either the Company or an entity related to the Company.*

6. *The entity is controlled or jointly controlled by a person identified in point a).*

7. *A person identified in point a)1. has significant influence over the entity or is a member of the key management personnel of the entity.*

All transactions with related parties, whether or not made at similar terms and conditions as those done with third parties, are disclosed in the financial statements.

d. *Financial Assets*

All financial assets are recognized and derecognized on trade date where the purchase or sale of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The financial assets are classified as follows:

- *Fair Value Through Profit Or Loss*
- *Held to Maturity*
- *Available-for-Sale*
- *Loans and Receivables*

These classifications depend on the nature and purpose of financial assets and set at the initial measurement. As of December 31, 2014 and 2013, the Company has financial assets only classified as loans and receivables.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

d. Aset Keuangan (lanjutan)

Pinjaman yang diberikan dan piutang

Piutang usaha, piutang lain-lain dan piutang dari pihak-pihak berelasi dengan pembayaran tetap atau telah ditentukan dan tidak mempunyai kuotasi di pasar aktif diklasifikasi sebagai "pinjaman yang diberikan dan piutang", yang diukur pada biaya perolehan diamortisasi dengan menggunakan metode suku bunga efektif dikurangi penurunan nilai.

Bunga diakui dengan menggunakan metode suku bunga efektif, kecuali piutang jangka pendek dimana pengakuan bunga tidak material.

Metode suku bunga efektif

Metode suku bunga efektif adalah metode yang digunakan untuk menghitung biaya perolehan diamortisasi dari instrumen keuangan dan metode untuk mengalokasikan pendapatan bunga selama periode yang relevan.

Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi penerimaan kas di masa datang (mencakup seluruh komisi dan bentuk lain yang dibayarkan dan diterima oleh para pihak dalam kontrak yang merupakan bagian yang tak terpisahkan dari suku bunga efektif, biaya transaksi dan premium dan diskonto lainnya) selama perkiraan umur instrumen keuangan, atau jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari aset keuangan pada saat pengakuan awal.

Penurunan nilai aset keuangan

Pinjaman yang diberikan dan piutang dievaluasi terhadap indikator penurunan nilai pada setiap tanggal pelaporan. Aset keuangan diturunkan nilainya bila terdapat bukti objektif, sebagai akibat dari satu atau lebih peristiwa yang terjadi setelah pengakuan awal aset keuangan, dan peristiwa yang merugikan tersebut berdampak pada estimasi arus kas masa depan atas aset keuangan yang dapat diestimasi secara andal.

Bukti objektif penurunan nilai termasuk sebagai berikut:

- Kesulitan keuangan signifikan yang dialami penerbit atau pihak peminjam; atau
- Pelanggaran kontrak, seperti terjadinya wanprestasi atau tunggakan pembayaran pokok atau bunga; atau
- Terdapat kemungkinan bahwa pihak peminjam akan dinyatakan pailit atau melakukan reorganisasi keuangan.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

d. Financial Assets (continued)

Loans and receivable

Trade accounts receivable, other accounts receivable and due from related parties that have fixed or determinable payments that are not quoted in an active market are classified as "loans and receivables". Loans and receivables are measured at amortized cost using the effective interest method less impairment.

Interest is recognized by applying the effective interest rate method, except for short-term receivables when the recognition of interest would be immaterial.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial instrument and of allocating interest income over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or, where appropriate, a shorter period to the net carrying amount on initial recognition.

Impairment of financial assets

Loans and receivable are assessed for indicators of impairment at each reporting date. Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows of the investment have been impacted.

Objective evidence of impairment could include:

- *Significant financial difficulty of the issuer or counterparty; or*
- *Default or delinquency in interest or principal payments; or*
- *It becoming probable that the borrower will enter bankruptcy or financial re-organization.*

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

d. Aset Keuangan (lanjutan)

Penurunan nilai aset keuangan (lanjutan)

Untuk kelompok pinjaman yang diberikan dan piutang, aset yang dinilai tidak akan diturunkan secara individual, akan dilakukan penurunan secara kolektif. Bukti objektif dari penurunan nilai portofolio piutang dapat termasuk pengalaman Perusahaan atas tertagihnya piutang di masa lalu, peningkatan keterlambatan penerimaan pembayaran piutang dari rata-rata periode kredit, dan juga pengamatan atas perubahan kondisi ekonomi nasional atau lokal yang berkorelasi dengan ketidaktertagihan atas piutang.

Jumlah kerugian penurunan nilai merupakan selisih antara nilai tercatat aset keuangan dengan nilai kini dari estimasi arus kas masa datang yang didiskontokan menggunakan tingkat suku bunga efektif awal dari aset keuangan.

Nilai tercatat aset keuangan tersebut dikurangi dengan kerugian penurunan nilai secara langsung atas aset keuangan, kecuali piutang yang nilai tercatatnya dikurangi melalui penggunaan akun penyisihan piutang. Jika piutang tidak tertagih, piutang tersebut dihapuskan melalui akun penyisihan piutang. Pemulihan kemudian dari jumlah yang sebelumnya telah dihapuskan dikreditkan terhadap akun penyisihan. Perubahan nilai tercatat akun penyisihan piutang diakui dalam laporan laba rugi komprehensif.

Penghentian pengakuan aset keuangan

Perusahaan menghentikan pengakuan aset keuangan, jika dan hanya jika, hak kontraktual atas arus kas yang berasal dari aset berakhir, atau Perusahaan mentransfer aset keuangan dan secara substansial mentransfer seluruh risiko dan manfaat atas kepemilikan aset kepada entitas lain.

Jika Perusahaan tidak mentransfer serta tidak memiliki secara substansial atas seluruh risiko dan manfaat kepemilikan serta masih mengendalikan aset yang ditransfer, maka Perusahaan mengakui keterlibatan berkelanjutan atas aset yang ditransfer dan liabilitas terkait sebesar jumlah yang mungkin harus dibayar. Jika Perusahaan memiliki secara substansial seluruh risiko dan manfaat kepemilikan aset keuangan yang ditransfer, Perusahaan masih mengakui aset keuangan dan juga mengakui pinjaman yang dijamin sebesar pinjaman yang diterima.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

d. *Financial Assets (continued)*

Impairment of financial assets (continued)

For loans and receivable category, assets that are assessed not to be impaired individually, in addition, assessed for impairment on a collective basis. Objective evidence of impairment for a portfolio of receivables could include the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period, as well as observable changes in national or local economic conditions that correlate with default on receivables.

The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of receivables, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written off against the allowance account. Subsequent recoveries of amount previously written off are credited against the allowance account. Changes in the carrying amount of the allowance account are recognized in statements of comprehensive income.

Derecognition of financial assets

The Company derecognizes a financial asset only when the contractual rights to the cash flows from the asset expire, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity.

If the Company neither transfer nor retains substantially all the risks and rewards of ownership and continues to control the transferred assets, the Company recognized its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Company continue to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

e. Liabilitas Keuangan dan Instrumen Ekuitas

Klasifikasi sebagai liabilitas dan ekuitas

Liabilitas keuangan dan instrumen ekuitas yang diterbitkan oleh Perusahaan diklasifikasikan sesuai dengan substansi perjanjian kontraktual dan definisi liabilitas keuangan dan instrumen ekuitas.

Instrumen ekuitas

Instrumen ekuitas adalah setiap kontrak yang memberikan hak residual atas aset Perusahaan setelah dikurangi dengan seluruh liabilitasnya. Instrumen ekuitas dicatat sebesar hasil penerimaan bersih setelah dikurangi biaya penerbitan langsung.

Liabilitas keuangan

Utang usaha, biaya masih harus dibayar, utang lain-lain, utang kepada pihak-pihak berelasi, utang bank jangka panjang dan utang pembiayaan konsumen pada awalnya diukur pada nilai wajar, setelah dikurangi biaya transaksi, dan selanjutnya diukur pada biaya perolehan yang diamortisasi dengan menggunakan metode suku bunga efektif, dengan beban bunga diakui berdasarkan metode suku bunga efektif.

Metode suku bunga efektif adalah metode untuk menghitung biaya perolehan diamortisasi dari liabilitas keuangan dan mengalokasikan beban bunga selama periode yang relevan. Suku bunga efektif adalah suku bunga yang secara tepat mendiskontokan estimasi pembayaran kas di masa datang selama perkiraan umur liabilitas keuangan, atau, jika lebih tepat, digunakan periode yang lebih singkat untuk memperoleh nilai tercatat bersih dari liabilitas keuangan pada saat pengakuan awal.

Selisih antara hasil emisi (setelah dikurangi biaya transaksi) dan penyelesaian atau pelunasan pinjaman diakui selama jangka waktu pinjaman.

Penghentian pengakuan liabilitas keuangan

Perusahaan menghentikan pengakuan liabilitas keuangan, jika dan hanya jika, liabilitas Perusahaan telah dilepaskan, dibatalkan atau kadaluarsa.

f. Persediaan

Persediaan dinyatakan berdasarkan biaya perolehan atau nilai realisasi bersih, mana yang lebih rendah. Biaya perolehan ditentukan dengan metode *first in first out* (FIFO). Nilai realisasi bersih adalah estimasi harga jual dalam kondisi bisnis normal, dikurangi estimasi biaya yang dikeluarkan untuk penjualan tersebut.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

e. *Financial Liabilities and Equity Instruments*

Classification as debt or equity

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

Equity instrument

An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs.

Financial liabilities

Trade accounts payable, accrued expenses, other accounts payable, due to related parties, long-term bank loans and consumer financing are initially measured at fair value, net of transaction costs, and are subsequently measured at amortized cost, using the effective interest rate method, with interest expense recognized on an effective yield basis.

Effective interest rate method is the method to calculate amortized carrying cost of financial liabilities and allocate interest expense during the relevant period. Effective interest rate is the interest rate which exactly discount the estimates future cash disbursement through the expected life of the financial liabilities, or, for more precise, used the shorter period to get net carrying amount of financial liabilities on the initial recognition.

Any difference between the proceeds (net transaction costs) and the settlement or redemption of borrowings is recognized over the term of the borrowings.

Derecognition of financial liabilities

The Company derecognize financial liabilities, when and only when, the Company's obligations are discharged, cancelled or they expire.

f. *Inventories*

Inventories are stated at cost or net realizable value, whichever is lower. Cost is determined using the first-in, first-out method. Net realizable value is the estimated selling price in the normal conditions of business, less the estimated costs incurred for the sales.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

g. Biaya Dibayar Dimuka

Biaya dibayar dimuka diamortisasi selama manfaat masing-masing biaya dengan menggunakan metode garis lurus.

h. Aset Tetap

Aset tetap yang dimiliki untuk digunakan dalam penyediaan jasa atau untuk tujuan administratif dicatat berdasarkan biaya perolehan setelah dikurangi akumulasi penyusutan dan akumulasi kerugian penurunan nilai.

Aset tetap disusutkan dengan menggunakan metode garis lurus berdasarkan taksiran masa manfaat ekonomis aset tetap sebagai berikut:

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

g. Prepaid Expenses

Prepaid expenses are amortized over their benefical periods using the straight line method.

h. Property, Vessel and Equipment

Property, vessel and equipment held for use in supply of services or for administrative purposes, are stated at cost, less accumulated depreciation and any accumulated impairment losses.

Property, vessel and equipment are depreciated using the straight-line method over the estimated useful lives of property, vessel and equipment depreciation rates as follows:

	Tahun / Years	
Bangunan	20	*Building*
Kapal	20	*Vessels*
Mesin dan peralatan	8	*Machinery and equipment*
Kendaraan	4 - 8	*Vehicles*
Inventaris kantor	4	*Office equipment*
Inventaris kapal	4	*Vessels equipment*

Tanah dinyatakan berdasarkan biaya perolehan dan tidak disusutkan.

Land is stated at cost and is not depreciated.

Masa manfaat ekonomis, nilai residu dan metode penyusutan *direview* setiap akhir tahun dan pengaruh dari setiap perubahan estimasi tersebut berlaku prosektif.

The estimated useful lives, residual values and depreciation method are reviewed at each year end, with the effect of any changes in estimate accounted for on a prospective basis.

Beban pemeliharaan dan perbaikan dibebankan pada laporan laba rugi komprehensif pada saat terjadinya. Biaya-biaya lain yang terjadi selanjutnya yang timbul untuk menambah, mengganti atau memperbaiki aset tetap dicatat sebagai biaya perolehan aset, jika dan hanya jika, besar kemungkinan manfaat ekonomis di masa depan berkenaan dengan aset tersebut akan mengalir ke entitas dan biaya perolehan aset dapat diukur secara andal. Aset tetap yang sudah tidak digunakan lagi atau yang dijual dikeluarkan dari kelompok aset tetap berikut akumulasi penyusutannya. Keuntungan atau kerugian dari penjualan aset tetap tersebut dibukukan dalam laporan laba rugi komprehensif pada tahun yang bersangkutan.

The cost of maintenance and repairs is charged to operations as incurred. Other costs incurred subsequently to add to, replace part of, or service an item of property, vessel and equipment, are recognized as asset if, and only if it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When assets are retired or otherwise disposed of, their carrying values and the related accumulated depreciation and any impairment loss are removed from the accounts and any resulting gain or loss is reflected in the current operations.

Akumulasi biaya konstruksi kapal dikapitalisasi sebagai "Aset dalam penyelesaian". Biaya tersebut direklasifikasi ke akun aset tetap pada saat proses konstruksi selesai. Penyusutan mulai dibebankan pada saat aset tersebut siap untuk digunakan.

The accumulated costs of vessel construction are capitalized as "Assets under construction". These costs are reclassified to property, vessel and equipment accounts when the construction is completed. Depreciation is charged from the date when assets are ready for use.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

i. Penurunan Nilai Aset Non-Keuangan

Pada tanggal pelaporan, Perusahaan menelaah nilai tercatat aset non-keuangan untuk menentukan apakah terdapat indikasi bahwa aset tersebut telah mengalami penurunan nilai. Jika terdapat indikasi tersebut, nilai yang dapat diperoleh kembali dari aset diestimasi untuk menentukan tingkat kerugian penurunan nilai (jika ada).

Bila tidak memungkinkan untuk mengestimasi nilai yang dapat diperoleh kembali atas suatu aset individu, Perusahaan mengestimasi nilai yang dapat diperoleh kembali dari unit penghasil kas atas aset.

Perkiraan jumlah yang dapat diperoleh kembali adalah nilai tertinggi antara harga jual neto atau nilai pakai. Jika jumlah yang dapat diperoleh kembali dari aset non-keuangan (unit penghasil kas) kurang dari nilai tercatatnya, nilai tercatat aset (unit penghasil kas) dikurangi menjadi sebesar nilai yang dapat diperoleh kembali dan rugi penurunan nilai diakui langsung ke laba rugi.

j. Kapitalisasi Biaya Pinjaman

Perusahaan mengkapitalisasi beban bunga atas pinjaman yang digunakan untuk mendanai pembangunan atau instalasi aset tetap. Kapitalisasi atas biaya pinjaman dihentikan pada saat pembangunan atau instalasi tersebut selesai dan aset yang telah selesai dibangun atau diinstalasi dan telah siap untuk digunakan.

k. Imbalan Pasca Kerja

Perusahaan menghitung dan mencatat imbalan pasca kerja untuk karyawan sesuai dengan berdasarkan Undang-Undang Ketenagakerjaan No. 13 tahun 2003. Tidak ada pendanaan yang disisihkan sehubungan dengan imbalan pasca kerja ini.

Perhitungan imbalan pasca kerja menggunakan metode *Projected Unit Credit*. Akumulasi keuntungan dan kerugian aktuarial bersih yang belum diakui yang melebihi 10% dari nilai kini imbalan pasti diakui dengan metode garis lurus selama rata-rata sisa masa kerja yang diprakirakan dari para pekerja dalam program tersebut (pendekatan koridor). Biaya jasa lalu dibebankan langsung apabila imbalan tersebut menjadi hak atau vested, dan sebaliknya akan diakui sebagai beban dengan metode garis lurus selama periode rata-rata sampai imbalan tersebut menjadi hak atau vested.

Jumlah yang diakui sebagai liabilitas imbalan pasca kerja di laporan posisi keuangan merupakan nilai kini liabilitas imbalan pasti disesuaikan dengan keuntungan dan kerugian aktuarial yang belum diakui, dan biaya jasa lalu yang belum diakui.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

i. Impairment of Non-Financial Asset

At reporting date, the Company review the carrying amount of non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs.

Estimated recoverable amount is the higher of net selling price or value in use. If the recoverable amount of a non-financial asset (cash generating unit) is less than its carrying amount, the carrying amount of the asset (cash generating unit) is reduced to its recoverable amount and an impairment loss is recognized immediately against earnings.

j. Capitalization of Borrowing Costs

The Company capitalizes interest charges incurred on borrowings to finance the construction or installation of major facilities. Capitalization of these borrowing costs ceases when the construction or installation is completed and the related asset constructed or installed and ready for their intended use.

k. Post-Employment Benefits

The Company calculate and record the post-employment benefits to its employees in accordance with the Labor Law No. 13/2003. No funding has been made to this defined benefit plan.

The cost of providing post-employment benefits is determined using the Projected Unit Credit Method. The accumulated unrecognized actuarial gains or losses that exceed 10% of the present value of defined benefit obligation are recognized on straight-line basis over the expected average remaining working lives of the participating employees (corridor approach). Past service cost is recognized immediately to the extent that the benefits are already vested, and otherwise is amortized on a straight-line basis over the average period until the benefits become vested.

The benefit obligation recognized in the statements of financial position represents the present value of the defined benefit obligation, as adjusted for unrecognized actuarial gains and losses and unrecognized past service cost.

2. IKHTISAR KEBIJAKAN AKUNTANSI YANG SIGNIFIKAN (Lanjutan)

l. Pengakuan Pendapatan dan Beban

Pendapatan dari operasional kapal diakui pada saat jasa telah dilakukan kepada pelanggan, sedangkan beban diakui sesuai manfaatnya pada tahun yang bersangkutan.

m. Pajak Penghasilan Final

Berdasarkan Surat Keputusan Menteri Keuangan Republik Indonesia No. 416/KMK.04/1996 dan No. 417/KMK.04/1996 tanggal 14 Juni 1996 dan Surat Edaran Direktorat Pajak No. 29/PJ.4/1996 tanggal 13 Agustus 1996, pendapatan dari jasa pengangkutan dan sewa kapal yang diterima wajib pajak dalam negeri dikenakan pajak bersifat final sebesar 1,2% dari pendapatan, serta biaya dan beban sehubungan dengan kegiatan di atas tidak dapat dikurangkan untuk tujuan perhitungan pajak penghasilan.

3. RINGKASAN KEBIJAKAN AKUNTANSI SIGNIFIKAN DAN SUMBER ESTIMASI KETIDAKPASTIAN

Ringkasan Kebijakan Akuntansi Signifikan

Dalam proses penerapan kebijakan akuntansi Perusahaan, seperti yang diuraikan dalam Catatan 2, manajemen tidak mengindikasikan adanya penilaian penting yang memiliki pengaruh signifikan terhadap jumlah yang diakui dalam laporan keuangan, selain yang melibatkan estimasi, seperti yang diuraikan di bawah ini.

Sumber Estimasi Ketidakpastian

Sumber utama dari estimasi ketidakpastian lain pada akhir periode pelaporan, yang memiliki risiko signifikan yang mengakibatkan penyesuaian material terhadap jumlah tercatat aset dan liabilitas dalam periode pelaporan berikutnya dijelaskan di bawah ini:

Cadangan kerugian penurunan nilai

Perusahaan mengevaluasi pelanggan tertentu yang menurut informasi pelanggan tersebut tidak dapat memenuhi kewajiban keuangannya.

Perusahaan menggunakan pertimbangan, berdasarkan fakta dan situasi yang tersedia, termasuk namun tidak terbatas pada, jangka waktu hubungan Perusahaan dengan pelanggan dan status kredit dari pelanggan berdasarkan laporan dari pihak ketiga yang tersedia dan faktor-faktor pasar yang telah diketahui, untuk mengakui pencadangan spesifik atas pelanggan terhadap jumlah piutang guna untuk menurunkan piutang Perusahaan ke jumlah yang diharapkan dapat ditagih. Pencadangan secara spesifik ini dievaluasi kembali dan disesuaikan jika tambahan informasi yang diterima mempengaruhi jumlah cadangan kerugian penurunan nilai.

2. *SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)*

l. Revenue and Expenses Recognition

Revenue from vessels operation is recognized when services have been performed to customers, while expenses are recognized when incurred.

m. Income Tax

Based on the Decision Letters No. 416/KMK.04/1996 and No. 417/KMK.04/1996 *dated June 14, 1996 of the Ministry of Finance of the Republic Indonesia and Circular Letter No. 29/PJ.4/1996 dated August 13, 1996 of the Directorate General of Taxes, revenues from freight operations and charter of vessels are subject to final income tax computed 1.2% of the revenues for domestic companies, and the related costs and expenses are considered non-deductible for income tax purposes.*

3. *CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY*

Critical Judgements in Applying the Company Accounting Policies

In the process of applying the Company's accounting policies, which are described in Note 2, management has not made any critical judgments that have a significant effect on the amounts recognized in the financial statements, apart from those involving estimations, which are dealt below.

Key Sources of Estimation Uncertainty

The key assumptions concerning future and other key sources of estimation at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial period are explained below:

Allowance for impairment losses

The Company evaluates specific accounts on which it has information that the customers are unable to meet their financial obligations.

In those cases, the Company uses judgement, based on available facts and circumtances, including but not limited to, the length of its relationship with the customers and the customers' current credit status based on any available third-party credit reports and known market factors, to record specific provisions for customers against amounts due to reduce the Company's receivable amounts that it expects to collect. These specific provisions are re-evaluated and adjusted as additional information received affects the amounts of the allowance for impairment losses.

3. RINGKASAN KEBIJAKAN AKUNTANSI SIGNIFIKAN DAN SUMBER ESTIMASI KETIDAKPASTIAN (Lanjutan)

Sumber Estimasi Ketidakpastian (lanjutan)

Taksiran masa manfaat ekonomis aset tetap

Masa manfaat setiap aset tetap ditentukan berdasarkan kegunaan yang diharapkan dari penggunaan aset tersebut. Masa manfaat setiap aset direview dan disesuaikan apabila prakiraan berbeda dengan estimasi sebelumnya karena keausan, keusangan teknis dan komersial, hukum atau keterbatasan lainnya atas pemakaian aset.

Instrumen keuangan

Perusahaan mencatat aset dan liabilitas keuangan tertentu berdasarkan nilai wajar pada pengakuan awal, yang mengharuskan penggunaan estimasi akuntansi. Sementara komponen signifikan atas pengukuran nilai wajar ditentukan menggunakan bukti objektif yang dapat diverifikasi, jumlah perubahan nilai wajar dapat berbeda bila Perusahaan menggunakan metodologi penilaian yang berbeda. Perubahan nilai wajar aset dan liabilitas keuangan tersebut dapat mempengaruhi secara langsung laba atau rugi Perusahaan.

Liabilitas imbalan pasca kerja

Penentuan liabilitas imbalan pasca kerja tergantung pada pemilihan asumsi tertentu yang digunakan oleh aktuaris dalam menghitung jumlah liabilitas tersebut. Asumsi tersebut termasuk antara lain tingkat diskonto dan tingkat kenaikan gaji. Realisasi yang berbeda dari asumsi Perusahaan diakumulasi dan diamortisasi selama periode mendatang dan akibatnya akan berpengaruh terhadap jumlah biaya serta liabilitas yang diakui di masa mendatang. Walaupun asumsi Perusahaan dianggap tepat dan wajar, namun perubahan signifikan pada kenyataannya atau perubahan signifikan dalam asumsi yang digunakan dapat berpengaruh secara signifikan terhadap liabilitas imbalan pasca kerja Perusahaan.

Perpajakan

Perusahaan beroperasi di bawah peraturan perpajakan di Indonesia. Pertimbangan yang signifikan diperlukan untuk menentukan provisi pajak penghasilan dan pajak pertambahan nilai. Apabila keputusan final atas pajak tersebut berbeda dari jumlah yang pada awalnya dicatat, perbedaan tersebut akan dicatat di laporan laba rugi komprehensif pada periode di mana hasil tersebut dikeluarkan.

4. PENERAPAN PSAK REVISI

Efektif tanggal 1 Januari 2014, Perusahaan menerapkan PSAK No. 10 (Revisi 2010), "Pengaruh Perubahan Kurs Valuta Asing" yang menggantikan PSAK No. 10, "Transaksi dalam Mata Uang Asing", PSAK No. 11, "Penjabaran Laporan Keuangan dalam Mata Uang Asing", PSAK No. 52, "Mata Uang Pelaporan" dan ISAK No. 4, " Interpretasi atas Paragraf 20 PSAK No. 10 tentang Alternatif Perlakuan yang Diizinkan atas Selisih Kurs".

3. CRITICAL ACCOUNTING JUDGMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

Key Sources of Estimation Uncertainty (continued)

The estimated economic useful life of property, vessel and equipment

The useful life of each property, vessel and equipment is determined based on the expected utility of the use of these assets. The useful life of each asset is reviewed and adjusted when forecasts differ from previous estimates due to wear and tear, technical obsolescence and commercial, legal or other limitations on the use of assets.

Financial instruments

The Company recorded certain financial assets and liabilities initially based on fair values, which requires the use of accounting estimates. While significant components of fair value measurement were determined using verifiable objective evidences, the amount of changes in fair values would differ if the Company utilized different valuation methodology. Any changes in fair values of these financial assets and liabilities would affect directly the Companys's profit or loss.

Post-employment benefits obligation

The determination of provison for post-employment benefits obligation is dependent on selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include among others, discount rate and rate of salary increase. Actual results that differ from the Company's assumptions are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded provision in future periods. While it is believed that the Company's assumptions are reasonable and appropriate, significant differences in actual results or significant changes in assumptions may materially affect the Company's provision for post-employment benefit obligation.

Taxation

The company operates under the taxation laws in Indonesia. Significant judgment is required to determine the income tax provision and value added tax. If the final decision on the tax differs from the amount initially recorded, such differences will be recorded in the statement of comprehensive income in the period in which the results are issued.

4. ADOPTION OF REVISED PSAK

Effective January 1, 2014, the Company adopted PSAK No. 10 (Revised 2010), "The Effect of Changes in Foreign Exchange Rates" which superseded PSAK 10, "Translation in Foreign Currencies", PSAK No. 11, "Translation on Financial Statements in Foreign Currencies", PSAK 52, "Reporting Currency" and ISAK No. 4, "Interpretation of Paragraph 20 PSAK No. 10 regarding Alternative Treatment Permitted for Foreign Exchange Differences.

4. PENERAPAN PSAK REVISI (Lanjutan)

PSAK revisi ini menentukan bagaimana menghitung transaksi dalam mata uang asing dan bagaimana memasukkan kegiatan usaha luar negeri dalam laporan keuangan entitas. Standar ini antara lain memperkenalkan konsep mata uang fungsional, yang merupakan mata uang pengukuran, dan mata uang pelaporan, yaitu mata uang di mana laporan keuangan disusun yang dapat menjadi mata uang selain mata uang fungsional.

Dalam mengadopsi standar revisi ini, Perusahaan menilai mata fungsional mereka, dan telah menetapkan bahwa mata uang fungsional adalah Dollar Amerika Serikat (USD). Selain itu, manajemen juga mempertimbangkan USD sebagai mata uang penyajian laporan keuangan.

Sebelumnya, pembukuan dari Perusahaan yang mata uang fungsionalnya adalah USD diselenggarakan dalam mata uang Rupiah. Transaksi dalam mata uang selain Rupiah dicatat dengan kurs yang berlaku pada saat transaksi dilakukan. Pada tanggal pelaporan, aset dan liabilitas moneter dalam mata uang selain Rupiah disesuaikan untuk mencerminkan kurs yang berlaku pada tanggal tersebut, dan laba atau rugi kurs yang terjadi dikreditkan atau dibebankan pada laporan laba rugi.

Penerapan standar revisi ini mengakibatkan penyajian kembali perbandingan laporan keuangan tahun sebelumnya. Oleh karena itu, laporan keuangan Perusahaan pada tanggal 31 Desember 2013 dan untuk tahun yang berakhir pada tanggal tersebut, yang sebelumnya disajikan dalam Rupiah telah disajikan kembali dalam USD. Untuk Perusahaan yang mata uang fungsional dan mata uang penyajian dalam USD, maka cara pengukurannya adalah sebagai berikut:

1. Aset dan liabilitas moneter disajikan kembali dengan menggunakan kurs tengah Bank Indonesia (BI) pada tanggal laporan posisi keuangan.
2. Aset dan liabilitas non-moneter serta modal saham disajikan kembali dengan menggunakan kurs pada tanggal transaksi (kurs historis).
3. Pendapatan dan beban disajikan kembali dengan menggunakan kurs tengah BI rata-rata, kecuali untuk beban penyusutan aset tetap dan amortisasi aset non-moneter yang disajikan kembali dengan menggunakan kurs historis aset yang bersangkutan.
4. Perbedaan yang timbul dari pengukuran kembali di atas dicatat dalam saldo awal dari saldo laba.

4. ADOPTION OF REVISED PSAK (Continued)

This revised standard prescribed how to account for transactions in foreign currency and how to include the foreign operations in the financial statements of the entity. Among other things, this standard introduced the nation of functional currency, which is the measurement currency, and presentation currency, the currency in which financial statements are prepared which can be a currency other than the functional currency.

In adopting this revised standard, The Company assessed its respective functional currency and had determined that the functional currency is the U.S. Dollar (USD). In addition, The Company has also considered the USD as the presentation currency of the financial statements.

Previously, the books of accounts of the Company which functional currency in USD are maintained in Rupiah. Transactions in currencies other than Rupiah are recorded at the rates of exchange prevailing at the time the transactions are made. At reporting dates, monetary assets and liabilities denominated in currencies other than Rupiah are adjusted to reflect the rates prevailing at that date, and the resulting gains or losses are credited or charged to profit or loss.

The implementation of the revised standard resulted in the restatement of the comparative prior year financial statements. Accordingly, the Company's financial statements as of December 31, 2013 and for the year ended, which previously expressed in Indonesian Rupiah have been restated in USD. For the Company, which functional and presentation currency is in USD, the measurement are based on the following:

1. *Monetary assets and liabilities were restated using the Bank Indonesia's (BI) middle rate on the statement of financial position date.*
2. *Non-monetary assets and liabilities and capital stock were restated using the exchange rate on the date transaction (historical exchange rate).*
3. *Income and expense were restated using the average BI's middle rate, except for depreciation of fixed assets and amortization of non-monetary assets were restated using the historical exchange rates of the underlying assets.*
4. *The remeasurement differences from application of the above procedures are recorded in the beginning balance of retained earnings.*

4. PENERAPAN PSAK REVISI (Lanjutan)

Ikhtisar laporan posisi keuangan per 31 Desember 2013 serta laporan laba rugi komprehensif untuk tahun yang berakhir pada tanggal tersebut sebelum dan sesudah pengukuran dan penyajian kembali karena penerapan PSAK 10 (revisi 2010), "Pengaruh Perubahan Kurs Valuta Asing ", adalah sebagai berikut:

4. ADOPTION OF REVISED PSAK (Continued)

The summary of the statements of financial position as of December 31, 2013 and the statement of comprehensive income for the year ended before and after remeasurement and restatement due to the adoption of PSAK 10 (revised 2010), " The Effect of Changes in Foreign Exchange Rates", are as follows:

	31 Desember 2013/ *December 31, 2013*		
	Sebelum pengukuran kembali/*Before remeasurement*	Sesudah pengukuran kembali/*After remeasurement*	
	Rp	USD	
ASET			***ASSETS***
ASET LANCAR			***CURRENT ASSETS***
Kas dan bank	1.589.927.630	130.440	*Cash on hand and in banks*
Piutang usaha	135.323.000	11.102	*Trade accounts receivable*
Persediaan	3.230.829.960	271.640	*Inventories*
Biaya dibayar dimuka	1.582.155.051	159.749	*Prepaid expenses*
Uang muka	650.000.000	57.253	*Advance*
Jumlah Aset Lancar	7.188.235.641	630.184	***Total Current Assets***
ASET TIDAK LANCAR			***NONCURRENT ASSETS***
Piutang dari pihak berelasi	1.251.021.988	102.635	*Due from a related party*
Uang muka pembelian aset tetap	500.259.527	50.015	*Advances for purchases of equipment*
Aset tetap - bersih	299.690.327.642	30.446.091	*Property, vessel and equipment - net*
Jumlah Aset Tidak Lancar	301.441.609.157	30.598.741	***Total Noncurrent Assets***
JUMLAH ASET	308.629.844.798	31.228.925	***TOTAL ASSETS***
LIABILITAS DAN EKUITAS (DEFISIENSI MODAL)			***LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)***
LIABILITAS JANGKA PENDEK			***CURRENT LIABILITIES***
Utang usaha	5.646.823.314	463.272	*Trade accounts payable*
Utang pajak	237.649.057	19.497	*Taxes payable*
Biaya masih harus dibayar	125.193.219	10.271	*Accrued expenses*
Utang yang jatuh tempo dalam satu tahun			*Current maturities of long - term loan*
Bank	60.646.046.558	4.975.474	*Banks*
Pembiayaan konsumen	103.524.737	8.493	*Consumer financing*
Jumlah Liabilitas Jangka Pendek	66.759.236.885	5.477.007	***Total Current Liabilities***
LIABILITAS JANGKA PANJANG			**NON CURRENT LIABILITIES**
Utang lain-lain	9.895.349.363	811.826	*Other accounts payable*
Utang kepada pihak-pihak berelasi	82.332.956.131	6.754.693	*Due to related parties*
Utang jangka panjang - setelah dikurangi bagian yang jatuh tempo dalam satu tahun			*Long-term loan - net of current maturities*
Bank	212.146.645.195	17.395.302	*Banks*
Pembiayaan konsumen	74.035.947	6.074	*Consumer financing*
Jumlah Liabilitas Jangka Panjang	304.448.986.636	24.967.895	***Total Non Current Liabilities***

4. PENERAPAN PSAK REVISI (Lanjutan) / 4. ADOPTION OF REVISED PSAK (Continued)

	31 Desember 2013/December 31, 2013		
	Sebelum pengukuran kembali/*Before remeasurement*	Sesudah pengukuran kembali/*After remeasurement*	
	Rp	USD	
EKUITAS (DEFISIENSI MODAL)			***EQUITY (CAPITAL DEFICIENCY)***
Modal saham	4.000.000.000	399.909	*Capital stock*
Saldo laba (defisit)	(66.578.378.723)	384.114	*Retained earnings (deficit)*
Jumlah Ekuitas (Defisiensi Modal)	(62.578.378.723)	784.023	***Total Equity (Capital Deficiency)***
JUMLAH LIABILITAS DAN EKUITAS (DEFISIENSI MODAL)	308.629.844.798	31.228.925	***TOTAL LIABILITIES AND EQUITY (CAPITAL DEFICIENCY)***
PENDAPATAN OPERASIONAL KAPAL	39.335.100.860	3.569.083	**REVENUE FROM VESSEL OPERATIONS**
BEBAN OPERASIONAL KAPAL	43.836.298.791	4.023.160	**VESSEL OPERATION COSTS**
RUGI KOTOR	(4.501.197.931)	(454.077)	**GROSS LOSS**
Beban usaha	(644.798.102)	(59.180)	Operating expenses
Penghasilan bunga	9.806.599	900	Interest income
Keuntungan (kerugian) selisih kurs mata uang asing - bersih	(53.063.217.491)	1.641.905	Gain (loss) on foreign exchange - net
Beban bunga dan keuangan	(7.906.950.588)	(702.605)	Interest and financing charges
LABA (RUGI) SEBELUM PAJAK	(66.106.357.513)	426.943	**INCOME (LOSS) BEFORE TAX**
BEBAN PAJAK	(472.021.210)	(42.829)	**TAX EXPENSE**
LABA (RUGI) TAHUN BERJALAN	(66.578.378.723)	384.114	**INCOME (LOSS) FOR THE YEAR**
PENDAPATAN KOMPREHENSIF LAINNYA	-	-	**OTHER COMPREHENSIVE INCOME**
JUMLAH PENDAPATAN (RUGI) KOMPREHENSIF TAHUN BERJALAN	(66.578.378.723)	384.114	**TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR**

5. KAS DAN BANK / 5. *CASH ON HAND AND IN BANKS*

	2014	2013	
	USD	USD	
Kas - Rupiah	7.734	10.636	*Cash on hand*
Bank			*Bank*
Rupiah			*Rupiah*
Bank Mandiri	77.479	8.398	*Bank Mandiri*
Bank Danamon	42.387	87.462	*Bank Danamon*
Bank OCBC NISP	293	16.091	*Bank OCBC NISP*
Dollar Amerika Serikat			*U.S. Dollar*
Bank Danamon	81.820	2.178	*Bank Danamon*
Bank OCBC NISP	33.716	1.280	*Bank OCBC NISP*
Bank Mandiri	1.065	1.018	*Bank Mandiri*
Dollar Singapura			*Singapore Dollar*
Bank Mandiri	822	3.377	*Bank Mandiri*
Jumlah	245.316	130.440	*Total*

6. PIUTANG USAHA / *TRADE ACCOUNTS RECEIVABLE*

	2014 USD	2013 USD	
Pihak Berelasi			*Related Party*
PT Deli Mitra Bahari	411.587	-	*PT Deli Mitra Bahari*
Pihak Ketiga			*Third Parties*
PT Energy Transporter Indonesia	228.054	-	*PT Energy Transporter Indonesia*
PT Titian Mining Energy	69.630	-	*PT Titian Mining Energy*
PT Pancaran Samudera Transport	66.580	-	*PT Pancaran Samudera Transport*
PT Sumber Global Energy	51.881	-	*PT Sumber Global Energy*
PT Dharma Bangsa Mentari	13.725	-	*PT Dharma Bangsa Mentari*
PT Geo Mineral Trading	-	7.000	*PT Geo Mineral Trading*
PT Sanmin Indocemerlang	-	4.102	*PT Sanmin Indocemerlang*
Jumlah pihak ketiga	429.870	11.102	*Total third parties*
Jumlah	841.457	11.102	*Total*

Perubahan akun cadangan penurunan nilai adalah sebagai berikut:

The movements of impairment allowance are as follows:

	2014 USD	2013 USD	
Saldo awal tahun	-	-	*Beginning balance*
Cadangan selama tahun berjalan	8.617	-	*Provision during the year*
Penghapusan selama tahun berjalan	(8.617)	-	*Write-off during the year*
Saldo akhir tahun	-	-	*Ending balance*

Berdasarkan hasil penelaahan kolektibilitas akun piutang usaha pada akhir tahun, manajemen berkeyakinan bahwa cadangan penurunan nilai piutang usaha di atas adalah cukup untuk menutup kerugian yang mungkin terjadi atas penurunan nilai piutang pada 31 Desember 2014 dan 2013.

Based on the review of the status of the trade accounts receivable at the end of the year, the management believes that the above impairment allowance of trade accounts receivable is sufficient to cover the losses that may arise from impairment of trade accounts receivable as of December 31, 2014 and 2013.

Piutang usaha digunakan sebagai jaminan secara pari pasu atas fasilitas utang bank jangka panjang (Catatan 12).

Trade accounts receivable are pledged as paripassu collateral for long-term bank loan facilities (Note 12).

7. BIAYA DIBAYAR DIMUKA / *PREPAID EXPENSES*

Akun ini terdiri dari pembayaran dimuka untuk:

This account consists of prepayments for the followings:

	2014 USD	2013 USD	
Biaya pemugaran kapal	220.107	-	*Docking costs*
Asuransi	87.063	159.749	*Insurance*
Sewa	9.092	-	*Rental*
Lain-lain	621	-	*Others*
Jumlah	316.883	159.749	*Total*

8. ASET TETAP / *8. PROPERTY, VESSEL AND EQUIPMENT*

	2014					
	Saldo awal/ *Beginning balance*	Penambahan/ *Additions*	Pengurangan/ *Deduction*	Reklasifikasi/ *Reclassifications*	Saldo akhir/ *Ending balance*	
	USD	USD	USD	USD	USD	
Biaya perolehan:						***At cost***
Tanah	15.806	20.010	-	-	35.816	*Land*
Bangunan	74.692	83.927	-	-	158.619	*Building*
Kapal	29.672.715	-	-	1.637.600	31.310.315	*Vessels*
Mesin dan peralatan	22.023	-	-	-	22.023	*Machinery and equipment*
Kendaraan	31.593	-	-	-	31.593	*Vehicles*
Inventaris kantor	26.560	10.418	-	-	36.978	*Office equipment*
Inventaris kapal	-	64.315			64.315	*Vessels equipment*
Aset dalam peyelesaian			-	-		*Construction in progress*
Kapal	1.637.600	7.434.807		(1.637.600)	7.434.807	*Vessel*
Jumlah	31.480.989	7.613.477	-	-	39.094.466	*Total*
Akumulasi penyusutan:						***Accumulated depreciation:***
Bangunan	1.867	7.581	-	-	9.448	*Building*
Kapal	1.028.828	1.565.515	-	-	2.594.343	*Vessels*
Mesin dan peralatan	437	2.753	-	-	3.190	*Machinery and equipment*
Kendaraan	1.594	4.365	-	-	5.959	*Vehicles*
Inventaris kantor	2.172	8.451	-	-	10.623	*Office equipment*
Inventaris kapal	-	10.461	-	-	10.461	*Vessels equipment*
Jumlah	1.034.898	1.599.126	-	-	2.634.024	*Total*
Jumlah Tercatat	30.446.091				36.460.442	*Net Book Value*

	2013				
	Saldo awal/ *Beginning balance*	Penambahan/ *Additions*	Pengurangan/ *Deduction*	Saldo akhir/ *Ending balance*	
	USD	USD	USD	USD	
Biaya perolehan:					***At cost:***
Tanah	-	15.806	-	15.806	*Land*
Bangunan	-	74.692	-	74.692	*Building*
Kapal	-	29.672.715	-	29.672.715	*Vessels*
Mesin dan peralatan	-	22.023	-	22.023	*Machinery and equipment*
Kendaraan	-	31.593	-	31.593	*Vehicles*
Inventaris kantor	-	26.560	-	26.560	*Office equipment*
Aset dalam penyelesaian					*Construction in progress*
Kapal	-	1.637.600	-	1.637.600	*Vessel*
Jumlah	-	31.480.989	-	31.480.989	*Total*
Akumulasi penyusutan:					***Accumulated depreciation:***
Bangunan	-	1.867	-	1.867	*Building*
Kapal	-	1.028.828	-	1.028.828	*Vessels*
Mesin dan peralatan	-	437	-	437	*Machinery and equipment*
Kendaraan	-	1.594	-	1.594	*Vehicles*
Inventaris kantor	-	2.172	-	2.172	*Office equipment*
Jumlah	-	1.034.898	-	1.034.898	*Total*
Jumlah Tercatat	-			30.446.091	*Net Book Value*

8. ASET TETAP (Lanjutan) / *8. PROPERTY, VESSEL AND EQUIPMENT (Continued)*

Beban penyusutan dialokasikan sebagai berikut: / *Depreciation expense was allocated to the following:*

	2014 USD	2013 USD	
Beban operasional kapal	1.575.976	1.028.828	*Vessel operation costs*
Beban usaha	23.150	6.070	*Operating expenses*
Jumlah	1.599.126	1.034.898	*Total*

Perusahaan memiliki dua bidang tanah atas nama Perusahaan yang terletak di Jl. Untung Suropati, Kecamatan Sungai Kunjang, Kelurahan Karang Asam, Kota Samarinda, Propinsi Kalimantan Timur, dengan hak legal berupa Hak Guna Bangunan (HGB) yang akan jatuh tempo tahun 2022.

The Company own two pieces of land under the name of the Company located in Jl. Untung Suropati, Kecamatan Sungai Kunjang, Kelurahan Karang Asam, Kota Samarinda, Propinsi Kalimantan Timur, *with Building Use Rights (HGB), which will be mature in 2022.*

Manajemen berpendapat tidak terdapat masalah dengan perpanjangan hak atas tanah karena seluruh tanah diperoleh secara sah dan didukung dengan bukti pemilikan yang memadai.

Management believes that there will be no difficulty for the extension of the landrights since all the land were acquired legally and are supported by sufficient evidence of ownership.

Pada tanggal 31 Desember 2014, kapal Perusahaan telah diasuransikan dengan jumlah pertanggungan masing-masing sebesar USD 31.000.000 untuk kerusakan lambung dan mesin kapal *(hull and machinery)* dan USD 500.000.000 per kapal untuk perlindungan dan penggantian *(protection and indemnity)* melalui PT AON Indonesia, PT Fresnel Perdana Mandiri dan PT Jets Broker Indonesia.

At December 31, 2014, the Company's vessels was insured with total coverage of USD 31,000,000 for hull and machinery damages and USD 500,000,000 per vessel for protection and indemnity through PT AON Indonesia, PT Fresnel Perdana Mandiri dan PT Jets Broker Indonesia.

Seluruh aset Perusahaan berupa kapal digunakan sebagai jaminan atas utang bank jangka panjang dan utang kepada pihak berelasi (Catatan 12 dan 20).

All of the Company's asset such as vessels are pledged as collateral for long-term bank loan and due to a related party (Notes 12 and 20).

9. UTANG USAHA / *9. TRADE ACCOUNTS PAYABLE*

	2014 USD	2013 USD	
a. Berdasarkan pemasok:			*a. By supplier:*
PT Elvita Pratama Jaya	301.224	-	*PT Elvita Pratama Jaya*
PT Kaltim Pumitra Sejati	184.524	-	*PT Kaltim Pumitra Sejati*
Pan-Asia Ship (Hk) Engineering Co Ltd	150.000	150.000	*Pan-Asia Ship (Hk) Engineering Co Ltd*
PT Istadhika Undagi Utama	147.695	-	*PT Istadhika Undagi Utama*
PT Kolaka Inti Persada	-	177.328	*PT Kolaka Inti Persada*
PT Jelajah Bahari Utama	-	69.397	*PT Jelajah Bahari Utama*
Lain-lain (masing-masing di bawah USD 50.000)	260.063	66.547	*Others (each below USD 50,000)*
Jumlah	1.043.506	463.272	*Total*
b. Berdasarkan mata uang:			*a. By currency:*
Rupiah	838.426	313.272	*Rupiah*
Dollar Amerika Serikat	205.080	150.000	*U.S. Dollar*
Jumlah	1.043.506	463.272	*Total*

10. UTANG PAJAK / 10. TAX PAYABLE

	2014 USD	2013 USD	
Pajak Penghasilan			*Income tax*
Pasal 4 (2)	3.151	-	*Article 4 (2)*
Pasal 15	20.304	8.627	*Article 15*
Pasal 21	6.847	15	*Article 21*
Pasal 23	44.830	600	*Article 23*
Pajak pertambahan nilai	-	10.255	*Value added tax*
Jumlah	75.132	19.497	*Total*

Perhitungan atas pajak final sehubungan dengan pendapatan operasional kapal adalah sebagai berikut:

The computation of final tax on revenue related to operations of vessel are as follow:

	2014 USD	2013 USD	
Jumlah pendapatan operasional kapal sesuai dengan laporan laba rugi komprehensif	9.748.312	3.569.083	*Revenue from vessel operations per statements of comprehensive income*
Beban pajak atas pendapatan operasional kapal 1,2% x USD 9.748.312 tahun 2014 dan USD 3.569.083 tahun 2013	116.980	42.829	*Tax on operations of vessel revenue 1.2% x USD 9,748,312 in 2014 and USD 3,569,083 in 2013*
Pembayaran selama tahun berjalan	(104.470)	(37.652)	*Payments during the year*
Utang pajak penghasilan final akhir tahun	12.510	5.177	*Ending balance final tax payable*

11. UTANG LAIN-LAIN / 11. OTHER ACCOUNTS PAYABLE

	2014 USD	2013 USD	
PT Nisenda Barmen Alkana	175.199	-	*PT Nisenda Barmen Alkana*
PT Triputra Senamestika	-	588.759	*PT Triputra Senamestika*
Herimin	-	164.082	*Herimin*
Lainnya	278.204	58.985	*Others*
Jumlah	453.403	811.826	*Total*

Utang lain-lain Perusahaan timbul terutama sehubungan dengan pemberian pinjaman dana dan pembayaran terlebih dahulu operasional Perusahaan. Utang lain-lain ini tidak dikenakan bunga, tanpa jaminan dan jangka waktu pengembalian yang pasti.

Other accounts payable arise in relation to loan given and advances payments of the Company's operational. These payable are non-interest bearing, unsecured and have no fixed terms of payment.

12. UTANG BANK JANGKA PANJANG / *12. LONG-TERM BANK LOANS*

	2014 USD	2013 USD	
Bank OCBC NISP	11.162.902	7.620.414	*Bank OCBC NISP*
Bank Danamon	6.863.102	9.060.778	*Bank Danamon*
Bank Mandiri	4.362.649	5.763.047	*Bank Mandiri*
Jumlah	22.388.653	22.444.239	*Total*
Dikurangi biaya transaksi yang belum diamortisasi	(89.153)	(73.463)	*Less unamortized transaction cost net of transaction costs*
Jumlah	22.299.500	22.370.776	*Total*
Dikurangi bagian yang jatuh tempo dalam waktu satu tahun	5.634.575	4.975.474	*Less current maturities*
Bagian jangka panjang - bersih	16.664.925	17.395.302	*Long term portion-net*

Bank OCBC NISP

Berdasarkan perjanjian kredit dan perubahannya tanggal 15 Desember 2014, Bank OCBC NISP setuju untuk memberikan fasilitas *Investment Loan* 1 (IL 1) dan *Investment Loan* 2 (IL 2) dengan jumlah maksimum masing-masing sebesar USD 8.233.000 dan USD 5.086.000. Fasilitas ini berjangka waktu 72 bulan, dan dikenakan tingkat bunga sebesar 6,5% per tahun.

Fasilitas ini dijamin dengan:

- 1 unit *Tugboat* "Momentum 03" tahun 2012 dengan nilai hipotik sebesar USD 1.967.480.
- 1 unit *Tugboat* "Momentum 05" tahun 2012 dengan nilai hipotik sebesar USD 1.967.480.
- 1 unit *Tugboat* "Momentum 06" tahun 2012 dengan nilai hipotik sebesar USD 1.967.480.
- 1 unit *Tugboat* "Momentum 12".
- 1 unit *Tugboat* "Momentum 13".
- 1 unit *Barge* "Momentum 3003" tahun 2012 dengan nilai hipotik sebesar USD 1.565.041.
- 1 unit *Barge* "Momentum 3005" tahun 2012 dengan nilai hipotik sebesar USD 1.565.041.
- 1 unit *Barge* "Momentum 3006" tahun 2012 dengan nilai hipotik sebesar USD 1.565.041.
- 1 unit *Barge* "Momentum 30012".
- 1 unit *Barge* "Momentum 30013".
- Jaminan seluruh kapal yang diperoleh Perusahaan berdasarkan pembiayaan fasilitas IL 2 dengan nilai hipotik seluruhnya sebesar USD 7.265.000.
- Jaminan pribadi Angelo Fernandus, Sudirman Kurniawan dan Junaidy Limgestu, pengurus dan pemegang saham Perusahaan.
- Jaminan pribadi Charles Antonny Melati, pihak berelasi Perusahaan.

Bank Danamon

Berdasarkan perjanjian kredit tanggal 29 Juli 2013, Bank Danamon setuju untuk memberikan fasilitas Kredit Angsuran Berjangka (KAB) 1 dan Kredit Angsuran Berjangka (KAB) 2 yang digunakan untuk investasi dengan jumlah maksimum masing-masing sebesar USD 3.035.715 dan USD 6.940.762.

Bank OCBC NISP

Based on the credit agreement and its amendment dated December 15, 2014, Bank OCBC NISP agreed to Investment Loan 1 (IL 1) and Investment Loan 2 (IL 2) facilities with maximum amount of USD 8,233,000 and USD 5,086,000, respectively. The term of these facilities are 72 months, and bear interest rate at 6.5% per annum.

These facilities are secured by:

- *1 unit Tugboat "Momentum 03" in 2012 with mortgage value amounting to USD 1,967,480.*
- *1 unit Tugboat "Momentum 05" in 2012 with mortgage value amounting to USD 1,967,480.*
- *1 unit Tugboat "Momentum 06" in 2012 with mortgage value amounting to USD 1,967,480.*
- *1 unit Tugboat "Momentum 12".*
- *1 unit Tugboat "Momentum 13".*
- *1 unit Barge "Momentum 3003" in 2012 with mortgage value amounting to USD 1,565,041.*
- *1 unit Barge "Momentum 3005" in 2012 with mortgage value amounting to USD 1,565,041.*
- *1 unit Barge "Momentum 3006" in 2012 with mortgage value amounting to USD 1,565,041.*
- *1 unit Barge "Momentum 30012".*
- *1 unit Barge "Momentum 30013".*
- *All vessel guarantee obtained by the Company based financing IL 2 facility with mortgage value amounting to USD 7,265,000.*
- *Personal guarantee from Angelo Fernandus, Sudirman Kurniawan dan Junaidy Limgestu, the Company's managements and shareholders.*
- *Personal guarantee from Charles Antonny Melati, a related party.*

Bank Danamon

Based on the credit agreement dated July 29, 2013, Bank Danamon agreed to provide Term Installment Credit (TIC) 1 and Term Installment Credit (TIC) 2 facilities, which will be use for investment with maximum amount of USD 3,035,715 and USD 6,940,762, respectively.

12. UTANG BANK JANGKA PANJANG (Lanjutan)

Bank Danamon (lanjutan)

Fasilitas ini dikenakan tingkat bunga sebesar 6% per tahun dan akan jatuh tempo masing-masing pada tanggal 25 April 2017 (KAB 1) dan 29 Juli 2018 (KAB 2).

Fasilitas ini dijamin dengan:

- 1 *unit of used Barge* 300FT "Pacific 3001" tahun 2008 dengan nilai hipotik sebesar Rp 12.500.000.000.
- 1 *unit of used Barge* 300FT "Pacific 3002" tahun 2008 dengan nilai hipotik sebesar Rp 12.500.000.000.
- 1 *unit of used Tugboat* 2x1050 HP "Pacific One" tahun 2008 dengan nilai hipotik sebesar Rp 12.500.000.000.
- 1 *unit of used Tugboat* 2x1050 HP "Pacific Two" tahun 2008 dengan nilai hipotik sebesar Rp 12.500.000.000.
- 1 unit *Tugboat* "Momentum 07" tahun 2013 dengan nilai hipotik sebesar Rp 14.175.000.000.
- 1 unit *Tugboat* "Momentum 08" tahun 2013 dengan nilai hipotik sebesar Rp 13.825.000.000.
- 1 unit *Tugboat* "Momentum 09" tahun 2013 dengan nilai hipotik sebesar Rp 13.825.000.000.
- 1 unit *Barge* "Momentum 3007" tahun 2013 dengan nilai hipotik sebesar Rp 17.820.000.000.
- 1 unit *Barge* "Momentum 3008" tahun 2013 dengan nilai hipotik sebesar Rp 17.380.000.000.
- 1 unit *Barge* "Momentum 3009" tahun 2013 dengan nilai hipotik sebesar Rp 17.380.000.000.
- Jaminan pribadi dari Anggelo Fernandus, Sudirman Kurniawan, Junaidy Limgestu, pengurus dan pemegang saham Perusahaan.
- Jaminan pribadi dari Charles Antonny Melati, pihak berelasi.

Bank Mandiri

Berdasarkan perjanjian kredit tanggal 30 September 2013, Bank Mandiri setuju untuk memberikan fasilitas berupa fasilitas Kredit Investasi (KI) dengan jumlah maksimum sebesar SGD 7.680.000. Fasilitas ini dikenakan dengan tingkat bunga sebesar 5% per tahun dan jatuh tempo tanggal 29 Oktober 2018.

Fasilitas ini dijamin dengan:

- 1 unit *Tugboat* "Momentum 10" tahun 2013, dengan nilai hipotik sebesar SGD 2.500.000.
- 1 unit *Tugboat* "Momentum 11" tahun 2013, dengan nilai hipotik sebesar SGD 2.500.000.
- 1 unit *Barge* "Momentum 30010" tahun 2013, dengan nilai hipotik sebesar SGD 2.300.000.
- 1 unit *Barge* "Momentum 30011" tahun 2013, dengan nilai hipotik sebesar SGD 2.300.000.
- Jaminan fidusia piutang usaha Perusahaan sampai dengan SGD 325.426,81.
- Jaminan *buyback* dari PT Bahtera Bahari Shipyard.

12. LONG-TERM BANK LOANS (Continued)

Bank Danamon (continued)

These facilities bears interest rate at 6% per annum and will be due on April 25, 2017 (TIC 1) and July 29, 2018 (TIC 2).

These facilities are secured by:

- *1 unit of used Barge 300FT "Pacific 3001" in 2008 with mortgage value amounting to Rp 12,500,000,000.*
- *1 unit of used Barge 300FT "Pacific 3002" in 2008 with mortgage value amounting to Rp 12,500,000,000.*
- *1 unit of used Tugboat 2x1050 HP "Pacific One" in 2008 with mortgage value amounting to Rp 12,500,000,000.*
- *1 unit of used Tugboat 2x1050 HP "Pacific Two" in 2008 with mortgage value amounting to Rp 12,500,000,000.*
- *1 unit Tugboat "Momentum 07" in 2013 with mortgage value amounting to Rp 14,175,000,000.*
- *1 unit Tugboat "Momentum 08" in 2013 with mortgage value amounting to Rp 13,825,000,000.*
- *1 unit Tugboat "Momentum 09" in 2013 with mortgage value amounting to Rp 13,825,000,000.*
- *1 unit Barge "Momentum 3007" in 2013 with mortgage value amounting to Rp 17,820,000,000.*
- *1 unit Barge "Momentum 3008" in 2013 with mortgage value amounting to Rp 17,380,000,000.*
- *1 unit Barge "Momentum 3009" in 2013 with mortgage value amounting to Rp 17,380,000,000.*
- *Personal guarantee from Angelo Fernandus, Sudirman Kurniawan, Junaidy Limgestu, the Company's managements and shareholders.*
- *Personal guarantee from Charles Antonny Melati, a related party.*

Bank Mandiri

Based on credit agreement dated September 30, 2013, Bank Mandiri agreed to provide Investment Credit (IC) facility with maximum amount of SGD 7,680,000. The facility bear interest rate at 5% per annum and will be due on October 29, 2018.

These facilities are secured by:

- *1 unit Tugboat "Momentum 10" in 2013 with mortgage value amounting to SGD 2,500,000.*
- *1 unit Tugboat "Momentum 11" in 2013 with mortgage value amounting to SGD 2,500,000.*
- *1 unit Barge "Momentum 30010" in 2013 with mortgage value amounting to SGD 2,300,000.*
- *1 unit Barge "Momentum 30011" in 2013 with mortgage value amounting to SGD 2,300,000.*
- *Fiduciary of the Company's trade accounts receivable up to SGD 325,426.81.*
- *Buyback guarantee from PT Bahtera Bahari Shipyard.*

12. UTANG BANK JANGKA PANJANG (Lanjutan)

Bank Mandiri (lanjutan)

- Jaminan pribadi Angelo Fernandus dan Sudirman Kurniawan, pengurus dan pemegang saham Perusahaan.
- Jaminan *letter of undertaking* dari seluruh pemegang saham Perusahaan.

Sehubungan dengan pinjaman di atas, Perusahaan harus memenuhi kondisi dan rasio keuangan berikut:

- Perusahaan harus memastikan bahwa rasio *debt to equity ratio* pada setiap akhir periode pengukuran tidak lebih dari 2,5 kali untuk tahun 2014 dan 3,5 kali untuk tahun 2013 (Bank OCBC NISP).
- Perusahaan harus memastikan bahwa rasio *leverage* pada setiap akhir periode pengukuran tidak lebih dari 3,5 kali (Bank Danamon).
- Perusahaan harus memastikan bahwa rasio *debt to service ratio* pada setiap akhir periode pengukuran lebih besar dari 1,2 kali (Bank OCBC NISP) dan 1,25 kali (Bank Danamon).
- Perusahaan harus memastikan bahwa rasio EBITDA terhadap *financial cost* pada setiap akhir periode tidak lebih dari 4 kali (Bank Danamon).
- *Debt Service Account* (DSA) yaitu rekening giro yang dipergunakan untuk menampung pembayaran dari *bouwheer* dan cadangan dana sebesar 1 kali angsuran pokok dan bunga untuk periode berjalan yang disediakan di rekening 6 hari sebelum pembayaran kewajiban Bank tanggal 23 setiap bulannya (Bank Mandiri).
- *Debt Service Reserve Account* (DSRA) yaitu rekening giro *escrow* yang dipergunakan untuk menampung cadangan dana sebesar 1 kali angsuran pokok dan bunga untuk periode berikutnya (Bank Mandiri).

Selain rasio keuangan tersebut di atas, Perusahaan diwajibkan untuk mematuhi pembatasan-pembatasan tertentu yang umumnya diharuskan untuk fasilitas-fasilitas kredit tersebut, antara lain, pembatasan untuk melakukan perubahan Anggaran Dasar Perusahaan termasuk didalamnya perubahan susunan pengurus Perusahaan, susunan pemegang saham, permodalan dan nilai saham, membagikan dividen, memindahtangankan barang jaminan, memperoleh fasilitas kredit atau pinjaman dari pihak lain setelah mendapat fasilitas kredit ini dari Bank, mengikatkan diri sebagai penjamin utang atau menjaminkan harta kekayaan Perusahaan kepada pihak lain, mengalihkan atau menyerahkan kepada pihak lain, sebagian atau seluruhnya atas hak dan kewajiban yang timbul berkaitan dengan fasilitas kredit, melunasi utang Perusahaan kepada pemilik atau pemegang saham, melakukan merger, akuisisi atau penyertaan modal baru pada Perusahaan lain dan melakukan transaksi derivatif yang tidak berhubungan dengan kegiatan usaha Perusahaan dengan tujuan spekulasi. Perusahaan telah memenuhi pembatasan-pembatasan tertentu di atas, kecuali sehubungan dengan pencapaian rasio keuangan yang dipersyaratkan oleh Bank-Bank.

12. LONG-TERM BANK LOANS (Continued)

Bank Mandiri (continued)

- *Personal guarantee from Angelo Fernandus dan Sudirman Kurniawan, the Company's managements and shareholders.*
- *Letter of undertaking guarantee from the Company's shareholders.*

In relation to above facilities, the Company must meet the following conditions and financial ratios:

- *The Company must ensure that debt to equity ratio at the end of period not more than 2.5 times in 2014 and 3.5 times in 2013 (Bank OCBC NISP).*
- *The Company must ensure that leverage ratio at the end of period not more than 3.5 times (Bank Danamon).*
- *The Company must ensure that debt to service ratio at the end of period not more than 1.2 times (Bank OCBC NISP) and 1.25 times (Bank Danamon).*
- *The Company must ensure that EBITDA ratio to financial cost at the end of period not more than 4 times (Bank Danamon).*
- *Debt Service Account (DSA) is a checking account that used to collect payment from bouwheer and reserve fund of 1 times of the principal and interest for a current period are provided in the accounts of 6 days before repayment on dated 23 of each month (Bank Mandiri).*
- *Debt Service Reserve Account (DSRA) is an escrow account that used accommodating a reserve fund in the amount of 1 times of the principal and interest for next period (Bank Mandiri).*

In addition to the above financial ratio, the Company is required to comply with certain convenants which are normally required for such credit facilities, such as, among others, changes the Company's articles of association, including changes the Company's managements, shareholders, capital, stock values, distribute dividend, transfer collateral, obtain credit facilities or loans from other parties after obtain the credit facility from banks, binds itself as a guarantor of a debt or encumber assets of the Company to another party, transfer or hand over to other parties, part or all of the rights and obligations arising in connection with credit facilities, pay off the Company's debts to the owners or shareholders, limitations to initiate merger, consolidation or new capital investments to other companies and derivative transactions that are not related to the business activities of the Company with the purpose of speculation. The Company has complied with the loan convenants of the loan facilities referred above, except in relation to the achievement of financial ratio required by banks.

13. UTANG PEMBIAYAAN KONSUMEN / 13. *CONSUMER FINANCING*

	2014 USD	2013 USD	
Pembayaran minimum			*The minimum payment*
Jatuh tempo dalam satu tahun	6.888	9.403	*Payable within one year*
Jatuh tempo lebih dari satu tahun	-	6.268	*Payable later than one year*
Jumlah pembayaran minimum	6.888	15.671	*The minimum payment amount*
Bunga	(937)	(1.104)	*Interest*
Nilai tunai pembayaran minimum	5.951	14.567	*Present value of minimum payments*
Bagian yang jatuh tempo dalam satu tahun	(5.951)	(8.493)	*Current maturities*
Utang pembiayaan konsumen jangka panjang - bersih	-	6.074	*Long-term consumer financing - net*

Utang pembiayaan konsumen diperoleh dari PT BCA Finance dalam rangka pembiayaan kendaraan dengan jangka waktu 2 tahun. Utang ini dikenakan tingkat bunga efektif sebesar 8,47% per tahun dan dijamin dengan aset pembiayaan yang bersangkutan.

Consumer financing obtained from PT BCA Finance in order to finance the vehicle for a period of 2 years. This debt bears an effective interest of 8.47% per annum and is secured by related asset.

14. LIABILITAS IMBALAN PASCA KERJA / 14. *POST-EMPLOYMENT BENEFITS OBLIGATION*

Perusahaan menghitung dan membukukan estimasi imbalan pasca kerja untuk karyawan sesuai dengan Undang-Undang Ketenagakerjaan No. 13/2003. Jumlah karyawan yang berhak atas imbalan pasca kerja tersebut adalah 21 karyawan pada tanggal 31 Desember 2014.

The Company calculates and records post-employment benefits obligation for its qualifying employees in accordance with Labor Law No. 13/2003. As of December 31, 2014, the number of employees entitled to the benefits are 21 employees.

Beban imbalan pasca kerja yang diakui di laporan laba rugi komprehensif adalah sebagai berikut:

Amounts recognized in the statement of comprehensive income in respect of these post-employment benefits are as follows:

	2014 USD	
Biaya jasa kini	34.349	*Current service cost*
Biaya bunga	539	*Interest cost*
Keuntungan akturia yang diakui	2.270	*Acturial gain recognised*
Jumlah	37.158	*Total*

Liabilitas imbalan pasca kerja di laporan posisi keuangan adalah sebagai berikut:

Amounts included in the statement of financial position arising from the obligations in respect of these post-employment benefits are as follows:

	2014 USD	
Nilai kini liabilitas imbalan pasti	34.888	*Present value defined benefit obligation*
Keuntungan aktuaria yang belum diakui	2.270	*Unrecognized actuarial gain*
Jumlah	37.158	*Total*

14. LIABILITAS IMBALAN PASCA KERJA (Lanjutan) / *14. POST-EMPLOYMENT BENEFITS OBLIGATION (Continued)*

Mutasi nilai kini liabilitas imbalan pasca kerja adalah sebagai berikut: / *Movements in actual present value of obligation are as follows:*

	2014 USD	
Saldo awal	-	*Beginning balance*
Biaya jasa kini	34.349	*Current service cost*
Biaya bunga	539	*Interest cost*
Keuntungan aktuarial	2.270	*Acturial gain*
Saldo akhir	37.158	*Ending balance*

Mutasi liabilitas bersih di laporan posisi keuangan adalah sebagai berikut: / *Movements in the net liability recognized in the statement of financial position are as follows:*

	2014 USD	
Saldo awal	-	*Beginning balance*
Beban tahun berjalan	37.158	*Amount charged to income*
Saldo akhir	37.158	*Ending balance*

Perhitungan imbalan pasca kerja dihitung oleh aktuaris independen PT Prima Bhaksana Lestari. Asumsi yang digunakan dalam menentukan penilaian aktuarial adalah sebagai berikut: / *The post-employment benefit is calculated by an independent actuary PT Prima Bhaksana Lestari. The actuarial valuation was carried out using the following key assumptions:*

	2014	
Tingkat diskonto per tahun	8,50%	*Discount rate per annum*
Tingkat kenaikan gaji per tahun	10%	*Salary increment rate*
Tingkat kematian	TMI - 2011	*Mortality rate*
Tingkat cacat	5% TMI - 2011	*Disability rate*
Tingkat pengunduran diri	5% pada usia 30 dan menurun secara bertahap ke 0% pada usia 55 / *5% up to the age of 30 years old and gradually decreases to 0% at age 55*	*Resignation rate*
Usia pensiun normal	55	*Normal retirement age*

15. MODAL SAHAM DAN UANG MUKA SETORAN MODAL

Susunan pemegang saham Perusahaan adalah sebagai berikut:

15. CAPITAL STOCK AND ADVANCE FOR CAPITAL STOCK SUBSCRIPTIONS

The composition of the Company's stockholders is as follows:

Nama Pemegang Saham/ *Name of Stockholder*	2014 dan/*and* 2013		
	Jumlah Saham/ *Number of Shares*	Persentase Pemilikan/ *Percentage of Ownership*	Jumlah Modal Disetor/ *Total Paid-Up Capital Stock*
		%	USD
Angelo Fernandus	2.356	58,90%	235.547
Sudirman Kurniawan	1.178	29,45%	117.773
Junaidy Limgestu	266	6,65%	26.594
Hari Putra Senjaya	200	5,00%	19.995
Jumlah/ *Total*	4.000	100%	399.909

Dalam Keputusan Pemegang Saham Perusahaan tanggal 22 Desember 2014, para pemegang saham telah menyetujui peningkatan modal dasar, ditempatkan dan disetor Perusahaan dari Rp 4 milyar menjadi Rp 110 milyar yang akan diambil bagian oleh Angelo Fernandus, Sudirman Kurniawan, Junaidy Limgestu dan Hari Putra Senjaya masing-masing sebesar Rp 62.434.000.000, Rp 31.217.000.000, Rp 7.049.000.000 dan Rp 5.300.000.000.

Perubahan ini belum mendapat persetujuan dari Menteri Hukum dan Hak Asasi Manusia Republik Indonesia, sehingga pada tanggal 31 Desember 2014 peningkatan modal tersebut sebesar Rp 106 milyar (setara dengan USD 8.520.900) dicatat sebagai "Uang muka setoran modal".

Based on the Company's Stockholders' Decision held on December 22, 2014, the stockholders agreed to increase the Company's authorized, subscribed and paid-up capital stock from Rp 4 billions to Rp 110 billions, which will be fully subscribed by Angelo Fernandus, Sudirman Kurniawan, Junaidy Limgestu and Hari Putra Senjaya amounting to Rp 62,434,000,000, Rp 31,217,000,000, Rp 7,049,000,000 and Rp 5,300,000,000, respectively.

This amendment has not been approved by the Minister of Law and Human Rights of Republic of Indonesia; thus, as of December 31, 2014, the increase in subscribed and paid-up capital stock amounting to Rp 106 billions (equivalent with USD 8,520,900) was recorded as "Advance for capital stock subscriptions".

16. PENDAPATAN OPERASIONAL KAPAL

Akun ini merupakan pendapatan atas operasional kapal dengan rincian sebagai berikut:

16. REVENUES FROM VESSEL OPERATIONS

This account represents revenues from vessel operations are as follows:

	2014	2013	
	USD	USD	
Kapal milik	8.963.313	3.090.822	*Owned vessels*
Kapal charter	-	442.039	*Chartered vessels*
Lain-lain	784.999	36.222	*Others*
Jumlah	9.748.312	3.569.083	*Total*

17. BEBAN OPERASIONAL KAPAL / 17. VESSEL OPERATION COSTS

	2014 USD	2013 USD	
Bahan bakar minyak dan pelumas	3.697.882	1.266.299	*Fuel and lubricants*
Penyusutan	1.575.976	1.028.828	*Depreciation*
Crew	875.867	365.426	*Crew*
Biaya pelabuhan	474.990	12.010	*Disbursement*
Asuransi	284.415	287.420	*Insurance*
Pemeliharaan dan perbaikan	214.886	9.968	*Repair and maintenance*
Jasa profesional	123.179	63.607	*Profesional fees*
Perlengkapan kapal	95.867	280.733	*Vessel supplies*
Sandar	83.952	51.820	*Port charges*
Sewa kapal	69.488	439.616	*Charter*
Mobilisasi	-	140.421	*Mobilization*
Lain-lain	152.527	77.012	*Others*
Jumlah	7.649.029	4.023.160	*Total*

18. BEBAN USAHA / 18. *OPERATING EXPENSES*

	2014 USD	2013 USD	
Gaji dan tunjangan	364.792	12.152	*Salaries and allowances*
Perlengkapan kantor	41.972	11.745	*Office supplies*
Transportasi dan perjalanan dinas	39.252	-	*Transportation and travel*
Imbalan pasca kerja	37.158	-	*Provision of employment benefit*
Representasi dan perjamuan	33.671	-	*Representation and entertainment*
Sewa	28.042	-	*Rental*
Penyusutan	23.150	6.070	*Depreciation*
Beban cadangan kerugian penurunan nilai	8.617	-	*Allowance for impairment losses*
Administrasi bank	3.911	4.583	*Administration bank*
Lain-lain	94.661	24.630	*Others*
Jumlah	675.226	59.180	*Total*

19. BEBAN BUNGA DAN KEUANGAN / 19. *INTEREST AND FINANCING CHARGES*

	2014 USD	2013 USD	
Pihak berelasi	284.273	10.271	*Related parties*
Pihak ketiga	1.203.279	692.334	*Third parties*
Jumlah	1.487.552	702.605	*Total*

20. SIFAT DAN TRANSAKSI PIHAK-PIHAK BERELASI

Sifat Hubungan Pihak-Pihak Berelasi

a. PT Deli Mitra Bahari dan PT Momentum Anugerah Indonesia merupakan perusahaan yang sebagian pengurus atau manajemennya serta pemegang saham utamanya sama dengan Perusahaan.

b. Tan Song Kar dan Charles Antonny Melati merupakan salah satu anggota dari kelompok usaha Perusahaan.

c. Angelo Fernandus, Sudirman Kurniawan dan Junaidy Limgestu merupakan pengurus dan pemegang saham Perusahaan.

Transaksi-transaksi dengan Pihak-Pihak Berelasi

20. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES

Nature of Relationship

a. PT Deli Mitra Bahari and PT Momentum Anugerah Indonesia is a related party which have partly the same management and stockholders as the Company.

b. Tan Song Kar and Charles Antonny Melati is one of the members of the Company's business group.

c. Angelo Fernandus, Sudirman Kurniawan and Junaidy Limgestu the company's management and stockholders.

Transactions with Related Parties

	2014 USD	2013 USD	
Piutang			*Receivable*
PT Momentum Anugerah Indonesia	3.855	-	*PT Momentum Anugerah Indonesia*
PT Deli Mitra Bahari	-	102.635	*PT Deli Mitra Bahari*
Jumlah	3.855	102.635	*Total*
Persentase terhadap jumlah aset	0,01%	0,33%	*Percentage of total assets*
Utang			*Payable*
Tan Song Kar	4.120.481	6.130.283	*Tan Song Kar*
Charles Antonny Melati	502.026	-	*Charles Antonny Melati*
PT Deli Mitra Bahari	-	624.410	*PT Deli Mitra Bahari*
Jumlah	4.622.507	6.754.693	*Total*
Persentase terhadap jumlah liabilitas	16,19%	22,19%	*Percentage of total liabilities*

a. Utang kepada Tan Song Kar timbul sehubungan dengan penerimaan pinjaman dana dan pembayaran terlebih dahulu operasional Perusahaan. Utang ini dikenakan bunga sebesar 2% dan dijamin dengan kapal SUV Momentum 25001, 25002 dan 25003 serta akan jatuh tempo Mei 2016.

b. Piutang dan utang pihak-pihak berelasi lainnya timbul sehubungan dengan pemberian/penerimaan pinjaman dana dan pembayaran terlebih dahulu operasional oleh pihak-pihak berelasi dan/atau sebaliknya. Piutang dan utang ini tidak dikenakan bunga, tanpa jaminan dan jangka waktu pengembalian yang pasti.

a. Due to Tan Song Kar arise in connection with the receipt of loans and advance payments the Company's operations. This debt bears interest at 2% and is secured by vessel Momentum 25001 SUV, 25002 and 25003, and will mature in May 2016.

b. Receivables and other payable to related parties arising in connection with giving/ receiving loans and advance payment operations by related parties and/or vice versa. These receivable and payable are non-interest bearing, unsecured and have no definite repayment date.

20. SIFAT DAN TRANSAKSI PIHAK-PIHAK BERELASI (Lanjutan)

Transaksi-transaksi dengan Pihak-Pihak Berelasi (lanjutan)

c. Angelo Fernandus, Sudirman Kurniawan, Junaidy Limgestu dan Charles Antonny Melati merupakan penjamin utang yang diperoleh Perusahaan dari Bank-Bank (Catatan 12).

21. MANAJEMEN RISIKO KEUANGAN

Tujuan dan kebijakan manajemen risiko keuangan Perusahaan adalah untuk memastikan bahwa sumber daya keuangan yang memadai tersedia untuk operasi dan pengembangan bisnis, serta untuk mengelola risiko kredit, risiko likuiditas dan risiko mata uang asing. Kebijakan manajemen risiko keuangan yang dijalankan oleh Perusahaan adalah sebagai berikut:

i. Manajemen risiko kredit

Risiko kredit timbul dalam mengelola penagihan piutang. Kebijakan Perusahaan adalah melakukan *monitoring* kolektibilitas piutang sehingga dapat diterima penagihannya tepat waktu. Perusahaan juga melakukan penelaahan atas masing-masing piutang secara berkala untuk menilai potensi timbulnya kegagalan penagihan dan membentuk pencadangan berdasarkan hasil penelaahan tersebut.

ii. Manajemen risiko likuiditas

Tanggung jawab utama manajemen risiko likuiditas terletak pada dewan direksi, yang telah membangun kerangka manajemen risiko likuiditas yang sesuai untuk persyaratan manajemen likuiditas dan pendanaan jangka pendek, menengah dan jangka panjang Perusahaan. Perusahaan mengelola risiko likuiditas dengan menjaga kecukupan simpanan, fasilitas bank dan fasilitas simpan pinjam dengan terus menerus memonitor perkiraan dan arus kas aktual dan mencocokkan profil jatuh tempo aset dan liabilitas keuangan.

iii. Manajemen risiko mata uang asing

Risiko nilai tukar adalah risiko volatilitas nilai tukar mata uang asing. Eksposur Perusahaan terhadap fluktuasi nilai tukar mata uang asing berasal dari volatilitas dalam Dollar Amerika Serikat terhadap mata uang lainnya. Kebijakan Perusahaan adalah untuk menyeimbangkan arus kas dari operasi dan pendanaan dengan menggunakan mata uang yang sama.

20. NATURE OF RELATIONSHIP AND TRANSACTIONS WITH RELATED PARTIES (Continued)

Transactions with Related Parties (continued)

c. Angelo Fernandus, Sudirman Kurniawan, Junaidy Limgestu and Charles Antonny Melati are the guarantor of the Company's bank loans (Note 12).

21. FINANCIAL RISK MANAGEMENT

The Company's overall financial risk management and policies seek to ensure that adequate financial resources are available for operation and development of their business, while managing their exposure to credit risk, liquidity risks and foreign exchange risk. Financial risk management policy is executed by the Company are as follows:

i. Credit Risk Management

Credit risk arises in managing the collection of accounts receivable. The Company's policy is to conduct monitoring of accounts receivable collections in order to receive timely collections. The Company also maintained prudent analyzes and credit approval on receivable balances continuously in order to minimize the exposure to bad debts and provide an allowance based on the results of the review.

ii. Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the board of directors, which has built an appropriate liquidity risk management framework for the management of the Company short, medium and long-term funding and liquidity management requirements. The Company manage liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities by continuously monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

iii. Foreign currency risk management

Exchange rate risk is the risk of the volatility of foreign exchange rate. The Company exposure to exchange rate fluctuations result from volatility in U.S. Dollar against other currencies. The Company's policy is to balance the cash flows from operations and financing activities using the same currency.

22. AKTIVITAS YANG TIDAK MEMPENGARUHI ARUS KAS

Informasi pendukung laporan arus kas sehubungan dengan aktivitas yang tidak mempengaruhi arus kas adalah sebagai berikut:

22. *NON-CASH FLOW ACTIVITIES*

Information supporting the cash flow statement in connection with activities that do not affect cash flows are as follows:

	2014 USD	2013 USD	
Perolehan aset tetap melalui:			*Acquisition of fixed assets through:*
Utang kepada pihak berelasi	2.176.005	1.310.552	*Accounts payable to related parties*
Utang bank jangka panjang	-	6.054.881	*Long term bank loans*
Utang pembiayaan konsumen	-	28.264	*Consumer financing*
Reklasifikasi uang muka pembelian aset tetap ke aset tetap	19.742	-	*Reclassification from advances for the purchases of equipment to property, vessel and equipment*
Pengembalian uang muka pembelian aset tetap melalui utang kepada pihak-pihak berelasi	30.273	-	*Refund advances for the purchases of equipment through due to related parties*

23. PERSETUJUAN LAPORAN KEUANGAN

Direksi Perusahaan telah menyetujui laporan keuangan Perusahaan untuk diterbitkan tanggal 5 Juni 2015.

23. *APPROVAL OF FINANCIAL STATEMENTS*

The financial statements were approved by the Director and authorized for issue on June 5, 2015.

****

The Board of Directors
PSL Holdings Limited
18 Boon Lay Way
#09-96
Singapore 609966

3 November 2015

Dear Sirs

Profit Forecast for the year ending 31 December 2015 ("Profit Forecast") and Profit Projection for the years ending 31 December 2016 and 31 December 2017 ("Profit Projection") of P.T. Momentum Indonesia Investama (the "MII")

This report is provided solely to the Directors of PSL Holdings Limited ("**PSL Directors**") in connection with PSL Holdings Limited's ("**PSL Group**") proposed acquisition of MII for a purchase consideration of US$11.5 million. Our work in connection with the Profit Forecast and Profit Projection has been undertaken to enable the PSL Directors to comply with the regulatory requirements for the Circular to the Shareholders dated 3 November 2015 ("**Circular**") as set out in the Listing Rules of the Singapore Exchange Securities Trading Limited.

The shareholders of MII have represented, warranted and undertaken to the Group that the net profits after tax of MII for the 24 months commencing from the Completion Date (the "**Profit Guarantee**") shall be at least US$12,244,898.

We have examined the Profit Forecast and Profit Projection on which the Profit Guarantee is based, in accordance with the International Standard on Assurance Engagements 3400 "The Examination of Prospective Financial Information" applicable to the examination of prospective financial information. The Directors of MII are responsible for the Profit Forecast and Profit Projection, including the assumptions on which they are based.

Profit Forecast

In our opinion, the Profit Forecast is properly prepared on the basis of the assumptions, is consistent with the accounting policies of the PSL Group, and is presented in accordance with the accounting policies adopted by the PSL Group. Further, based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Forecast.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions. As the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which included hypothetical assumptions about future events which may not necessarily occur) are more subjective than would be appropriate for the Project Forecast. The Profit Projection does not therefore constitute a Profit Forecast.

In our opinion, the Profit Projection is properly prepared on the basis of the assumptions, is consistent with the accounting policies of the PSL Group, and is presented in accordance with the accounting policies adopted by the PSL Group. Further, based on our examination of the evidence supporting the assumptions, nothing has come to our attention which causes us to believe that these assumptions do not provide a reasonable basis for the Profit Projection.

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occur, actual results are still likely to be different from the Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected. For these reasons, we do not express any opinion as to the possibility of achievement of the Profit Forecast and Profit Projection.

Attention is drawn, in particular, to the risk factors set out on pages 14 to 20 of the Circular which describe the principal risks associated with the Acquisition, to which the Profit Forecast and Profit Projection relate.

Our report is provided on the basis that it is solely for the information of the PSL Directors to enable them to fulfill the requirements of the Listing Rules of the Singapore Exchange Securities Trading Limited. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purpose. We do not assume any responsibility or liabilities for losses occasioned to the PSL Directors or any other party as a result of the circulation, publication, reproduction or use of the report contrary to the provision of this paragraph.

Yours faithfully
S. Mannan, Ardiansyah & Rekan
Registered Public Accountants Indonesia

Partner-in-charge: Drs. Muhammad Sofwan, CPA, CA

TATA CAPITAL MARKETS PTE LTD
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200820715M)
8 Shenton Way #19-01 AXA Tower
Singapore 068811

3 November 2015

The Board of Directors
PSL Holdings Limited
18 Boon Lay Way
Tradehub 21 #09-96
Singapore 609966

Dear Sirs

THE PROPOSED ACQUISITION OF SHAREHOLDING INTEREST IN PT MOMENTUM INDONESIA INVESTAMA (THE "PROPOSED ACQUISITION")

*Unless otherwise defined or the context otherwise requires, all terms defined in the circular dated 3 November 2015 issued by the Company to its shareholders (the "**Circular**") shall have the same meanings herein.*

1. INTRODUCTION

On 17 March 2015 (the "**Announcement Date**"), PSL Holdings Limited (the "**Company**") announced, *inter alia*, that it had on the same day entered into a conditional sale and purchase agreement ("**Principal SPA**") with (i) Mr Sudirman Kurniawan and (ii) Mr Angelo Fernandus (collectively, the "**Vendors**" and each a "**Vendor**") for the acquisition by the Company of approximately 49% interest in the issued share capital of PT Momentum Indonesia Investama ("**Investama**") (the "**Sale Interest**") by way of the purchase of the Offshore Sale Shares for an aggregate consideration of US$11.5 million (the "**Consideration**"). On 3 August 2015, the Company entered into a supplemental agreement with the Vendors in respect of the Proposed Acquisition to further amend, modify and/or vary the terms of the Principal SPA (collectively with the Principal SPA, the "**SPA**").

The Proposed Acquisition constitutes a major transaction as defined in Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"). In this regard, the Company has appointed Tata Capital Markets Pte. Ltd. ("**Tata Capital**") as the financial adviser to the Company to provide an opinion on whether or not the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders pursuant to Rule 1013(2)(b) of the Listing Manual. This letter ("**FA Letter**") sets out, inter alia, our evaluation and assessment of the financial terms of the Proposed Acquisition and our opinion thereon.

2. TERMS OF REFERENCE

We have been appointed as the Financial Adviser to the Company in respect of the Proposed Acquisition. Our views as set out in this FA Letter are based upon the prevailing market, economic, industry and other conditions (if applicable) and our analysis of the information provided in the Circular as well as information and representations provided to us by the Company and its representatives, as at 22 October 2015 (the "**Latest Practicable Date**"). As such, we assume no responsibility to update, revise or reaffirm our opinion in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained herein. Shareholders should take note of any announcements relevant to the Proposed Acquisition which may be released by the Company after the Latest Practicable Date.

We were not involved or responsible, in any aspect, of the negotiations in relation to the Proposed Acquisition, nor were we involved in the deliberations leading up to the decision on the part of the directors of the Company (the "**Directors**") to seek Shareholders' approval for the Proposed Acquisition. We do not, by this FA Letter, warrant the merits of the Proposed Acquisition, other than to express an opinion on whether or not the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders.

It is not within our terms of reference to evaluate or comment on the legal, strategic, or commercial merits and/or risks of the Proposed Acquisition or to compare their relative merits vis-à-vis alternative transactions previously considered by the Company (if any) or that may otherwise be available to the Company currently or in the future, and as such, we do not express an opinion thereon. Such evaluations or comments, if any, remain the sole responsibility of the Directors although we may draw upon their views in respect thereof (to the extent deemed necessary or appropriate by us) in arriving at our opinion as set out in this FA Letter.

In the course of our evaluation, we have held discussions with the Directors, management of the Company (the "**Management**") and/or their professional advisers and have examined and relied to a considerable extent on publicly available information collated by us as well as information provided and representations made to us, both written and verbal, by the Directors, the Management and/or the professional advisers of the Company, including information contained in the Circular. We have relied upon and assumed the accuracy without having independently verified such information provided or any representation or assurance made by them, whether written or verbal, and accordingly cannot and do not make any representation or warranty, expressly or impliedly, in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information, representation or assurance. However, we have made reasonable enquiries and exercised our judgment on the reasonable use of such information, and have found no reason to doubt the accuracy or reliability of the information.

The scope of our appointment does not require us to conduct a comprehensive review of the business, operations or financial condition of Investama and we have not made an independent evaluation or appraisal of the assets, liabilities and profitability of Investama. As such, we will be relying on the disclosures and representations provided by the Company on the value of the assets and liabilities, and profitability of Investama. In this respect, we have been furnished with a valuation report dated 29 September 2015 (the "**Valuation Report**") issued by Censere Singapore Pte Ltd (the "**Independent Valuer**") in relation to the fair value of the fixed assets of Investama ("**Fixed Assets**"), comprising of tug boats, self-unloading vessels and barges, as at 31 December 2014 and 31 August 2015 respectively. As we are not experts in the evaluation or appraisal of the assets set out in the Valuation Report, we have placed sole reliance on the valuation in relation to the fair value of the aforementioned assets ("**Independent Valuation**") as determined by the Independent Valuer.

This FA Letter is addressed to the Directors for their benefit in connection with and for the purpose of their consideration of the Proposed Acquisition and should not be relied upon by any other party. The recommendation made by the Directors to the Shareholders in relation to the Proposed Acquisition shall remain the sole responsibility of the Directors.

Our opinion in relation to the Proposed Acquisition should be considered in the context of the entirety of this FA Letter and the Circular.

3. INFORMATION RELATING TO INVESTAMA

Investama is a limited liability company established under the laws of the Republic of Indonesia, having its domicile at Batam, and is a marine related logistics services company which is principally engaged in the provision of tug and barge freight logistics. Investama started commercial operations in 2013 and owns its own fleet of tug and barge vessels. Further details on Investama are set out in section 3.1 of the Circular.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

The Proposed Acquisition involves the acquisition by the Company of approximately 49% interest in the issued share capital of Investama through the acquisition of the Offshore Sale Shares, free from any encumbrances and claims, and together with all rights, benefits and entitlements attaching thereto.

The Proposed Acquisition is subject to certain material conditions precedent between the Company and the Vendors as set out in section 3.4(e) of the Circular, which must be fulfilled (or otherwise waived) within 12 months from the date of the SPA (being 17 March 2015) ("**Long-Stop Date**"). In the event that any of the conditions precedents set out in the SPA is not fulfilled or waived on or before the Long-Stop Date, the SPA shall ipso facto lapse and cease to have effect and the Company and the Vendors shall not have any claim against the other party, save in respect of any accrued rights or liabilities under the SPA.

In the ensuing paragraphs, we set out the salient terms of, and certain pertinent matters relating to, the Proposed Acquisition. Shareholders are advised to read the full details relating to the Proposed Acquisition set out in section 3 of the Circular carefully.

4.1 Purchase Consideration

The Consideration for the acquisition of the Sale Interest is US$11.5 million, which was arrived at after arm's length negotiations between the Company and the Vendors, and on a willing-buyer and willing-seller basis, taking into account, *inter alia*, the net tangible assets ("**NTA**") and the business prospect of Investama, and will be payable to the Vendors in the following manner:

(a) Within seven (7) business days from the date of the SPA, the payment of US$6.0 million as deposit (the "**Deposit**"); and

(b) On the date of completion of the Proposed Acquisition (the "**Completion Date**"), the payment of US$5.5 million.

The Deposit shall be fully refundable in the event (i) the SPA and/or the transaction contemplated therein is terminated; or (ii) the sale and purchase of the Sale Interest is not completed.

The terms of SPA provide that the Consideration shall be used by the Vendors to reduce the outstanding bank loans of Investama to the aggregate amount of US$11.5 million (the "**Reduced Bank Loan Amount**"), following which the Company shall then pay down the Reduced Bank Loan Amount to nil within 30 days after Completion Date.

Further, we note that in the event dividends is declared by Investama in respect of the financial year ended 31 December 2016 ("**FY2016 Dividends**"), the Company shall renounce its dividend entitlement, in respect of FY2016 Dividends of a quantum of up to US$3.0 million, to the Vendors in accordance with their pro-rata proportion of the Sale Interest (i.e. renouncement of up to approximately US$1.47 million ("**Renounceable Dividend**") to the Vendors). Accordingly, the effective maximum consideration in respect of the acquisition of the Sale Interest, taking into consideration the Renounceable Dividend, is approximately US$12.97 million ("**Effective Consideration**").

4.2 Disposal of Self-Unloading Vessels

Pursuant to the SPA, the Vendors undertook, *inter alia*, to procure that, following Completion, Investama disposes of the three self-unloading vessels that it owns and the Vendors shall be wholly responsible for marketing and negotiating the sale of the self-unloading vessels. In the event there is a net gain from the disposal of the self-unloading vessels (after paydown of the financing liabilities incurred for the initial purchase of the self-unloading vessels) the Company shall be entitled to retain the net gains. In the event there is a net loss from the disposal of the

self-unloading vessels (after paydown of the financing liabilities incurred for the initial purchase of the self-unloading vessels), the Vendors shall refund the Company the net loss. The Vendors also undertook to bear all liabilities arising from or in connection with the self-unloading vessels from the date of Investama's acquisition of the self-unloading vessels until and including the date of completion of Investama's disposal of the self-unloading vessels.

4.3 Shareholder's Deed of Agreement

It is a condition precedent to Completion that all the shareholders of Investama as at Completion Date shall enter into a shareholders' deed of agreement ("**Shareholders' Agreement**") in the form set out in the SPA. The Shareholders' Agreement provides for, *inter alia,* that:

(i) the Deposit of US$6.0 million and US$2.5 million of the Balance Consideration payable to the Vendors shall be used to pay down bank loans of Investama, and the balance US$3.0 million of the Consideration shall be paid to the Vendors in accordance with their pro-rata proportion of the Sale Interest. Accordingly, as at Completion Date, the Vendors shall have collectively granted a shareholders' loan of US$8.5 million, being part of the Consideration, to Investama (the "**Vendors Loan**");

(ii) the Company shall grant a shareholders' loan of US$11.5 million to Investama within 30 days from the Completion Date (the "**Purchaser Loan**"), such amount to be utilised to pay down bank loans of Investama;

(iii) the Vendors shall procure that Investama declare dividends in accordance with the terms of the Shareholders' Agreement, which provides, *inter alia*, that (i) no dividends shall be declared in respect of FY2015; (ii) Investama shall declare dividends for FY2016, such dividends to be payable out of profits of Investama available for the payment of dividends, provided that the NPAT for FY2016 exceeds US$3.0 million and the quantum of dividends to be declared shall be no more than the excess of the FY2016 NPAT over US$3.0 million; and (iii) no dividends shall be declared in respect of the financial years subsequent to FY2016 unless the Vendors Loan and the Purchaser Loan has been repaid in full (the "**Dividend Policy**");

(iv) no dividends shall be declared by Investama until such time it has generated a cumulative NPAT of at least US$3.0 million (the "**Dividend Profit Target**"), such accumulation of the profit amount required to achieve the Dividend Profit Target to commence only subsequent to the Completion Date;

(v) the Dividend Profit Target shall be used by Investama to repay the outstanding principal under the Purchaser Loan (the "**Initial Purchaser Loan Paydown**") and there shall be no repayment of outstanding principal under the Vendors Loan prior to the Initial Purchaser Loan Paydown; and

(vi) any available profits generated in the financial years subsequent to FY2016 (the "**Available Loan Repayment Profits**") shall be used by Investama to repay the Vendors Loan and the Purchaser Loan, until such time each of the Vendors Loan and the Purchaser Loan is fully repaid. Subject to the full repayment of each of the Vendors Loan and the Purchaser Loan, 51% of the Available Loan Repayment Profits in respect of each relevant financial year and 49% of the Available Loan Repayment Profits for that same financial year shall be used to repay the Vendors Loan and the Purchaser Loan respectively, save that in the event the Vendors Loan has been fully repaid, all Available Loan Repayment Profits shall be used to repay the Purchaser Loan. Subsequent to the full repayment of both the Vendors Loan and the Purchaser Loan, the Company shall be allowed to declare dividends and each of the then existing shareholders of the Company shall be entitled to receive their dividends in accordance with their then shareholding percentages.

4.4 Profit Guarantee

Under the terms of the SPA, the Vendors have guaranteed that the aggregate consolidated net operating profit after tax (excluding exceptional items and non-controlling interests) ("**NPAT**") of Investama for the period of 24 months commencing from the Completion Date (the "**Guaranteed Period**") shall be at least US$12,244,898 (the "**Guaranteed Amount**") (the "**Profit Guarantee**"). The mechanics of the Profit Guarantee and manner and amount of compensation is set out in section 3.5.2(c) of the Circular.

5. ASSESSMENT OF THE FINANCIAL TERMS OF THE PROPOSED ACQUISITION

In assessing the terms of the Proposed Acquisition, we have considered, *inter alia*, the following:

(a) financial assessment of the Effective Consideration;

(b) rationale for the Proposed Acquisition;

(c) Profit Guarantee provided by the Vendors; and

(d) other relevant considerations.

5.1 Financial assessment of the Effective Consideration

5.1.1 Implied valuations ratios of Investama

Price-earnings ("P/E") ratio

The P/E ratio illustrates the ratio of the market value of a company's shares relative to its consolidated earnings per share and is commonly used for the purpose of illustrating the profitability, and hence valuation of a company as a going concern.

Based on the audited consolidated financial statements of Investama for the latest financial year ended 31 December 2014 ("**FY2014**"), the historical FY2014 P/E of Investama as implied by the Effective Consideration is approximately 104.0 times. In this regard, we note that Investama is in its early stage of expansion, having only commenced operations in FY2013, and that 2 sets of tugboats and barges (out of its current fleet of 12 sets) were not yet in operation in FY2014. Excluding the net gains on foreign exchange, Investama would have recorded operating losses in both FY2013 and FY2014. Accordingly, an assessment based on the implied historical P/E ratio may not be particularly meaningful.

Under the SPA, the Vendors have provided a Profit Guarantee for a Guaranteed Amount of US$12,244,898 in respect of the period of 24 months commencing from the Completion Date, which is equivalent to an annualised NPAT guarantee of US$6,122,449 ("**Annualised NPAT Guarantee**").

Based on the Effective Consideration of US$12.97 million and the 49% share of the Annualised NPAT Guarantee attributable to the Company, Investama is valued at an implied forward P/E of approximately 4.3 times.

Price-to-NTA ("P/NTA") ratio

The P/NTA ratio is used to show the extent to which the value of each share is backed by tangible assets and would be more relevant in the event that a company intends to realise or convert the uses of all or most of its assets. Hence, although we have included P/NTA as one of the valuation ratios for comparison with the Comparable Companies, it will not be regarded a key indicator of value in our overall financial assessment of the Consideration which involves the acquisition of Investama as a going concern.

Based on the unaudited management accounts of Investama as at 31 March 2015, the NTA of Investama (which includes the self-unloading vessels) is approximately US$10.0 million. Accordingly, the P/NTA of Investama, as implied by the Effective Consideration and the 49% share of the NTA of Investama attributable to the Company, is approximately 2.6 times.

Based on the Valuation Report, the fair value of the 12 sets of tugs and barges (excluding the 3 self-unloading vessels) owned by Investama as at 31 December 2014 and 31 August 2015, was assessed to be approximately US$48.9 million and US$47.4 million respectively. Having regard to the Independent Valuation on the tugs and barges of approximately US$47.4 million as compared to their net book value of approximately US$30.6 million as at 31 August 2015, we note that there is an implied revaluation surplus on the tugs and barges of approximately US$16.8 million. Accordingly, the revalued NTA of Investama as at 31 March 2015 (taking into account the implied revaluation surplus on the tugs and barges) will be approximately US$26.9 million ("**RNTA**"). Based on the RNTA of Investama and the Effective Consideration, Investama is valued at a P/RNTA of approximately 0.9 times.

5.1.2 Comparison of valuation ratios of selected listed companies whose businesses are broadly comparable to those of Investama

For the purpose of assessing the financial terms of the Proposed Acquisition, we have compared the key valuation ratios of Investama, as implied by the Effective Consideration, with those of selected companies listed in Singapore and Indonesia whose businesses are broadly comparable ("**Comparable Companies**").

The following is a brief description of the Comparable Companies:

Comparable Company	**Principal Business**	**Country of listing**	**Market Capitalisation[(1)] (US$ million)**
Pacific Radiance Ltd ("**Pacific Radiance**")	Pacific Radiance owns and operates offshore vessels and provides subsea services, shipyard services, marine equipment as well as project logistics to the oil and gas industry around the world.	Singapore	215.3
Pacc Offshore Services Holdings Ltd ("**POSH**")	POSH provides offshore solutions to the offshore construction, subsea, and deepwater markets. The Company operates a fleet of offshore utility vessels, including anchor handling tugs, ocean towing tugs, accommodation vessels, crane barges, and ballastable tank barges that serve various phases of oilfield development.	Singapore	508.3
Seroja Investments Ltd ("**Seroja"**)	Seroja provides charter services of tugboats and barges, which are primarily used to transport thermal coal, sand and other quarry materials.	Singapore	19.9
PT Mitrabahtera Segara Sejati Tbk ("**MBSS**")	MBSS is an integrated coal transport and logistics services company which provides river and sea-based coal transport solutions to Indonesia's coal mining industry as well as operates on-shore and off-shore coal loading terminals.	Indonesia	52.0

Comparable Company	Principal Business	Country of listing	Market Capitalisation[1] (US$ million)
PT Trans Power Marine Tbk ("**Trans Power**")	Trans Power is a marine shipping transportation company. The Company offers tug and barge services for the transportation of bulk cargo.	Indonesia	46.9
PT Pelayaran Nasional Bina Buana Raya Tbk ("**Pelayaran**")	Pelayaran is engaged in ship owning and chartering services, which consists of tugs and barges division and offshore marine division.	Indonesia	22.4

Source: Bloomberg L.P.

Note:

(1) The market capitalisation of the Comparable Companies is calculated based on their respective share price information and the relevant exchange rates as at the Latest Practicable Date.

We wish to highlight that the Comparable Companies are not exhaustive and may differ from Investama in terms of, *inter alia*, size of operations, clientele base, composition of business activities, asset base, geographical spread, track record, operating and financial leverage, quality of earnings, accounting policies, future prospects and other relevant criteria. It should also be noted that the market valuation of the respective Comparable Companies would usually command a premium in view of their listing status and larger market capitalisations, as compared to a smaller private limited company. As such, any comparison made is necessarily limited and merely serves as an illustrative guide.

For the purpose of our evaluation, we set out below the comparisons of the valuation ratios of the Comparable Companies, based on their respective last traded prices as at the Latest Practicable Date, with those of Investama as implied by the Effective Consideration:

Company Name	Historical P/E (times)	Forward P/E[2] (times)	Historical P/NTA (times)
Pacific Radiance	3.2	14.2	0.5
POSH	9.5	14.0	0.6
Seroja	14.5	NA	0.5
MBSS	2.6	5.0	0.2
Trans Power	3.9	NA	0.9
Pelayaran	563.5[1]	NA	0.2
High	563.5	14.2	0.9
Low	2.6	5.0	0.2
Mean	6.7[1]	11.0	0.5
Median	3.9[1]	14.0	0.5
Investama (as implied by the Effective Consideration)	**104.0**	**4.3**	**2.6**

Source: Bloomberg L.P. and Tata Capital's computations

Notes:

(1) The historical P/E multiple of Pelayaran of 563.5 times was excluded as a statistical outlier from the computation of the mean and median historical P/E ratio.

(2) Forward P/E refers to the price-earnings ratio of the respective Comparable Companies based on current year earnings per share estimate as obtained from Bloomberg L.P., while the implied forward P/E of Investama is computed based on the Effective Consideration of US$12.97 million and the 49% share of the Annualised Profit Guarantee attributable to the Company which amounts to approximately US$3.0 million. An "NA" entry denotes that there was no forward P/E data available on Bloomberg L.P. for the respective Comparable Companies.

Based on the above, we note that:

a) the implied historical P/E ratio of Investama of 104.0 times is within the range of historical P/E ratios of the Comparable Companies of between 2.6 times and 563.5 times but is significantly higher than the mean and median historical P/E ratios (excluding the statistical outlier of Pelayaran of 563.5 times) of the Comparable Companies of 6.7 times and 3.9 times respectively;

b) the implied forward P/E ratio of Investama of 4.3 times is below the lower end of the range of forward P/E ratios of the Comparable Companies and hence also below the mean and median of the forward P/E ratios of the Comparable Companies of 11.0 times and 14.0 times respectively; and

c) the implied historical P/NTA ratio of Investama of 2.6 times is above the upper end of the range of historical P/NTA ratios of the Comparable Companies and hence also above the mean and median historical P/NTA ratios of the Comparable Companies of 0.5 times.

5.2 Rationale for the Proposed Acquisition

The rationale for the Proposed Acquisition as set out in section 3.6 of the Circular is reproduced in italics below:

"The Proposed Acquisition represents a shift of emphasis of the Company towards the Marine Logistics Business and is in-line with the Group's strategic plans and on-going efforts to pursue new investment opportunities.

In addition, the Proposed Acquisition will give the Group further exposure to the marine related logistic services industry, to generate an alternative revenue stream for the Group so that the Group will be more resilient and not so dependent on a single industry and improve its profitability. The Proposed Acquisition is also intended to extend the Group's current expertise as a logistics provider for the construction industry to that also of the marine industry. This will help the Group to diversify its revenue stream so that the Group's financial performance is risk diversified across industries and not dependent on a single industry.

The Board is of the view that the Proposed Acquisition will result in a change in the risk profile of the Company.

In addition, the market valuation of the vessels of Investama implies a potential revaluation surplus of approximately US$17.1 million. Further, the Company's investment in Investama will entail that the gearing of Investama be reduced to nil and Investama will immediately have savings of approximately US$1.5 million per year on its finance costs after the debts have been fully repaid. With a profit guarantee of approximately US$3.0 million per year (attributable to the Company's 49% pro-rata entitlement) (based on a guaranteed profit of Investama of US$12,244,898 for a 24 month period), the Proposed Acquisition will translate into a guaranteed return to the Company of approximately 13% per annum for two (2) years."

5.3 Profit Guarantee provided by the Vendors

Pursuant to the terms of the SPA, the Vendors have guaranteed that the aggregate NPAT of Investama for the Guaranteed Period shall be at least US$12,244,898. In the event there is any shortfall between the actual NPAT and the pro-rated NPAT target (the "**Shortfall**") for the respective financial periods as at each Accounts Date within the Guaranteed Period and as at the Vendors' Personal Guarantee Expiry Date (as the case may be), subject to the terms and conditions of the SPA, the Vendors shall, within thirty days of the finalisation of the audited accounts of Investama for that Financial Year or such other date as the Vendors and the Company may otherwise agree, pay to the Company such amount of cash compensation representing a 49% share of the Shortfall for the relevant period.

In this regard, we note that the reporting auditors of Investama, S. Mannan, Ardiansyah & Rekan ("**Investama's Reporting Auditors**"), has examined the profit forecast for FY2015 and profit projection for FY2016 and FY2017, on which the Profit Guarantee is based, in accordance with the International Standard on Assurance Engagements 3400 - "The Examination of Prospective Financial Information" applicable to the examination of prospective financial information and is of the opinion that the profit forecast for FY2015 and profit projection for FY2016 and FY2017 are properly prepared on the basis of the assumptions, are consistent with the accounting policies adopted by the Group, and are presented in accordance with the accounting policies adopted by the Group. Based on Investama's Reporting Auditors' examination of the evidence supporting the assumptions, nothing has come to its attention which causes it to believe that the assumptions do not provide a reasonable basis for the profit forecast for FY2015 and profit projection for FY2016 and FY2017 of Investama, on which the Profit Guarantee is based. Similarly, the external auditors of the Company, RT LLP, has examined the profit forecast and profit projection, on which the Profit Guarantee is based, in accordance with the Singapore Standard on Assurance Engagements 3400 – "The Examination of Prospective Financial Information", and is of the opinion that the profit forecast and profit projection have been properly prepared on the basis of the assumptions made by the directors of Investama and are presented on a basis consistent with the accounting policies adopted and disclosed by the Group in its audited financial statements for FY2014. Based on RT LLP's examination of the evidence supporting the assumptions, nothing has come to its attention which causes it to believe that the assumptions do not provide a reasonable basis for the profit forecast and the profit projection, on which the Profit Guarantee is based.

Taking into consideration, *inter alia*, the expanded operating capacity of Investama (with the addition of Momentum 012 and Momentum 013 to the fleet in early 2015), the secured contracts of Investama (which includes a five year freight charter agreement with Geo Coal International Pte. Ltd. with a contract value of US$33.0 million commencing in January 2016) and the absence of finance costs accruing from interest expense (which amounted to approximately US$1.5 million in FY2014) subsequent to the pay down of the existing bank loans of Investama, we agree with the opinions of RT LLP and Investma's Reporting Auditors, and is of the view that the assumptions provide a reasonable basis for the profit forecast and profit projection, on which the Profit Guarantee is based.

To ensure the Company's right of recourse in the event the Profit Guarantee is not met, the Vendors had issued a personal guarantee on a several basis and in accordance with the Vendors' pro-rata proportion of the Sale Interest (the "**Vendors' Personal Guarantee**"). Under the terms of the SPA, the Company shall be entitled to call on the Vendors' Personal Guarantee if the Vendors fail to make payment of the shortfall within the stipulated time period. In this regard, we note that save for the Vendors' Personal Guarantee, there is no security provided by the Vendors in respect of the Profit Guarantee but the Company had conducted financial due diligence on the Vendors, which includes obtaining a copy of the private banking statement of Mr Kurniawan containing details of his assets located in Singapore and copies of financial statements and a list of projects and their estimated valuations of a property development company in Batam, Indonesia, of which Mr Fernandus is a controlling shareholder, and is satisfied that the Vendors are in good financial standing and had accordingly accepted the Vendors' Personal Guarantee. In addition, the Board took into consideration the fact that the Company has board control of Investama after completion of the Proposed Acquisition and that Mr Kurniawan, who is responsible for managing the

day-to-day operations of Investama, will also be an executive officer of the Company and will report directly to the Board in relation to Investama. As such, the Board will be in the position to closely monitor the business and operations of Investama. Based on the foregoing, the Board is of the view that there are sufficient safeguards to ensure the Company's right of recourse.

5.4 Other relevant considerations

5.4.1 Safeguards to the Company based on the terms of the SPA

The principal terms of the Proposed Acquisition are set out in section 3.4 of the Circular. We note that the terms of the SPA provide various safeguards to the Company, which includes the following:

(a) Fully Refundable Deposit

The Deposit of US$6.0 million which has been paid shall be fully refundable in the event (i) the SPA and/or the transaction therein is terminated; or (ii) the sale and purchase of the Sale Interest is not completed. The refund shall be secured by: (i) a standby letter of credit issued by PT Bank Danamon Indonesia Tbk in favour of the Company for an amount of US$4.0 million ("**PSL Letter of Credit**"), which the Company shall be entitled to call on in the event any amount of the Deposit is not refunded within the time stipulated therein; and (ii) a joint and several personal guarantee issued by the Vendors in favour of the Company for an aggregate guaranteed amount of US$2.0 million ("**Deposit Guarantee**"), which the Company shall be entitled to call on in the event the Company has called on and received payment under the PSL Letter of Credit and there are outstanding amounts of the Deposit yet to be refunded by the Vendors. In accepting the Deposit Guarantee as security for the refundable Deposit, we note that the Company had conducted due diligence on the financial standing of the Vendors and the Board is of the view that the assets of the Vendors exceed any possible obligations that may crystallise as a result of the Deposit Guarantee.

(b) Non-competition clause

Each Vendor has undertaken with the Company that for a period of five years after the Completion Date, he shall not without the prior written approval of the Company: (i) directly or indirectly, either on his own or jointly with a third party, carry on in Indonesia or any other country where it operates, a business which is or is likely to be in competition with the business of the Company; and (ii) interfere with or endeavour to entice away from Investama any person who at the Completion Date, is an employee, customer or vendor of Investama.

(c) Service agreement

One of the conditions precedent to the completion of the Proposed Acquisition is that Mr Sudirman Kurniawan, who is the founder and key personnel responsible for the establishment of Investama and has been the managing director of Investama since its inception in 2011, shall enter into a service agreement with the Company for an initial period of three years commencing from the Completion Date on mutually agreeable terms, details of which are set out in section 7 of the Circular. This ensures continuity in the operations of Investama after the completion of the Proposed Acquisition.

5.4.2 Disposal of Self-unloading Vessels

As mentioned in section 4.2 of this FA Letter, the Vendors have agreed to procure that following Completion, Investama disposes of the three self-unloading vessels that it owns. We understand from the Company that the reason for the proposed disposal of the self-unloading vessels is due to a current lack of market demand for the chartering of such vessels and that the self-unloading vessels do not currently contribute positively to the bottom line of Investama.

In the event there is a net gain from the disposal of the self-unloading vessels (after paydown of the financing liabilities incurred for the initial purchase of the self-unloading vessels) the Company shall be entitled to retain the net gains. In the event there is a net loss from the disposal of the self-unloading vessels (after paydown of the financing liabilities incurred for the initial purchase of the self-unloading vessels), the Vendors shall refund the Company the net loss. As at 31 December 2014, the net book value of the self-unloading vessels (including the self-unloading vessels' related equipment and prepaid docking costs and insurance) and the corresponding financing liabilities attributable to the self-unloading vessels recorded on the audited consolidated financial statements of Investama is approximately US$4.5 million and US$4.6 million respectively.

The Vendors further undertook to bear all liabilities arising from or in connection with the self-unloading vessels from the date of Investama's acquisition of such self-unloading vessels until and including the date of completion of Investama's disposal of the self-unloading vessels, and will on demand, indemnify and keep the Company and Investama harmless from and against all and any actions, proceedings, claims, liabilities, losses, costs and expenses which may be made or brought against the Company and/or Investama or which the Company and/or Investama may suffer or incur in connection with or arising out of the self-unloading vessels. The foregoing indemnity includes without limitation the assets value and any costs and taxes incurred in the disposal of the self-unloading vessels, the net operating losses associated with the self-unloading vessels, any repayment of loans of Investama relating to the self-unloading vessels and the associated interest charge. The Directors have confirmed that, to the best of their knowledge and belief, as at the Latest Practicable Date, there are no ongoing or potential claims or proceedings relating to the self-unloading vessels. As at 31 December 2014, the liabilities associated with the self-unloading vessels amounted to approximately US$4.84 million and comprised the following: (i) amounts owing to shareholders (US$4.63 million); (ii) payables to ship builder (US$150,000); and (iii) trade payables related to the self-unloading vessels (US$61,000). Such liabilities, to the extent they are outstanding, will be paid off and extinguished with the disposal of the self-unloading vessels.

Taking into consideration the above, in particular, the undertakings and indemnity provided by the Vendors in connection with the self-unloading vessels, we are of the view that the disposal of the self-unloading vessels will not be prejudicial to the interest of the Company.

5.4.3 Financial Effects of the Proposed Acquisition

The pro forma financial effects of the Proposed Acquisition set out in section 3.8 of the Circular are for illustrative purposes only and were prepared based on the audited consolidated financial statements of the Group for FY2014 and the audited financial accounts of Investama for FY2014.

(a) NTA per Share

Assuming that the Proposed Acquisition had been completed on 31 December 2014, the Proposed Acquisition would have decreased the NTA per Share of the Group as at 31 December 2014 from 12.04 cents to 9.72 cents, mainly as a result of the acquisition of the Sale Interest with attributable net assets of approximately US$4.7 million at the Consideration of US$11.5 million.

(b) (Loss)/Earnings Per Share ("EPS")

Assuming that the Proposed Acquisition had been completed on 1 January 2014, the Proposed Acquisition would have reduced the loss per Share of the Group for FY2014 from (1.08) cents to (1.04) cents, as a result of the profit contributions from Investama attributable to the Sale Interest.

(c) Gearing and Share Capital

The Proposed Acquisition does not have any impact on the gearing and share capital of the Group.

5.4.4 Shareholders' Agreement

As mentioned in section 4.3 of this FA Letter, a substantial portion of the Effective Consideration payable to the Vendors, amounting to US$8.5 million, will be extended to Investama as a shareholders' loan which shall be used to pay down outstanding bank loans of Investama. In this regard, we note that the terms and conditions of the Vendors Loan and the Purchaser Loan shall be materially the same, and neither of the Vendors Loan nor the Purchaser Loan shall be on terms and conditions more favourable than the other.

Pursuant to the terms of the Shareholders' Agreement, the Dividend Profit Target shall be used to fund the Initial Purchaser Loan Paydown (i.e. reducing the outstanding principal under the Purchaser Loan to US$8.5 million) and any available profits generated in the financial years subsequent to FY2016 shall be used by Investama to repay the Vendors Loan and the Purchaser Loan, until such time each of the Vendors Loan and the Purchaser Loan is fully repaid. In respect of the Renounceable Dividend, we have taken into account the effective maximum consideration (which includes the Renounceable Dividend) for the acquisition of the Sale Interest, in our financial assessment of the Effective Consideration.

6. Our Opinion

In arriving at our opinion, we have taken into account, *inter alia*, the following key considerations:

(a) the implied historical P/E ratio of Investama of 104.0 times is within the range of historical P/E ratios of the Comparable Companies but is significantly higher than the mean and median historical P/E ratios (excluding outliers) of the Comparable Companies. In this regard, we note that an assessment based on the implied historical P/E ratio may not be particularly meaningful, in view that Investama is in its early stage of expansion, having only commenced operations in FY2013, and that 2 sets of tugboats and barges (out of its current fleet of 12 sets) were not yet in operation in FY2014;

(b) the implied forward P/E ratio of Investama of 4.3 times is below the lower end of the range of forward P/E ratios of the Comparable Companies and hence also below the mean and median of the forward P/E ratios of the Comparable Companies of 11.0 times and 14.0 times respectively;

(c) the implied historical P/NTA ratio of Investama (which includes the self-unloading vessels and has not taken into account the revaluation of the Fixed Assets) of 2.6 times is above the upper end of the range of historical P/NTA ratios of the Comparable Companies and hence also above the mean and median historical P/NTA ratios of the Comparable Companies of 0.5 times. However, taking into account the implied revaluation surplus on the tugs and barges based on the findings of the Valuation Report, the Company will be acquiring Investama at an implied P/RNTA of 0.9 times;

(d) the rationale for the Proposed Acquisition;

(e) the Profit Guarantee provided by the Vendors;

(f) safeguards to the Company based on the terms of the SPA, which includes: (i) the refundable Deposit which is secured by the PSL Letter of Credit and Deposit Guarantee; (ii) the non-competition clause which is binding on each Vendor for a period of five years; and (iii) the service agreement to be entered into with Mr Sudirman Kurniawan, who is the key personnel responsible for the establishment and management of Investama; and

(g) the other relevant considerations in relation to the Proposed Acquisition as set out in section 5.4 of this FA Letter.

Having regard to the considerations set out in this FA Letter and the information available to us as at the Latest Practicable Date, we are of the opinion that the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its Shareholders.

Whilst a copy of the FA Letter may be reproduced in the Circular, neither the Company nor the Directors may reproduce, disseminate or quote the FA Letter (or any part thereof) for any other purpose other than for the purpose of the Proposed Acquisition and for the purpose of the EGM, at any time and in any manner without the prior written consent of Tata Capital in each specific case. This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully

For and on behalf of
Tata Capital Markets Pte. Ltd.

Wayne Lee Chin Ing
CEO & Executive Director
Head of Corporate Finance

Foo Say Nam
Senior Vice President
Corporate Finance

23 October 2015

The Board of Directors
PSL Holdings Limited
18 Boon Lay Way
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Singapore 609966

Dear Sirs,

PROFIT FORECAST FOR THE FINANCIAL PERIOD FROM 1 OCTOBER 2015 TO 31 DECEMBER 2015 ("PROFIT FORECAST") AND PROFIT PROJECTION FOR THE YEAR ENDING 31 DECEMBER 2016 AND FOR THE FINANCIAL PERIOD FROM 1 JANUARY 2017 TO 30 SEPTEMBER 2017 ("PROFIT PROJECTION") OF P.T. MOMENTUM INDONESIA INVESTAMA ("MII")

This report is provided solely to the Directors of PSL Holdings Limited ("**PSL Directors**") in connection with PSL Holdings Limited's ("**PSL Group**") proposed acquisition of approximately 49% of the issued and paid-up share capital of MII for a purchase consideration of US$11,500,000 (the "**Acquisition**"). Our work in connection with the Profit Forecast and Profit Projection has been undertaken to enable the PSL Directors to comply with the regulatory requirements for the Circular to the Shareholders dated 3 November 2015 ("**Circular**") as set out in the Listing Rules of the Singapore Exchange Securities Trading Limited.

The shareholders of MII have represented, warranted and undertaken to the PSL Group that the net profits after tax of MII for the 24 months commencing from the date of which the proposed Acquisition is completed ("**Completion Date**") shall be at least US$12,244,898 (the "**Profit Guarantee**"). This report is issued on the assumption that the Completion Date is 1 October 2015.

We have examined the Profit Forecast and Profit Projection on which the Profit Guarantee is based, in accordance with the Singapore Standard on Assurance Engagement 3400 - "The Examination of Prospective Financial Information" ("**SSAE 3400**") applicable to the examination of prospective financial information. The Directors of MII ("**Management**") are responsible for the preparation of the Profit Forecast and Profit Projection, including the identification and disclosure of the assumptions on which they are based.

Under SSAE 3400 and in this context, a forecast means prospective financial information prepared on the basis of assumptions as to future events which Management expects to take place and the actions Management expects to take as of the date the information is prepared (best-estimate assumptions). A projection on the other hand means prospective financial information prepared on the basis of hypothetical assumptions or a mixture of best-estimate and hypothetical assumptions, about future events and Management actions which are not necessarily expected to take place. While information may be available to support the assumptions on which the forecast and projection are based, such information is generally future oriented and therefore uncertain. Accordingly, actual results are likely to be different from the forecast and projection since anticipated events frequently do not occur as expected and the variation could be material.

Profit Forecast

Based on our examination of the evidence supporting the assumptions:-

(i) Nothing has come to our attention which causes us to believe that these assumptions identified and prepared by Management do not provide a reasonable basis for the Profit Forecast.

(ii) In our opinion, the Profit Forecast has been properly prepared on the basis of the assumptions made by Management and are presented on a basis consistent with the accounting policies adopted and disclosed by PSL Group in its audited financial statements for the financial year ended 31 December 2014.

Profit Projection

The Profit Projection is intended to show a possible outcome based on the stated assumptions identified and prepared by Management. As the length of the period covered by the Profit Projection extends beyond the period covered by the Profit Forecast, the assumptions used in the Profit Projection (which included hypothetical assumptions about future events which may not necessarily expected to take place) are highly more subjective than would be appropriate for the Profit Forecast. Accordingly, the Profit Projection does not constitute a Profit Forecast.

Based on our examination of the evidence supporting the assumptions:-

(i) Nothing has come to our attention which causes us to believe that these assumptions identified and prepared by Management do not provide a reasonable basis for the Profit Projection.

(ii) In our opinion, the Profit Projection has been properly prepared on the basis of the assumptions made by Management and are presented on a basis consistent with the accounting policies adopted and disclosed by PSL Group in its audited financial statements for the financial year ended 31 December 2014.

Caveats

Events and circumstances frequently do not occur as expected. Even if the events anticipated under the assumptions occurs, actual results are still likely to be different from the Profit Forecast and Profit Projection since other anticipated events frequently do not occur as expected and the variation may be material. The actual results may therefore differ materially from those forecasted and projected. For these reasons, we do not express any opinion as to whether the Profit Forecast and Profit Projection will be achieved nor can we guarantee or confirm the achievement of these results.

Attention is drawn, in particular, to the risk factors set out on pages 14 to 20 of the Circular which describe the principal risks associated with the Acquisition, to which the Profit Forecast and Profit Projection relate.

Restriction on Use and Distribution

Our report is provided on the basis that it is solely for the information of the PSL Directors to enable them to fulfill the requirements of the Listing Rules of the Singapore Exchange Securities Trading Limited. Our report should not be quoted or referred to, in whole or in part, without our prior written permission, for any other purpose. We do not assume any responsibility or liabilities for losses occasioned to the PSL Directors or any other parties as a result of the circulation, publication, reproduction or use of the report contrary to the provision of this paragraph.

RT LLP
Public Accountants and
Chartered Accountants

Singapore, 23 October 2015

PSL HOLDINGS LIMITED

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

(A) PROPOSED ACQUISITION OF SHAREHOLDING INTEREST IN PT MOMENTUM INDONESIA INVESTAMA – SUPPLEMENTAL AGREEMENT

(B) PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE

(A) PROPOSED ACQUISITION OF SHAREHOLDING INTEREST IN PT MOMENTUM INDONESIA INVESTAMA – SUPPLEMENTAL AGREEMENT

1. Introduction

The Board of Directors (the "**Board**" or "**Directors**") of PSL Holdings Limited (the "**Company**" and together with its subsidiaries (the "**Group**")) refers to the Company's announcement released on 17 March 2015 (the "**Announcement**") in relation to the conditional sale and purchase agreement dated 17 March 2015 (the "**Agreement**") with (i) Mr Sudirman Kurniawan and (ii) Mr Angelo Fernandus (collectively, the "**Vendors**" and each a "**Vendor**") for the acquisition by the Company of approximately 49% of the entire issued and paid-up capital of PT Momentum Indonesia Investama (the "**Target Company**") (the "**Sale Interest**"). All capitalised terms used and not defined herein shall have the same meanings given to them in the Announcement.

2. Supplemental Agreement

The Board wishes to announce that the Company has on 3 August 2015 entered into a supplemental agreement (the "**Supplemental Agreement**") with the Vendors to amend the terms of the Agreement. Pursuant to the Supplemental Agreement, the key amendments to the Agreement include the following:

2.1 Shareholders' Agreement

Pursuant to the Supplemental Agreement, it is a condition precedent to Completion that all the shareholders of the Target Company as at Completion Date shall enter into a shareholders' agreement (the "**Shareholders' Agreement**") in the form set out in the Supplemental Agreement. The Shareholders' Agreement provide for, *inter alia*:

(i) the shareholders of the Target Company acknowledge that:

(a) the Deposit of US$6,000,000 and US$2,500,000 of the balance of the Consideration payable to the Vendors at Completion shall be used to pay down bank loans of the Target Company, and the balance US$3,000,000 of the Consideration shall be paid to the Vendors in accordance with their pro-rata proportion of the Sale Interest. Accordingly, as at Completion Date, the Vendors shall have collectively granted a shareholders' loan of US$8,500,000 (in accordance with their pro-rata proportion of the Sale Interest), being part of the Consideration, to the Target Company (the "**Vendors Loan**");

(b) the Company shall grant a shareholders' loan of US$11,500,000 to the Target Company within 30 days from the Completion Date (the "**Purchaser Loan**"), such amount to be utilised to pay down bank loans of the Target Company;

(c) the terms and conditions of the Vendors Loan and the Purchaser Loan shall be materially the same, and that neither of the Vendors Loan nor the Purchaser Loan shall be on terms and conditions more favourable than the other. The shareholders of the Target Company agree that the terms and conditions of the Vendors Loan and the Purchaser Loan shall be agreed upon and documented at such time the respective lenders under the Vendors Loan and the Purchaser Loan deems fit in their own respective discretion;

(ii) the shareholders of the Target Company agree that (i) the Target Company shall declare dividends for the financial year ending 31 December 2016, such dividends to be payable out of the profits of the Target Company available for the payment of dividends; (ii) no dividends shall be declared in respect of the financial year ending 31 December 2015; and (iii) no dividends shall be declared in respect of the financial years subsequent to the financial year ending 31 December 2016 unless the Vendors Loan and the Purchaser Loan have been repaid in full (the "**Dividend Policy**");

(iii) the shareholders of the Target Company agree that no dividends shall be declared by the Target Company until such time the Target Company has generated a cumulative NPAT of at least US$3,000,000 (the "**Dividend Profit Target**"), such accumulation of the profit amount required to achieve the Dividend Profit Target to commence only subsequent to the Completion Date. Subject to the foregoing, the policy in relation to dividends to be declared in respect of the financial year ending 31 December 2016 shall be as follows:

NPAT for financial year ending 31 December 2016	**Dividend distribution scheme for financial year ending 31 December 2016**
US$3,000,000 or less	- No dividends payable
Between US$3,000,000.01 and US$6,000,000	- Quantum of dividends to be declared shall be no more than the excess of NPAT over US$3,000,000 - The Company shall renounce its dividend entitlement to the Vendors in accordance with their pro-rata proportion of the Sale Interest
More than US$6,000,000	- Quantum of dividends to be declared shall be no more than the excess quantum of NPAT over US$3,000,000 - In the event the total declared dividends is less than US$3,000,000, the Company shall renounce its dividend entitlement to the Vendors in their pro-rata proportion of the Sale Interest - In the event the total declared dividends is more than US$3,000,000, the Company shall only receive its dividend entitlement

	in respect of the total declared dividend quantum which is in excess of US$3,000,000. The Company shall renounce its dividend entitlement in respect of the total declared dividend quantum of US$3,000,000 to the Vendors in accordance with their pro-rata proportion of the Sale Interest

(iv) the shareholders of the Target Company agree that the restriction on the declaration of dividends until such time the Dividend Profit Target is achieved pursuant to paragraph (ii) above is to enable the outstanding principal under the Purchaser Loan to be paid down to the principal of US$8,500,000. Accordingly, the aggregate profit amount (i.e. US$3,000,000) generated pursuant to the Dividend Profit Target shall be used by the Target Company to repay the outstanding principal under the Purchaser Loan (the "**Initial Purchaser Loan Paydown**"). Any repayment of the outstanding principal under the Vendors Loan shall be in accordance with paragraph (v) below. For the avoidance of doubt, there shall be no repayment of outstanding principal under the Vendors Loan prior to the Initial Purchaser Loan Paydown.

(v) the shareholders of the Target Company agree that the restriction on the declaration of dividends in respect of the financial years subsequent to the financial year ending 31 December 2016 unless the Vendors Loan and the Purchaser Loan has been repaid in full is to enable the outstanding principal under the Purchaser Loan and the Vendors Loan to be paid down to nil balance. Any available profits generated in the financial years subsequent to the financial year ending 31 December 2016 (the "**Available Loan Repayment Profits**") shall be used by the Target Company to repay the Vendors Loan and the Purchaser Loan, until such time each of the Vendors Loan and the Purchaser Loan is fully repaid. Subject to the full repayment of each of the Vendors Loan and the Purchaser Loan, the 51% of the Available Loan Repayment Profits in respect of each relevant financial year and 49% of the Available Loan Repayment Profits for that same financial year shall be used to repay the Vendors Loan and the Purchaser Loan respectively, save that in the event the Vendors Loan has been fully repaid, all available Available Loan Repayment Profits shall be used to repay the Purchaser Loan. Subsequent to the full repayment of both the Vendors Loan and the Purchaser Loan, the Target Company shall be allowed to declare dividends and each of the then existing shareholders of the Target Company shall be entitled to receive their dividends in accordance with their then shareholding percentages.

2.2 Disposal of Self-Unloading Vessels

Pursuant to the Supplemental Agreement, the Vendors agree to procure that following Completion, the Target Company disposes of the three self-unloading vessels (the "**SUVs**") that it owns. In the event there is a net gain from the disposal of the SUVs (after paydown of the financing liabilities incurred for the initial purchase of the SUVs) the Target Company shall be entitled to retain the net gains on its balance sheet. In the event there is a net loss from the disposal of the SUVs (after paydown of the financing liabilities incurred for the initial purchase of the SUVs), the Vendors shall refund the Target Company the net loss. The Vendors further undertook to bear all liabilities arising from or in connection with the SUVs from the date of the Target Company's acquisition of such SUVs until and including the date of completion of the Target Company's disposal of the SUVs.

3. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

3.1 Taking into account the Supplemental Agreement and based on the unaudited consolidated financial statements of the Company for the financial period ended 31 March 2015 ("**1Q2015**"), the relative figures computed on the bases set out in Rule 1006 of the Listing Manual in respect of the Proposed Acquisition, are set out below.

Rule 1006(a) – the net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable as this is not a disposal of assets.
Rule 1006(b) – the net profits attributable to the assets acquired, compared with Group's net profits	172.1%(1)
Rule 1006(c) – the aggregate value of the consideration given or received, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares	41.2%(2)
Rule 1006(d) – the number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable as no equity securities are to be issued by the Company as consideration.
Rule 1006(e) – the aggregate volume or amount of proved and probable reserves to be disposed of, compared with the Group's proved and probable reserves	Not applicable as the Company is not a mineral, oil and gas company.

Notes:

(1) The net profits before tax attributable to the Sale Interest, based on the management accounts of the Target Company for 1Q2015, are approximately S$345,926. The unaudited net profits before tax of the Group for 1Q2015 is approximately S$201,000.

(2) The aggregate value of the consideration given for the Proposed Acquisition is US$11.5 million (which is equivalent to S$16.04 million based on the exchange rate of US$1:S$1.3925 as of 16 March 2015), compared to the Company's market capitalisation of S$38.9 million (based on 386,721,035 shares in issue and the weighted average price of S$0.1006 per Share of the Company transacted on 5 March 2015, being the full market day immediately prior to the signing of the Agreement on which the Shares were traded).

3.2 As the relative figures computed on the bases set out in Rule 1006(b) and Rule 1006(c) exceed 20%, the Proposed Acquisition still constitutes a major transaction as defined in Chapter 10 of the Listing Manual. Accordingly, under Rule 1014(2) of the Listing Manual, the Proposed Acquisition is required to be made conditional upon the approval by shareholders of the Company in a general meeting.

4. CAUTIONARY STATEMENT

Shareholders are advised that completion of the Proposed Acquisition is subject to conditions precedents being fulfilled and there is no certainty or assurance that the Proposed Acquisition will be completed or that no further changes will be made to the terms of the Agreement. Accordingly, Shareholders are advised to exercise caution in dealings with the Shares, to read this announcement and any further update announcement(s) released by the Company carefully and should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

5. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Supplemental Agreement, together with the Agreement, is available for inspection during normal business hours at the registered office of the Company for three (3) months from the date of this announcement.

(B) <u>PROPOSED CONSOLIDATION OF EVERY TEN (10) EXISTING ORDINARY SHARES IN THE CAPITAL OF THE COMPANY INTO ONE (1) ORDINARY SHARE</u>

1. INTRODUCTION

1.1 The Board also wishes to announce that that the Company is proposing to undertake a share consolidation exercise (the "**Proposed Share Consolidation**") pursuant to which the Company will consolidate every ten (10) existing ordinary shares ("**Shares**") in the capital of the Company into one (1) ordinary share ("**Consolidated Share**"). Accordingly, under the Proposed Share Consolidation, every ten (10) Shares registered in the name of each shareholder of the Company ("**Shareholder**") as at the books closure date to be determined by the Directors in their absolute discretion as they deem fit ("**Books Closure Date**"), will be consolidated into one (1) Consolidated Share.

1.2 Shareholders should note that the number of Consolidated Shares which Shareholders will be entitled to, based on their holdings of Shares as at the Books Closure Date, will be rounded down to the nearest whole Consolidated Share. Any fractions of Consolidated Shares arising from the Proposed Share Consolidation will be disregarded. No payment will be made to Shareholders in respect of any resulting fractional interests in the Consolidated Shares which are disregarded.

2. DETAILS OF THE PROPOSED SHARE CONSOLIDATION

2.1 As at the date of this announcement, the Company has an issued share capital of S$29,575,000 divided into 386,721,035 Shares. Following the Proposed Share Consolidation, the Company will have an issued share capital of S$29,575,000 divided into approximately 38,672,103 Consolidated Shares.

2.2 Each Consolidated Share shall rank *pari passu* in all respects with each other, and will be traded in board lots of one hundred (100) Consolidated Shares.

2.3 The Proposed Share Consolidation will not involve the diminution of any liability in respect of unpaid capital or the payment to any Shareholder of any paid-up capital of the Company, and has no effect on the shareholders' funds of the Group.

2.4 Shareholders are not required to make any payment to the Company in respect of the Proposed Share Consolidation. The Proposed Share Consolidation will not cause any changes to the percentage shareholding of each Shareholder in the Company, other than non-material changes due to rounding.

2.5 Subject to Shareholders' approval being obtained for the Proposed Share Consolidation at the extraordinary general meeting ("**EGM**") to be convened by the Company, Shareholders' holdings of the Consolidated Shares arising from the Proposed Share Consolidation will be ascertained on the Books Closure Date.

3. RATIONALE OF THE PROPOSED SHARE CONSOLIDATION

3.1 The Directors believe that the Proposed Share Consolidation will generally be beneficial to the Company and its Shareholders.

3.2 The Proposed Share Consolidation will rationalise the share capital of the Company by reducing the number of Shares outstanding, and the trading price per Consolidated Share should theoretically be proportionally higher than the trading price per Share prior to the Proposed Share Consolidation. This will reduce the fluctuation in magnitude of the Company's share price and market capitalisation and reduce the percentage transaction cost for trading in each board lot of Shares.

3.3 Further, the SGX-ST has introduced a minimum trading price of S$0.20 as a continuing listing requirement for Mainboard-listed issuers. This has been implemented in March 2015 with a one-time transition period of 12 months, after which affected issuers will be provided a cure period of 36 months to take remedial actions. Affected issuers which fail to take remedial actions during the cure period may be delisted from the Mainboard of the SGX-ST. The Proposed Share Consolidation would help facilitate the Company's ability to satisfy the prospective continuing listing requirement to be imposed by SGX-ST for Mainboard-listed issuers to have a minimum trading price per share of S$0.20.

3.4 Shareholders should note, however, that there is no assurance that the Proposed Share Consolidation will achieve the desired results as stated in this Section 3, nor is there assurance that such results (if achieved) may be sustained in the longer term.

4. ADJUSTMENTS TO THE WARRANTS

4.1 As at the date of this Announcement, the Company has 77,341,207 unexercised warrants (the "**Warrants**") issued pursuant to the deed poll dated 28 March 2012 executed by the Company for the purpose of constituting the Warrants (the "**Deed Poll**"). Pursuant to the terms and conditions of the Deed Poll, the Proposed Share Consolidation will constitute an event giving rise to adjustments to the exercise price payable for each new Share on the exercise of the Warrants and the number of Warrants.

4.2 In accordance with the provisions of condition 5.2.5 of the Deed Poll:

(a) the number of unexercised Warrants will be adjusted on the basis that 10 Warrants will be consolidated into one (1) adjusted Warrant ("**Adjusted Warrant**");

(b) the existing exercise price of each Warrant will be adjusted from S$0.34 to S$3.40; and

(c) each Adjusted Warrant shall carry the right to receive one (1) new Consolidated Share.

4.3 The adjustment will be effective from the close of the market day immediately preceding the date on which the Proposed Share Consolidation becomes effective. Pursuant to the Deed Poll, any adjustment to the number of Warrants held by each Warrantholder will be rounded downwards to the nearest whole Warrant.

4.4 Shareholders are to note that the adjustments to the Warrants set out in this paragraph 4 are subject to SGX-ST's approval.

4.5 The Company will make further announcements in relation to these adjustments when appropriate. Shareholders are advised that the adjustments to the Warrants arise as a result of the Proposed Share Consolidation (in accordance with the terms of the Deed Poll). There will be no adjustments to the Warrants if the Proposed Share Consolidation is not effected.

5. APPROVALS AND CONDITIONS

5.1 The implementation of the Proposed Share Consolidation is subject to Shareholders' approval by way of an ordinary resolution at the EGM.

5.2 An application will be made to the SGX-ST for the dealing in, listing of and quotation of the Consolidated Shares and the Adjusted Warrants pursuant to the Proposed Share Consolidation on the SGX-ST. An appropriate announcement on the outcome of the application will be made in due course.

6. DESPATCH OF CIRCULAR

6.1 Subject to the receipt of the approval in-principle from the SGX-ST, a circular containing, inter *alia*, further information on the Proposed Share Consolidation will be despatched to Shareholders in due course.

6.2 Meanwhile, Shareholders and potential investors of the Company are advised to exercise caution when dealing in the Company's securities. Shareholders should consult their stockbrokers, solicitors or other professional advisors if they have any doubts about the action they should take.

BY ORDER OF THE BOARD
PSL HOLDINGS LIMITED

Mark Zhou You Chuan
Executive Director
3 August 2015

RT LLP
Chartered Accountants
Website : www.rt-ca.com
Enquiries : info@rt-ca.com
UEN: T08LL0811J

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1 Raffles Place
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Singapore 048616
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BY E-MAIL & POST

9 October 2015

Board of Directors
PSL Holdings Limited
18 Boon Lay Way
#09-96 TradeHub 21
Singapore 609966

Attention: Mr Mark Zhou You Chuan, Executive Director

Dear Sirs,

PSL HOLDINGS LIMITED (THE "COMPANY')
RESIGNATION AS INDEPENDENT AUDITORS

We refer to your letter dated 6 October 2015 informing us that you intend to appoint PricewaterhouseCoopers LLP as the statutory independent auditors of your Company for the financial year ending 31 December 2015.

Accordingly, at the request of the Board of Directors of the Company, we hereby give notice of our intention to resign as the Company's independent auditors so as to facilitate your appointment of the incoming auditors.

Our resignation is subject to both the approval of the Accounting and Corporate Regulatory Authority ("ACRA") of Singapore and the shareholders of the Company in the Extraordinary General Meeting approving the appointment of the incoming auditors.

In this regard, we wish to inform the Company that an application for Consent to Resign as an Auditor under Section 205AB of the Companies Act (Chapter 50, Singapore) has been sent to ACRA on 8 October 2015.

• Assurance & Advisory • Taxation Services • Corporate Advisory & Corporate Finance • Investigation & Litigation Support • Risk Advisory Services
• Outsourced & Managed Services • Business Start-Up Services & Corporate Secretarial
Member of RT and Independent Member of BKR International

CPA AUSTRALIA RECOGNISED EMPLOYER PARTNER
AUTHORISED TRAINING EMPLOYER ICAEW
chartered accountant SINGAPORE accredited training organisation

In accordance with Section 205(A)(B)(5) of the Singapore Companies Act, Chapter 50, the effective date of our resignation will take effect on the latest of the following three dates:-

(a) On the day on which ACRA notifies us and the Company of ACRA's consent to the resignation;
(b) On the day fixed by ACRA; or
(c) On the day specified by us in the notice of resignation.

We would like to place on record our thanks for the opportunity to have worked with your organisation and also express our appreciation for the cooperation given to us over the past years.

Should there be any occasion where we can be of service to you in any other capacity, we look forward to hearing from you.

Yours faithfully,



Copy to: PSL Holdings Limited – Mr Mark Zhou You Chuan (Executive Director)
RT LLP – Mr Ravinthran Arumugam (CEO & Managing Partner)
By email markzhou@pslgroup.com.sg

PSL HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 199707022K)

NOTICE IS HEREBY GIVEN that an extraordinary general meeting ("**EGM**") of the Company will be held at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966 on 18 November 2015 at 9:30 a.m. for the purpose of considering and, if thought fit, passing the following resolutions:

All capitalised terms in the resolutions below and defined in the Circular dated 3 November 2015 to the shareholders of the Company (the "**Circular**") shall, unless otherwise defined herein, have the respective meanings ascribed thereto in the Circular.

1. ORDINARY RESOLUTION 1 – THE PROPOSED DIVERSIFICATION OF THE CORE BUSINESS OF THE GROUP INTO THE MARINE LOGISTICS BUSINESS

Resolved that:

(a) the Company's proposed new business of providing logistics services for the marine industry (the "**Marine Logistics Business**") be and is hereby approved; and

(b) the Directors or any of them be and is hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Resolution as they or he may think fit.

2. ORDINARY RESOLUTION 2 – THE PROPOSED ACQUISITION OF APPROXIMATELY 49% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PT MOMENTUM INDONESIA INVESTAMA

Resolved that contingent upon Resolution 1 being passed:

(a) approval be and is hereby given for the acquisition by the Company of approximately 49% of the issued and paid-up capital of PT Momentum Indonesia Investama from Sudirman Kurniawan and Angelo Fernandus (collectively, the "**Vendors**") for an aggregate purchase consideration of US$11.5 million (the "**Proposed Acquisition**"), under the terms and conditions of the conditional share sale and purchase agreement dated 17 March 2015 entered into between the Company and the Vendors, as amended or supplemented from time to time; and

(b) the Directors or any of them be and is hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Resolution as they or he may think fit.

3. ORDINARY RESOLUTION 3 – THE PROPOSED CONSOLIDATION OF EVERY TEN (10) SHARES IN THE COMPANY INTO ONE (1) CONSOLIDATED SHARE

Resolved that:

(a) the proposed consolidation of every ten (10) Shares as at the Books Closure Date, into one (1) Consolidated Share be and is hereby approved;

(b) any fractions of Consolidated Shares arising from the Proposed Share Consolidation shall be disregarded. All fractional entitlements arising from the implementation of the Proposed Share Consolidation shall be dealt with in such manner as the Directors may, in their absolute discretion, deem fit in the interests of the Company;

(c) the Directors be and are hereby authorised to fix the Books Closure Date and the Effective Trading Date in their absolute discretion as they deem fit; and

(d) the Directors and each of them be and are hereby authorised to do all acts and things (including, without limitation, executing all such documents as may be required and affixing the common seal of the Company in accordance with the articles of association of the Company) as they or each of them deem desirable, necessary or expedient to give effect to the Proposed Share Consolidation as they or each of them may in their or each of their absolute discretion deem fit in the interests of the Company.

4. ORDINARY RESOLUTION 4 – THE PROPOSED CHANGE OF AUDITORS OF THE COMPANY FROM MESSRS RT LLP TO MESSRS PRICEWATERHOUSECOOPERS LLP

Resolved that:

(a) approval be and is hereby given for:

(i) the appointment of PricewaterhouseCoopers LLP as auditors of the Company in place of RT LLP with effect from the date of approval of Shareholders of this Resolution; and

(ii) PricewaterhouseCoopers LLP holding office until the conclusion of the next Annual General Meeting of the Company, at a remuneration to be determined by the Directors of the Company; and

(b) the Directors or any of them be and is hereby authorised to exercise such discretion to complete and do all such acts and things, including without limitation, to sign, seal, execute and deliver all such documents and deeds, and to approve any amendment, alteration or modification to any document, as they or he may consider necessary, desirable or expedient or in the interest of the Company to give effect to this Resolution as they or he may think fit.

BY ORDER OF THE BOARD

Mark Zhou You Chuan
Executive Director
3 November 2015

Notes:

1) A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint a proxy or proxies (not more than two) to attend and vote on his/her behalf. A proxy need not be a member of the Company.

2) The instrument appointing a proxy or proxies must be under the hand of the appointor or of his/her 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 seal or under the hand of an officer or attorney duly authorised.

3) The instrument appointing a proxy or proxies must be deposited at the registered office of the Company at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966 at least 48 hours before the time fixed for the Extraordinary General Meeting.

Personal Data Protection:

By attending the Extraordinary General Meeting and/or any adjournment thereof or 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
(Incorporated in the Republic of Singapore)

IMPORTANT

1. For investors who have used their CPF moneys to buy shares in the capital of PSL Holdings Limited, this Circular is forwarded to them at the request of their CPF Approved Nominees and is sent solely for information only.
2. This Proxy Form is not valid for use by CPF Investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF Investors who wish to attend the Extraordinary General Meeting as OBSERVERS have to submit their requests through their respective Agent Banks so that their Agent Banks may register, in the required format, with the company, PSL Holdings Limited. (Agent Banks: please see note No. 11 on required format)

PROXY FORM
EXTRAORDINARY GENERAL MEETING

I/We _____ (Name), NRIC/Passport Number* _____

of _____ (Address)
being a member/members of **PSL HOLDINGS LIMITED** (the "**Company**"), hereby appoint:

Name	**NRIC / Passport Number**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

and/or (delete as appropriate)

Name	**NRIC / Passport Number**	**Proportion of Shareholdings (%)**	
		No. of shares	**%**
Address			

whom failing, the Chairman of the Extraordinary General Meeting, as my/our proxy/proxies to attend and to vote for me/us on my/our behalf at the Extraordinary General Meeting of the Company to be held at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966 on 18 November 2015 at 9:30 a.m. and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolutions to be proposed at the Extraordinary General Meeting as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies will vote or abstain from voting at his/their discretion, as he/they will on any other matter arising at the Extraordinary General Meeting.

ORDINARY RESOLUTION	**For***	**Against***
To approve the Proposed Business Diversification		
To approve the Proposed Acquisition		
To approve the Proposed Share Consolidation		
To approve the Proposed Change of Auditors		

** If you wish to exercise all your votes "For" or "Against", please indicate your vote "For" or "Against" with "X" within the box provided. Alternatively, please indicate the number of votes as appropriate.*

Dated this _____ day of _____ 2015.

Total Number of Shares Held

_____
Signature(s) of Member(s)/Common Seal
IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

Notes:

1. A member entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint one or two proxies to attend and vote in his stead.

2. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding (expressed as a percentage of the whole) to be represented by each proxy.

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 maintained by The Central Depository (Pte) Limited ("**CDP**"), 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 said Depository Register and registered in his name in the Register of Members of the Company, 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 the Company's registered office at 18 Boon Lay Way, Tradehub 21 #09-96, Singapore 609966 not less than 48 hours before the time set for the Extraordinary General Meeting.

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 a duly authorised officer.

7. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the 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.

9. The submission of an instrument or form appointing a proxy by a member of the Company does not preclude him from attending and voting in person at the Extraordinary General Meeting if he is able to do so.

10. The Company shall be entitled to reject a Proxy Form which is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the Proxy Form. In addition, in the case of shares entered in the Depository Register, the Company may reject a Proxy Form if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Extraordinary General Meeting, as certified by CDP to the Company.

11. Agent Banks acting on the request of CPF Investors who wish to attend the Extraordinary General Meeting as Observers are required to submit in writing, a list with details of the investors' name, NRIC/Passport numbers, addresses and numbers of Shares held. The list, signed by an authorised signatory of the agent bank, should reach the Company Secretary, at the registered office of the Company not later than 48 hours before the time appointed for holding the Extraordinary General Meeting.

Personal Data Protection:

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