

**PSL Holdings Limited**

Company Registration Number: 199707022K

(Incorporated in the Republic of Singapore)

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**NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF 80% EQUITY INTEREST IN PT. BUANA PERKASA SUKSES**

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**1. Introduction**

The Board of Directors (the “**Board**”) of PSL Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that PT. PSL Commodities Indonesia (the “**Purchaser**”), a 99% indirect subsidiary of the Company, has on 5<sup>th</sup> July 2018 entered into a non-binding memorandum of undertaking (“**MOU**”) with Mr. Rusdi Arifin (the “**Seller**”) in relation to the proposed acquisition of 400 shares (the “**Sale Shares**”) in PT. Buana Perkasa Sukses (the “**Target Company**”) representing 80% of the entire share capital of the Target Company (the “**Proposed Acquisition**”).

The Proposed Acquisition is subject to, amongst others, entry into a definitive share purchase agreement between the parties in respect of the Proposed Acquisition (the “**Definitive SPA**”).

**The MOU is not intended to be legally binding between the parties, except for certain provisions relating to confidentiality.**

**2. Information on the Target Company and the Seller**

The Target Company is incorporated in Indonesia and is principally engaged in the coal trading business. As of the date of the MOU, the Target Company has an issued and paid up share capital of IDR 250 million (approximately SGD 0.02 million) comprising 500 shares, of which 495 shares representing 99% of the share capital of the Target Company is held by the Seller and the remaining 5 shares representing 1% of the share capital of the Target Company are held by an individual (Aga Tarov Yadev).

The Seller is an Indonesian citizen. He is currently a Commissioner and shareholder of the Target Company. The Seller is not related to any of the Company’s directors, controlling shareholders or their respective associates.

**3. Rationale for the Proposed Acquisition**

The Proposed Acquisition is in line with the Group’s business strategy to expand its operations and diversify its business through the acquisition of businesses in the ASEAN region.

The Proposed Acquisition, once completed, will give the Company a controlling stake in the Target Company as well as a strategic exposure and entry to the coal trading business. The Proposed Acquisition is a good opportunity for the Company to enter the industry of the Target Company amidst the potential rising demand for coal in Southeast Asia in the coming decades. Furthermore, the Proposed Acquisition is also aligned with the Company’s commitment to concentrate its operations in Indonesia, where projects are gaining momentum.

The Proposed Acquisition potentially enables the Company to develop new revenue streams to improve its financial performance, with the aim of delivering long term sustainable value for shareholders.

Based on the above, the Board is of the view that the Proposed Acquisition is in the best interests of the Company and its shareholders.

#### 4. **Principal Terms of the MOU**

Under the terms of the MOU, it is contemplated, amongst others, that:

- (a) the Purchaser will acquire, and the Seller will sell, the Sale Shares at a consideration to be agreed between the parties based on valuations to be conducted on the Target Company; and
- (b) the completion of the Proposed Acquisition shall be subject to, amongst others:
  - (i) the Purchaser obtaining approval from the shareholders of the Company, for, amongst others, the Proposed Acquisition and the diversification of the Group's business to include the business activities of development, production, refining and processing, trading, selling, transport and logistics of coal, and investments in coal projects, entities and companies (the "**Coal Business**") (if required under the Listing Manual of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")); and
  - (ii) if required, the Purchaser obtaining the approval of the SGX-ST for, amongst others, the Proposed Acquisition and the diversification of the Group's business to include the Coal Business;
  - (iii) the Seller obtaining the approval of and requisite pre-emption waivers from the shareholders of the Target Company for, amongst others, the transfer of shares in the Target Company pursuant to the Proposed Acquisition; and
  - (iv) the consent of the Indonesian Investment Coordinating Board (BKPM) being obtained for, amongst others, the change of shareholders of the Target Company pursuant to the Proposed Acquisition.

The MOU is valid for a period of 6 months from the date of the MOU.

#### 5. **Interests of Directors and Substantial Shareholders**

None of the directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU, save through their respective shareholdings in the Company (if any).

#### 6. **Further Announcements**

The Company will make further announcements in compliance with the rules of the SGX-ST (including but not limited to the requirements of Chapter 10) upon the execution of the Definitive SPA and/or when there are material developments in respect of the Proposed Acquisition.

#### 7. **Trading Caution**

**Shareholders are advised to exercise caution in trading their shares as the MOU is largely not legally binding and there is no certainty or assurance as at the date of this announcement that the Definitive SPA will be entered into or that the Proposed Acquisition will be undertaken at all.**

**Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.**

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

**Tan Cheang Shiong  
Chief Executive Officer  
5<sup>th</sup> July 2018**