

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

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

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

Update on Unaudited Financial Performance and Financial Position

The Company recorded a net profit of S\$0.3 million for the three months ended 31 March 2020 (“1Q2020”) compared with a net loss of S\$0.5 million for the three months ended 31 March 2019 (“1Q2019”). This was mainly due to a significant increase in gross profit contributed by PT IPA from lease of heavy equipment to PT CRM as well as an increase in other gains arising from an increase in foreign exchange gains. This was partially offset by an increase in general and administrative expenses and higher finance costs incurred.

The Group had net assets of S\$26.8 million as at 31 March 2020 as compared to S\$26.1 million as at 31 December 2019. The Group has cash and cash equivalents of S\$7.7 million as at 31 March 2020 as compared to S\$2.6 million as at 31 December 2019.

In relation to the above, please refer to the Company’s results announcement for the financial period ended 31 March 2020 released on 14 May 2020 for more details.

Update on Future Direction and other Material Development(s)

The Company has on 19 February 2020 executed a New Settlement Agreement (“**Agreement**”) to resolve all outstanding disputes with the Mr Sudirman Kurniawan, Mr Angelo Fernandus, PT. Triputra Senamustika (collectively, the “**Sudirman Group**”) and PT. Momentum Indonesia Investama (“**PTMII**”) and expects to recover an estimated sum of US\$18.0 million, constituting (a) the entirety of the Shareholder’s Loan of US\$11.5 million owing by PTMII to the Company, (b) the insurance proceeds of US\$0.61 million (Rp 8.35 Billion) in respect of the sunken barge known as Momentum 3007, (c) 50% of the proceeds from the agreed sale of the barge known as Pacific 3002, in the sum of US\$0.31 million (Rp 4.25 Billion), and (d) the Profit Guarantee plus accrued interest of US\$5.57 million. To date and in accordance with the Agreement announced on 21 February 2020, the Company has received the following:

Payment Date	Amount Received	Purpose of Transfer
12 December 2018	IDR 8.35 billion	Insurance proceeds from the sinking of the vessel Momentum 3007
4 and 5 February 2020	US\$3 million	Partial repayment of the PSL Shareholder Loan
10 and 13 February 2020	US\$0.16 million	First instalment payment of the Total PG
13 March 2020	US\$0.35 million	Partial repayment of the accrued interest on the PSL Shareholder Loan
16 March 2020	IDR 4.25 billion	50% share of the proceeds of sale of the vessel Pacific 3002
27 March 2020	US\$0.16 million	Second instalment payment of the Total PG
24 April 2020	US\$0.16 million	Third instalment payment of the Total PG

The above partial repayments have significantly improved the Company’s financial position. As of the date of the Announcement, these proceeds have not been utilised.

On 9 April 2020, the Company announced that it has on 8 April 2020, entered into an agreement with the Sudirman Group and PTMII for extension of the following timeline stated in the New Settlement Agreement (“**Agreement for Extension of Time**”):

- The deadline of thirty (30) calendar days after the date of the New Settlement Agreement in respect of the sale of the PT MIS Vessels shall be extended to 20 April 2020;
- The deadline of thirty (30) calendar days after the Withdrawal Date for the withdrawal and/or discontinuance of the Outstanding Disputes shall be extended to 25 April 2020; and
- The deadline of 31 March 2020 for the completion of the audit of PT MII’s financial accounts for the period ended 31 December 2019, the issuance of an unqualified auditor’s report, and the approval of such report by the board of PT MII shall be extended to 14 April 2020.

The Company has provided a detailed explanation on the extension in an announcement dated 15 April 2020.

On 22 April 2020, the Company announced that PTMII was unable to complete its sale of the PT MIS Vessels and accordingly, unable to repay the balance on 20 April 2020 of its indebtedness of US\$8.5 million relating to the PSL Shareholder’s Loan. The Company is currently seeking professional legal advice on the action to be instituted for recovery of the US\$8.5 million and will progressively update Shareholders on the developments.

On 9 May 2020, the Company announced the following reconstitution of the Board:

- Ms Ng Yoke Chan (“Ms Ng”) has resigned as the Non-Executive Non-Independent Chairman with effect from 7 May 2020 due to her other work commitments. She will remain as a Non-Executive Director of the Company.
- Mr Stephen Leong, BBM (“Mr Leong”) has tendered his resignation as the Vice Chairman and Executive Director to pursue his personal commitments. His resignation will take effect from 31 May 2020.
- Mr Lee Chee Tak (“Mr Lee”) has tendered his resignation as the Chief Executive Officer to pursue other career opportunities. His resignation will take effect from 31 July 2020.
- Mr Kee Siang Hui (“Mr Kee”) has been appointed to the Board of the Company as an Executive Director with effect from 8 May 2020. Mr Kee is the spouse of Ms Melda Veronica, a substantial shareholder of the Company.

Arising from the aforesaid appointment and resignations, the Board shall comprise the following members with effect from 1 June 2020:

- Mr Fhifi Alfian Ronie, SH (Non-Executive Chairman and Independent Director)
- Mr Richard Kennedy Melati (Executive Director)
- Mr Kee Siang Hui (Executive Director)
- Ms Ng Yoke Chan (Non-Independent Non-Executive Director)
- Mr William Teo Choon Kow, BBM (Independent Director)
- Mr Wong Wei Boon, Kevin (Independent Director)
- Ms Leong Ting Ting (Independent Director)

The composition of the Board Committees remains the same.

The new Board, in particular the Executive Directors, reflect the Company’s business focus in Indonesia.

The Company will continue to make efforts and consider various options to meet the requirements of Rule 1314 of the SGX-ST’s Listing Manual pursuant to the Financial Entry and MTP exit criteria while at the same time, seek SGX-ST’s approval to extend the Watchlist to allow the Company to emerge from it beyond the stipulated date of 4 June 2020. The Company has improved its financial health and will continue to do so in order to meet the requirements of Listing Rule 1314(1) of the SGX-ST Listing Manual by 4 June 2020.

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

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

14 May 2020