
GLOBAL SETTLEMENT OF THE DISPUTES WITH INDONESIAN COUNTERPARTIES

1. INTRODUCTION

- 1.1. The Board of Directors of PSL Holdings Limited (“**PSL**” or the “**Company**”) (the “**Board**”) refers to PSL’s announcements dated 22 August 2016, 15 September 2016, 7 October 2016, 24 November 2016, 30 November 2016, 18 January 2017, 24 January 2017, 8 June 2017, 1 November 2017, 23 November 2017, 1 March 2018 and 23 March 2018 (the “**Announcements**”). Terms used in this announcement shall bear the same meaning as defined in the Announcements.
- 1.2. The Board wishes to announce that PSL has on 18 April 2018 entered into a binding term sheet (the “**Term Sheet**”), which is subject to, among others, the approval of PSL’s shareholders for the agreement as set out in the Term Sheet (the “**Shareholder Approval**”), with Mr. Sudirman Kurniawan (“**Sudirman**”), Mr. Angelo Fernandus (“**Angelo**”), PT Selaras Sukses Selalu (“**PT SSS**”), PT Triputra Senamustrika (“**PT Triputra**”) and PT Momentum Indonesia Investama (“**PT MII**”) (collectively, the “**Parties**”) for the proposed settlement of the disputes amongst the Parties.
- 1.3. The key terms of the Term Sheet are as follows:
 - 1.3.1. PT MII will transfer the PSL Vessels (as defined below) to PSL (please refer to paragraph 3);
 - 1.3.2. during the period commencing on the date of the Term Sheet and ending on the date on which the Shareholder Approval is obtained, or such other time as may be agreed between the Parties (the “**Escrow Period**”), PSL shall be entitled to exercise all rights of physical possession over the PSL Escrow Period Vessels (as defined below), PSL shall be entitled to direct PT MII to enter into new charterparty(ies) in connection with the PSL Escrow Period Vessels (the “**New PSL Charterparties**”);
 - 1.3.3. PSL shall sell to Sudirman and Angelo PSL’s 100% shareholding in PSL Maritime Strategic Pte Ltd (“**PSL Maritime**”) (the “**Shares**”), free and clear from all encumbrances and together with all rights, benefits and entitlements attaching thereto, for the consideration of S\$1 (“**Share Transfer**”);
 - 1.3.4. Sudirman and Angelo shall collectively pay PSL US\$4.5 million; and
 - 1.3.5. the Parties agree that the Batam Proceedings (as defined below), the Singapore Proceedings (as defined below) and Existing Agreements (as defined below) between Sudirman, Angelo and PSL will be settled and terminated respectively (please refer to paragraph 5).

A summary of the contents of the Term Sheet is as follows.

2. GLOBAL SETTLEMENT

- 2.1. In accordance with the terms stated in the Term Sheet, the Parties agree to resolve all outstanding disputes in relation to PT MII, including but not limited to all disputes arising out of and/or in connection with the following:

- 2.1.1. the Conditional Sale and Purchase Agreement dated 17 March 2015 (as amended by the Supplementary Agreement dated 3 August 2015) (the “**CSPA**”);
- 2.1.2. the Personal Guarantee dated 17 March 2015, by Sudirman and Angelo to PSL;
- 2.1.3. the Joint and Several Personal Guarantees dated 17 March 2015 by Sudirman and Angelo to PSL;
- 2.1.4. the Shareholders’ Deed of Agreement between PSL, Sudirman, Angelo, PT SSS, PT Triputra and PT MII dated 25 November 2015 (the “**Shareholders’ Deed**”), and loan agreement between PSL and PT MII dated 25 November 2015 (the “**PSL Shareholder Loan**”); and
- 2.1.5. the Service Agreement between PSL and Sudirman dated 1 December 2015,
- 2.2. (collectively, the “**Existing Agreements**”), as well as the subject matter of HC/S 1238/2016 and HC/S 573/2017 (the “**Singapore Proceedings**”), and proceedings commenced by Sudirman against PSL and Angelo by way of Suit No. 201/PDT.G/2016/PN.BTM (the “**Batam Proceedings**”), and any appeal therefrom.

3. TRANSFER OF VESSELS

- 3.1. PT MII shall transfer, and Sudirman and Angelo shall procure that PT MII transfers, to PSL or its nominee(s) the 7 tug-and-barge vessels it owns (and all components and equipment on board these vessels) referred to in Annex A to this announcement (“**PSL Vessels**”) on the terms of the Term Sheet (the “**Vessels Transfer**”).
- 3.2. PT MII shall, within 14 calendar days from the date of the Term Sheet:
 - 3.2.1. deliver the original copies of the unencumbered title deeds to the PSL Vessels (the “**Title Deeds Transfer**”) to PSL’s lawyers (the “**PSL Lawyers**”). The PSL Lawyers shall hold the original copies of the unencumbered title deeds relating to the PSL Vessels in escrow until the Shareholder Approval is obtained, or such other time as may be agreed between the Parties; and
 - 3.2.2. terminate all charterparties that the PSL Escrow Period Vessels (as defined below) are subject to (the “**Pre-Escrow Period Charterparties**”).
- 3.3. Where necessary, Sudirman and Angelo shall use their best endeavours to ensure that PT MII procures the agreement of its counterparties to terminate the Pre-Escrow Period Charterparties.
- 3.4. PT MII shall make and bear the necessary payment(s) for any claim(s) or penalty(ies) arising from the termination of the Pre-Escrow Period Charterparties to any counterparties to the Pre-Escrow Period Charterparties. PSL agrees that, from the time of the signing of the Term Sheet, it shall not pursue any claims and/or enforce any legal rights against PT MII, Sudirman and Angelo in respect of any and all obligations or liabilities of whatsoever kind or nature and howsoever arising, whether in law or equity, whether under Singapore or any other laws, whether known or unknown (past, present and future), that arise out of or in connection with:
 - 3.4.1. the entry into the Pre-Escrow Period Charterparties;
 - 3.4.2. the termination of the Pre-Escrow Period Charterparties;
 - 3.4.3. the entry into and termination of the charterparties entered into between PT MII and PT Armada Rock Karunia Transshipment dated 22 December 2015 and 1 January 2017; and
 - 3.4.4. the entry into and termination of the contract of affreightment entered into between PT MII and Geo Coal International Pte Ltd dated 30 June 2015 (the “**Geo Coal Contract**”),

save that, in the event of the Term Sheet terminating or Completion (as defined below) not taking place, PSL shall then be entitled to pursue any claims and/or enforce any legal rights it may have arising out of or in connection with the entry into the Pre-Escrow Period Charterparties, and/or the entry into and termination of the Geo Coal Contract only.

3.5. For the duration of the Escrow Period:

3.5.1. PSL and/or its nominee(s) shall be entitled to (a) exercise all rights of physical possession over 6 of the PSL Vessels identified in Annex B herein (the "**PSL Escrow Period Vessels**"), including but not limited to the right to physical access and the right to physical possession of the PSL Escrow Period Vessels, and (b) require delivery of the PSL Escrow Period Vessels to PSL and/or its nominee(s), within 30 days from the signing of the Term Sheet, at the last port of destination of each of the PSL Escrow Period Vessels as may be the case at the time of signing of the Term Sheet;

3.5.2. Sudirman and Angelo and/or their nominee(s) shall be entitled to (a) exercise all rights of physical possession over the remaining PSL Vessel (which is not a PSL Escrow Period Vessel) (the "**PSL Non-Escrow Period Vessel**") and 5 of the remaining vessels owned by PT MII (the "**Remaining Escrow Period Vessels**"), including the right to physical access and the right to physical possession of the Remaining Escrow Period Vessels, and (b) require delivery of the PSL Non-Escrow Period Vessel and the Remaining Escrow Period Vessels to Sudirman and Angelo and/or their nominee(s), within 30 calendar days from the signing of the Term Sheet, at the last port of destination of each of the Remaining Escrow Period Vessels as may be the case at the time of signing of the Term Sheet;

3.5.3. PSL shall be solely responsible for obtaining charterparties and/or contracts of affreightment for the PSL Escrow Period Vessels. PSL shall ensure that the full revenue, charter hire, freight and/or proceeds (without any deductions) of such charterparties and/or contracts shall be paid into a new bank account to be opened in PTT MII's name; and

3.5.4. Sudirman and Angelo shall be responsible for obtaining charterparties and/or contracts of affreightment for the PSL Non-Escrow Period Vessel and the Remaining Escrow Period Vessels. Sudirman and Angelo shall ensure that the full revenue, charter hire, freight and/or proceeds (without any deductions) of such charterparties and/or contracts shall be paid into a new bank account to be opened in PT MII's name, and Sudirman and Angelo shall be the joint authorised signatories for this bank account.

3.6. Upon the Shareholder Approval being obtained:

3.6.1. the PSL Lawyers shall release to PSL, or to a party nominated by PSL, the original copies of the unencumbered title deeds to the PSL Vessels on the Physical Transfer Date (as defined below). For the avoidance of doubt, PT MII shall not claim legal title to the PSL Vessels thereafter; and

3.6.2. Sudirman and Angelo shall, upon written notice given by PSL, deliver the PSL Non-Escrow Period Vessel to PSL within 45 calendar days from the date of the Shareholder Approval being obtained, in Batam. Sudirman and Angelo agree to bear the costs and expenses arising out of or in connection with the relocation of the PSL Non-Escrow Period Vessel. For the avoidance of doubt, Sudirman and Angelo shall cease to exercise any rights of physical possession to the PSL Non-Escrow Period Vessel thereafter.

3.7. In the event the Shareholder Approval is not obtained within 6 months from the signing of the Settlement Agreement and the Definitive Agreements, or the Conditions Precedent are not satisfied or waived, or the Final Payment (as defined below) is not made, the following irrevocable standing instructions from the Parties to their respective stakeholders, as the case may be (including the PSL Lawyers) shall apply:

3.7.1. the PSL Lawyers shall return to PT MII the original copies of the unencumbered title deeds to the PSL Vessels; and

- 3.7.2. PSL, Sudirman, and Angelo shall no longer be entitled to exercise any rights over the PSL Escrow Period Vessels, the PSL Non-Escrow Period Vessel or the Remaining Escrow Period Vessels, and shall be required to hand over physical possession of the PSL Escrow Period Vessels, the PSL Non-Escrow Period Vessel and the Remaining Escrow Period Vessels at a date and location to be agreed among PSL, Sudirman, Angelo, and PT MII.
- 3.8. For the avoidance of doubt, (i) PSL, Sudirman and Angelo shall be entitled to retain any dividends which PT MII may have declared during the Escrow Period; and (ii) the PSL Shareholder Loan shall remain due and payable from PT MII on the terms set out under the Shareholders' Deed.
- 3.9. Within 30 calendar days of the Shareholder Approval being obtained, PT MII shall provide to PSL, Sudirman and Angelo all duly executed legal documents that are required to complete the Vessels Transfer. PT MII shall bear all costs (including any tax payable) and expenses arising out of or in connection with the preparation, negotiation, execution and implementation of the Vessels Transfer, subject to the following conditions:
- 3.9.1. the Vessels Transfer shall only be made to an Indonesian PT shipping entity (as may be nominated by PSL) incorporated in Batam;
- 3.9.2. the PSL Vessels shall be physically docked or otherwise situated in Batam at the date of the execution and implementation of the Vessels Transfer from PT MII to PSL's nominated Indonesian PT shipping entity incorporated in Batam, no later than 45 calendar days after the date of the Shareholder Approval being obtained (the "**Physical Transfer Date**"). PSL shall take all steps and bear all costs and expenses required to relocate the PSL Vessels wherever situated to Batam (save for the PSL Non-Escrow Period Vessel, which costs of relocation is to be borne by Sudirman and Angelo);
- 3.9.3. for the avoidance of doubt, PSL may at its option proceed to effect and complete the execution and implementation of the Vessels Transfer notwithstanding that the aforementioned condition(s) is/are not fulfilled at the date of the Vessels Transfer, subject to PT MII bearing costs and expenses not exceeding US\$50,000 in aggregate and PSL and/or its nominee bearing all remaining costs (including any tax payable) and expenses arising out of or in connection with the preparation, negotiation, execution and implementation of the Vessels Transfer;
- 3.9.4. for the avoidance of doubt, where the PSL Escrow Period Vessels remain subject to the New PSL Charterparties as at the Physical Transfer Date, PT MII shall not be liable for any and all losses, claims, damage and actions arising out of or in connection with these existing charterparty(ies) due to the need to relocate the PSL Escrow Period Vessels; and
- 3.9.5. where the New PSL Charterparties continue and/or are in force beyond the Physical Transfer Date, PT MII shall agree to any assignment, novation and/or transfer of the New PSL Charterparties to the Indonesian PT entity nominated by PSL, and shall execute the necessary documentation effecting the same prior to the Physical Transfer Date. The costs of preparing the said documentation shall be borne by PSL.

4. SHARE TRANSFER

- 4.1. PSL shall sell to Sudirman and Angelo all of the shares PSL holds in PSL Maritime Strategic Pte Ltd ("**PSL Maritime**"), which comprise 100% of the shares in PSL Maritime (the "**Shares**"), free and clear from all encumbrances and together with all rights, benefits and entitlements attaching thereto, for the consideration of S\$1 (the "**Share Transfer**"). PSL undertakes to ensure that PSL Maritime and PSL Maritime's subsidiaries (including PT Jaya Sukses Investasi ("**PT JSI**") and PT SSS) do not dispose, transfer and/or deal with any of its assets (in particular, PT SSS' shares in PT MII) pending the completion of the sale of the Shares. PSL, Sudirman and Angelo shall execute a sale and purchase agreement, which shall be one of the Definitive Agreements, to record the terms of the sale, including the customary representations, warranties and undertakings and it shall be a condition subsequent to the completion of the

sale and purchase agreement that the Shareholder Approval be obtained. PSL undertakes to settle all the liabilities of PSL Maritime, PT JSI and PT SSS (including any tax liabilities) before completion of the sale of the Shares, and to indemnify Sudirman and Angelo on demand in respect of any expenses, payments and/or liabilities of these companies which arose or may arise in relation to matters occurring prior to the completion of the Share Transfer.

5. SETTLEMENT OF OUTSTANDING DISPUTES AND TERMINATION OF EXISTING AGREEMENTS

- 5.1. Upon the signing of the Term Sheet, the Parties (including their subsidiaries, successors and assigns) agree that they shall take all necessary steps to stay all claims in relation to or arising from the Existing Agreements, whether in the courts of Indonesia or Singapore (including the Singapore Proceedings and Batam Proceedings) (the “**Outstanding Claims**”) until the Shareholder Approval is obtained.
- 5.2. Sudirman and Angelo shall pay PSL the sum of US\$4.5 million (the “**Final Payment**”) within 21 calendar days after the Shareholder Approval is obtained. To the extent Sudirman and Angelo require a loan from PT MII to make the Final Payment, PSL and PT SSS agree that, upon Shareholder Approval being obtained, they shall consent to, and will take all steps as may be necessary, for the approval of a loan or loans up to a maximum of US\$3 million from PT MII to Sudirman and Angelo (whether directly or indirectly) to enable them to make the Final Payment (the “**Final Payment Loan**”), insofar as the Final Payment Loan is not prohibited under PT MII’s articles of association and/or under Indonesia law.

6. CONDITIONS PRECEDENT

- 6.1. Completion of the transactions contemplated by the Term Sheet and Definitive Agreements (“**Completion**”) shall be subject to the following conditions precedent being satisfied or waived (the “**Conditions Precedent**”):
 - 6.1.1. all necessary approvals, consents and waivers of any government bodies, stock exchange and other regulatory authority having jurisdiction over the transactions contemplated in the Term Sheet, the Settlement Agreement and Definitive Agreements and all other transactions in connection therewith and incidental thereto, having been obtained by the Parties;
 - 6.1.2. PSL shall obtain the Shareholder Approval within 6 months from the signing of the Settlement Agreement and the Definitive Agreements;
 - 6.1.3. PSL shall be entitled, at its sole discretion, for its own purpose, to engage an independent third party valuer (the “**Valuer**”) to value the PSL Vessels within 2 weeks from the signing of the Term Sheet (the “**Valuation**”), and in the event that PSL does so, PT MII shall (i) grant the Valuer reasonable access to the PSL Vessels so as to allow the Valuer to carry out the Valuation; and (ii) offer any assistance that the Valuer may require; and
 - 6.1.4. PT MII, Sudirman and Angelo shall jointly and severally ensure, to PSL’s reasonable satisfaction, that the PSL Vessels are free and clear from all of legal, equitable or security interest, including but not limited to any mortgage, assignment, debenture, lien, charge, pledge, title retention, right to acquire, hypothecation, security interest, option, right of first refusal, any preference arrangement (including title transfer and retention arrangement or otherwise) and any other encumbrance or condition whatsoever or any other arrangement having similar effect before entering into the Term Sheet.
- 6.2. Upon the execution of the Term Sheet, the Parties shall commence preparation of a formal settlement agreement (the principal terms of which are set out in the Term Sheet) (the “**Settlement Agreement**”) as well as such other agreements and/or documents as may reasonably be necessary to formalise and give effect to the transactions contemplated by the terms of the Term Sheet (the “**Definitive Agreements**”).

- 6.3. In the event that the Shareholder Approval is not obtained within 6 months from the signing of the Settlement Agreement and the Definitive Agreements, or the Conditions Precedent are not satisfied or waived, or the Final Payment is not made, then subject to the provisions of the Term Sheet, the Term Sheet shall terminate and shall cease to have any further force and effect and Parties shall be free to exercise, enforce and pursue any rights they may be entitled to, including the rights under the Existing Agreements, and including the Outstanding Claims.

7. INFORMATION ON THE PSL VESSELS

7.1. Details of the PSL Vessels

Details of the PSL Vessels can be found in Annex A of this announcement.

7.2. Consideration

As the Vessels Transfer is being undertaken as part of the global settlement pursuant to the Term Sheet, there is no specific apportionment of consideration for the Vessels Transfer under the Term Sheet. Thus, for the purposes of PSL's disclosure obligations under Chapter 10 of the listing manual of the Singapore Exchange Securities Trading Limited (the "**Listing Manual**"), the consideration for the PSL Vessels shall be deemed to be S\$17.95 million, being the present day market value under prevailing market conditions of the PSL Vessels pursuant to the Desktop Valuation Report (as defined below) (the "**Consideration**"). The deemed Consideration will be satisfied by the completion of the transactions contemplated by the Term Sheet.

7.3. Rationale for the Vessels Transfer

Reference is made to the Announcements and the dispute between, among others, Sudirman and PSL (the "**PT MII Dispute**") arising out of the CSPA. As a result of the PT MII Dispute, PSL has fully deconsolidated PT MII from its marine logistics segment and re-classified its investment in PT MII as an "available-for-sale" asset with effect from 1 January 2017.

The Vessels Transfer is part of the global settlement of all outstanding disputes in relation to PT MII pursuant to the Term Sheet.

The Vessels Transfer is primarily motivated by PSL's overriding concern to preserve shareholders' value and, by extension, to resolve the PT MII Dispute. It is PSL's view that a prolonged PT MII Dispute is undesirable and that the completion of the Vessels Transfer and the other transactions contemplated in the Term Sheet will put an end to the PT MII Dispute and obviate the need for the Company to expend costly resources and enormous unproductive time on the resolution of the same. In the same vein, the Vessels Transfer would also augment PSL's ability to develop its business in its marine logistics segment due to the acquisition of the PSL Vessels.

7.4. Book Value, Net Asset Value and Open Market Value

Based on the latest unaudited financial statements of PT MII for the financial period ended 31 December 2017, the book value and the net tangible asset value of the PSL Vessels was S\$16.69 million and S\$16.69 million respectively. There is no open market value of the PSL Vessels.

Ritchie & Bisset (Far East) Pte. Ltd. (the "**Previous Valuer**") had previously been appointed by PSL as an independent valuer to conduct a desktop valuation on the PSL Vessels. The desktop valuation was carried out by the Previous Valuer on an "as she lies" basis and on the basis of "prompt charter free delivery and equipped with valid statutory & classification certificates". In arriving at the desktop valuation, the Previous Valuer relied on the market approach.

The desktop valuation report dated 30 November 2017 which was being prepared by the Previous Valuer (the "**Desktop Valuation Report**") stated that the present day market value under prevailing market conditions of the PSL Vessels was S\$17.95 million.

As stated above, PSL shall be entitled, at its sole discretion, for its own purpose, to engage the Valuer to conduct the Valuation within 2 weeks from the signing of the Term Sheet.

7.5. Net Profit

Based on the latest unaudited financial statements of PT MII for the financial period ended 31 December 2017, the net profit before tax attributable to the PSL Vessels was S\$2.30 million (at an exchange rate of IDR 9,809 / S\$1).

8. **FINANCIAL EFFECTS OF THE VESSELS TRANSFER**

8.1. Assumptions

The pro forma financial effects of the Vessels Transfer on the Company and its subsidiaries (collectively, the “**Group**”) have been prepared based on the figures derived from the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2017 (“**FY2017**”), and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the completion of the Vessels Transfer.

8.2. Net Tangible Assets

For illustration purposes and assuming the Vessels Transfer had been completed on 31 December 2017, the pro forma financial effects on the consolidated net tangible assets (“**NTA**”) for FY2017 are as follows:

	Before the Vessels Transfer	After the Vessels Transfer
NTA (S\$'000)	32,851	37,614
Number of shares ('000)	55,686,996	55,686,996
NTA per share (S\$)	0.59	0.68

8.3. Earnings

For illustration purposes and assuming the Vessels Transfer had been completed on 1 January 2017, the pro forma financial effects on the earnings per share of the Group for FY2017 are as follows:

	Before the Vessels Transfer	After the Vessels Transfer
Net profit/(loss) attributable to shareholders after tax (S\$'000)	5,639	3,339
Weighted average number of shares ('000)	46,711	46,711
Earnings/(loss) per share (S\$)	(0.11)	(0.07)

9. **INFORMATION ON THE SHARE TRANSFER**

9.1. Details of PSL Maritime, PT JSI, PT SSS and PT MII

PSL Maritime

PSL Maritime is a limited liability company established under the laws of the Republic of Singapore. PSL Maritime was incorporated on 5 May 2015 and has an issued and paid up capital of S\$10,000 consisting of 10,000 ordinary shares. PSL Maritime is wholly-owned by the Company.

PSL Maritime is an investment holding company.

PT JSI

PT JSI is a limited liability company established under the laws of the Republic of Indonesia, having its domicile in North Jakarta. PT JSI was incorporated on 11 May 2015 and has an authorised capital of IDR 12 billion.

PT JSI is an investment holding company.

The current shareholders of PT JSI are as follows:

Shareholder	Number of shares held in PT JSI	Shareholding percentage
PSL Maritime	119,880 (the "PT JSI Shares")	99.9%
Sudirman	120	0.1%

PT SSS

PT SSS is a limited liability company established under the laws of the Republic of Indonesia, having its domicile in North Jakarta. PT SSS was incorporated on 11 May 2015 and has an authorised capital of IDR 5 billion.

PT SSS is an investment holding company.

The current shareholders of PT SSS are as follows:

Shareholder	Number of shares held in PT SSS	Shareholding percentage
PT JSI	19,998 (the "PT SSS Shares")	99.99%
Sudirman	2	0.01%

PT MII

PT MII is a limited liability company established under the laws of the Republic of Indonesia, having its domicile at Batam. PT MII was incorporated on 25 October 2011 and has an authorised capital of IDR 4 billion.

PT MII 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. PT MII has been providing freight logistics services in Indonesia since April 2013. PT MII provides transshipment mainly between Java, Kalimantan, Sumatra and Sulawesi.

The current shareholders of PT MII are as follows:

Shareholder	Number of shares held in PT MII	Shareholding percentage
Sudirman	11,220	10.20%
Angelo	11,220	10.20%
PT SSS	53,900 (the "PT MII Shares")	49.00%
PT Triputra	33,660	30.60%

9.2. Consideration

The consideration for the Share Transfer is S\$1 (the "Share Consideration"), taking into account that:

- (a) the Share Transfer is being undertaken as part of the global settlement pursuant to the Term Sheet;
- (b) the book value and net tangible asset value of the Shares;

- (c) PSL Maritime does not have any significant assets on its books other than the PT JSI Shares;
- (d) PT JSI does not have any significant assets on its books other than the PT SSS Shares;
- (e) PT SSS does not have any significant assets on its books other than the PT MII Shares; and
- (f) the fact that PT MII will be in a net liability position after the Vessels Transfer and the transfer of the Remaining Vessels. The Consideration will be deemed to be satisfied by the completion of the transactions contemplated by the Term Sheet.

9.3. Rationale for Share Transfer

Reference is made to the Announcements and the PT MII Dispute arising out of the CSPA. As a result of the PT MII Dispute, PSL has fully deconsolidated PT MII from its marine logistics segment and re-classified its investment in PT MII as an “available-for-sale” asset with effect from 1 January 2017.

The proposed Share Transfer is being done as part of the global settlement of all outstanding disputes in relation to PT MII pursuant to the Term Sheet. Pursuant to the Share Transfer, PSL will be able to divest its stake in PT MII, as well as PT JSI and PT SSS (in which Sudirman is a minority shareholder).

The Share Transfer is primarily motivated by PSL’s overriding concern to preserve shareholders’ value and, by extension, to resolve the PT MII Dispute. It is PSL’s view that a prolonged PT MII Dispute is undesirable and that the completion of the Share Transfer and the other transactions contemplated in the Term Sheet will put an end to the PT MII Dispute and obviate the need for the Company to expend costly resources and enormous unproductive time on the resolution of the same.

9.4. Book Value, Net Asset Value and Open Market Value

Based on the latest unaudited financial statements of the Group for FY2017, the book value and the net tangible asset value of the Shares was nil and nil respectively as investment in PT MII has been fully impaired as at 31 December 2016. PSL has also fully deconsolidated PT MII from its marine logistics segment and re-classified its investment in PT MII as an “available-for-sale” asset with effect from 1 January 2017. Further, (a) PSL Maritime does not have any significant assets on its books other than the PT JSI Shares, (b) PT JSI does not have any significant assets on its books other than the PT SSS Shares and (c) PT SSS does not have any significant assets on its books other than the PT MII Shares.

There is no open market value of the Shares as PSL Maritime is not a listed company.

There was no valuation undertaken on the Shares.

Based on the Share Consideration of S\$1 and the book value of the Shares of nil, the Share Transfer is not expected to result in a material excess over the book value of the Shares.

9.5. Net Profit/Loss

Based on the latest unaudited financial statements of the Group for FY2017, there was no net profit or loss before tax attributable to the Shares as PSL has fully deconsolidated PT MII from its marine logistics segment and re-classified its investment in PT MII as an “available-for-sale” asset with effect from 1 January 2017. Further, (a) PSL Maritime does not have any significant assets on its books other than the PT JSI Shares, (b) PT JSI does not have any significant assets on its books other than the PT SSS Shares and (c) PT SSS does not have any significant assets on its books other than the PT MII Shares.

9.6. Gain/Loss on Share Transfer

Based on the latest unaudited financial statements of the Group for FY2017, the Share Transfer is not expected to result in a material gain or loss on disposal of to the Group.

10. FINANCIAL EFFECTS OF THE SHARE TRANSFER

10.1. Assumptions

The pro forma financial effects of the Share Transfer on the Company and its subsidiaries (collectively, the “**Group**”) have been prepared based on the figures derived from the latest unaudited consolidated financial statements of the Group for the financial year ended 31 December 2017 (“**FY2017**”), and are purely for illustration purposes only and do not reflect the actual future results and financial position of the Group following the completion of the Vessels Transfer.

10.2. Net Tangible Assets

For illustration purposes and assuming the Share Transfer had been completed on 31 December 2017, the pro forma financial effects on the consolidated net tangible assets (“**NTA**”) for FY2017 are as follows:

	Before the Share Transfer	After the Share Transfer
NTA (S\$'000)	32,851	32,851
Number of shares ('000)	55,687	55,687
NTA per share (S\$)	0.59	0.59

10.3. Earnings

For illustration purposes and assuming the Share Transfer had been completed on 1 January 2017, the pro forma financial effects on the earnings per share of the Group for FY2017 are as follows:

	Before the Share Transfer	After the Share Transfer
Net profit/(loss) attributable to shareholders after tax (S\$'000)	(5,369)	(5,369)
Weighted average number of shares ('000)	46,711	46,711
Earnings/(loss) per share (S\$)	(0.11)	(0.11)

11. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT IN CHAPTER 10 OF THE LISTING MANUAL

11.1. The Vessels Transfer

Based on the latest unaudited consolidated financial statements of the Group for FY2017, the relative figures for the Vessels Transfer computed on the bases set out in Rule 1006 (“**Rule 1006**”) of the Listing Manual are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable ⁽¹⁾
(b)	Net profit attributable to the assets acquired, compared with the Group’s net loss before tax	(43.40) ⁽²⁾
(c)	The aggregate value of the Consideration, compared with the Company’s market capitalization based on the total number of issued shares excluding treasury shares	146.53 ⁽³⁾

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| (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 ⁽⁴⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets | Not applicable ⁽⁵⁾ |

Notes:

- (1) Not applicable as the Vessels Transfer is not a disposal of assets.
- (2) Based on the net profit before tax of the PSL Vessels acquired pursuant to the Vessels Transfer of S\$2.3 million and the net loss before tax of the Group for the financial year ended 31 December 2017 of S\$5.3 million.
- (3) Based on the Consideration and the issued share capital of the Company of 55,686,996 ordinary shares in the capital of the Company and the volume weighted average price of S\$0.22 as at 17 April 2018 (being the market day preceding the date of the Term Sheet).
- (4) Not applicable as no equity securities will be issued by the Company as consideration for the Vessels Transfer.
- (5) Not applicable as the Vessels Transfer is not a disposal of mineral, oil or gas assets.

As the relative figure under Rule 1006(c) of the Listing Manual exceeds 100%, and the Vessels Transfer will not result in a change in control of the Company, the Vessels Transfer would constitute a "very substantial acquisition" under Rule 1015 of the Listing Manual. Accordingly, the Vessels Transfer shall be conditional upon, *inter alia*, the approval of the SGX-ST and the Shareholders being obtained pursuant to Rule 1015 of the Listing Manual.

The Company will be applying to the SGX-ST for a waiver from compliance with Rule 1015 of the Listing Manual in respect of the Vessels Transfer so that the Vessels Transfer will be regarded as a major transaction under Rule 1013 of the Listing Manual (the "**Waiver**"). The Company's reasons for seeking the Waiver are, *inter alia*, that:

- (a) The Vessels Transfer is part of the global settlement of all outstanding disputes in relation to PT MII pursuant to the Term Sheet, and will not result in a material change to the nature of the Group's business; and
- (b) As the Vessels Transfer is being undertaken as part of the global settlement pursuant to the Term Sheet, there is no specific apportionment of consideration for the Vessels Transfer under the Term Sheet. The deemed Consideration will be satisfied by the completion of the transactions contemplated by the Term Sheet. As no new shares will be issued to satisfy such deemed Consideration, there will be no change of control of the Company as a result of the Vessels Transfer. None of the Parties to the Term Sheet will have any board or management representation in relation to the Company pursuant to the Vessels Transfer.

11.2. The Share Transfer

Based on the latest unaudited consolidated financial statements of the Group for FY2017, the relative figures for the Share Transfer computed on the bases set out in Rule 1006 ("**Rule 1006**") of the Listing Manual are as follows:

Rule 1006	Bases	Size of Relative Figures (%)
(a)	Net asset value of the assets to be disposed of, compared with the Group's net asset value	Not material ⁽¹⁾

- | | | |
|-----|--|-------------------------------|
| (b) | Net profit/loss attributable to the assets disposed of, compared with the Group's net profit/loss before tax | Not material ⁽²⁾ |
| (c) | The aggregate value of the Share Consideration, compared with the Company's market capitalization based on the total number of issued shares excluding treasury shares | Not material ⁽³⁾ |
| (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 ⁽⁴⁾ |
| (e) | The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserves. This basis is applicable to a disposal of mineral, oil and gas assets by a mineral, oil and gas company, but not to an acquisition of such assets | Not applicable ⁽⁵⁾ |

Notes:

- (1) Not material as the net asset value of the Shares is nil.
- (2) Not material as there was no net profit or loss before tax attributable to the Shares.
- (3) Based on the Share Consideration and the issued share capital of the Company of 55,686,996 ordinary shares in the capital of the Company and the volume weighted average price of S\$0.22 as at 17 April 2018 (being the market day preceding the date of the Term Sheet).
- (4) Not applicable as no equity securities will be issued by the Company as consideration for the Share Transfer.
- (5) Not applicable as the Share Transfer is not a disposal of mineral, oil or gas assets.

As the relative figures on the bases set out in Rules 1006(a), 1006(b) and 1006(c) of the Listing Manual do not exceed 5%, the Share Transfer constitutes a "non-discloseable transaction" to which Rule 1008 of the Listing Manual applies.

12. EGM AND CIRCULAR TO SHAREHOLDERS

The Company will convene an extraordinary general meeting to seek the approval of the Shareholders for the Vessels Transfer and the other transactions contemplated in the Term Sheet and a circular containing, inter alia, details thereof, together with the opinions and recommendations of the Directors in relation thereto and enclosing the notice of extraordinary general meeting in connection therewith, will be dispatched to the Shareholders in due course.

13. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Term Sheet the Desktop Valuation Report and the valuation report issued pursuant to the Valuation (if and when issued by the Valuer) will be available for inspection during normal business hours at the Company's registered office at 37 Jalan Pemimpin, #07-16 Mapex, Singapore 577177 for a period of 3 months from the date of this Announcement.

14. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed herein, none of the directors or substantial shareholders of the Company has any interest, direct or indirect, in the Term Sheet other than through their respective shareholdings in the Company.

No director is proposed to be appointed to the Company in connection with the Vessels Transfer or the other transactions contemplated in the Term Sheet.

15. FURTHER UPDATES

The Company will make further announcements in compliance with the requirements of the Listing Manual upon the execution of the Settlement Agreement and the Definitive Agreements and/or when there are material developments in respect of the Term Sheet, including any measures taken with respect to the completion of the Vessels Transfer to comply with Indonesian laws.

16. CAUTION IN TRADING

Shareholders are advised to exercise caution in trading their shares of the Company. There is no certainty or assurance as at the date of this announcement that the Settlement Agreement or the Definitive Agreements will be entered into, the transactions contemplated under the Term Sheet will be completed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments on the Term Sheet and other matters contemplated by this announcement. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional Advisers.

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

**Tan Cheang Shiong
Chief Executive Officer
19 April 2018**

**ANNEX A
PSL VESSELS**

	Name Of Vessel	Built	Dimension / HP	Description
1	Pacific One	2009	2100 HP	Tug Boat L29.5m x B9m x D4.16m
	Pacific 3001	2009	7 tons/M2	Barge L300' x B80 x D18'
2	Momentum 03	2013	1500 HP	Tug boat L26m x B8m xD3.65m
	Momentum 3003	2013	7 tons/M2	Barge L300' x B80 x D18'
3	Momentum 06	2013	1658 HP	Tug Boat L26m x B8m x D3.65m
	Momentum 3006	2013	7 Tons/M2	Barge L300' x B80' x D18'
4	Momentum 07	2013	1658 HP	Tug Boat L26m x B8m x D3.65m
	Momentum 3007	2013	7 Tons/M2	Barge L300' x B80' x D18'
5	Momentum 10	2013	2276 HP	Tug Boat L29m x B8m x D3.7m
	Momentum 30010	2013	7 Tons/M2	Barge L300' x B80' x D18'
6	Momentum 11	2013	2276 HP	Tug Boat L29m x B8m x D3.7m
	Momentum 30011	2013	7 Tons/M2	Barge L300' x B80' x D18'
7	Momentum 12	2014	2276 HP	Tug Boat L28.09m x B8.54m x D3.6m
	Momentum 30012	2014	7 Tons/M2	Barge L300' x B80' x D18'

**ANNEX B
PSL ESCROW PERIOD VESSELS**

	Name Of Vessel	Built	Dimension / HP	Description
1	Pacific One	2009	2100 HP	Tug Boat L29.5m x B9m x D4.16m
	Pacific 3001	2009	7 tons/M2	Barge L300' x B80 x D18'
2	Momentum 06	2013	1658 HP	Tug Boat L26m x B8m x D3.65m
	Momentum 3006	2013	7 Tons/M2	Barge L300' x B80' x D18'
3	Momentum 07	2013	1658 HP	Tug Boat L26m x B8m x D3.65m
	Momentum 3007	2013	7 Tons/M2	Barge L300' x B80' x D18'
4	Momentum 10	2013	2276 HP	Tug Boat L29m x B8m x D3.7m
	Momentum 30010	2013	7 Tons/M2	Barge L300' x B80' x D18'
5	Momentum 11	2013	2276 HP	Tug Boat L29m x B8m x D3.7m
	Momentum 30011	2013	7 Tons/M2	Barge L300' x B80' x D18'
6	Momentum 12	2014	2276 HP	Tug Boat L28.09m x B8.54m x D3.6m
	Momentum 30012	2014	7 Tons/M2	Barge L300' x B80' x D18'