
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 loss of S\$1.0 million for the three months ended 31 December 2019 (“4Q2019”) compared with a net loss of S\$2.04 million for the three months ended 31 December 2018 (“4Q2018”). This was mainly due to a significant reduction in cost of sales. This was partially offset by an increase in other losses arising from an increase in foreign exchange losses, other operating losses arising from revaluation of profit guarantee denominated in USD due from the Vendors of PTMII and higher finance costs incurred.

The Group had net assets of S\$26.1 million as at 31 December 2019 as compared to S\$27.5 million as at 31 December 2018. The Group has cash and cash equivalents of S\$2.5 million as at 31 December 2019 as compared to S\$7.2 million as at 31 December 2018.

In relation to the above, please refer to the Company’s results announcement for the financial period ended 31 December 2019 released on 28 February 2020 for more details.

Update on Future Direction and other Material Development(s)

The Company has, since November 2016, been embroiled in protracted litigation proceedings arising from its claims for amounts due and owing by Mr Sudirman Kurniawan, Mr Angelo Fernandus, PT. Triputra Senamustika (collectively, the “**Sudirman Group**”) and PT. Momentum Indonesia Investama (“**PTMII**”) to the Company in respect of the profit guarantee under the Conditional Sale and Purchase Agreement dated 17 March 2015, the Shareholders’ Deed of Agreement dated 25 November 2015 and the Loan Agreement dated 25 November 2015.

The Company has on 19 February 2020 executed a New Settlement Agreement (“**Agreement**”) to resolve all outstanding disputes with the Sudirman Group and 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 received a sum of approximately US\$3.16 million, constituting partial repayment of the Shareholder’s Loan of US\$3 million and US\$0.16 million relating to the first monthly instalment for the Profit Guarantee.

Under the Agreement, the Company and Sudirman Group mutually agreed to break up their business partnership in PTMII. The Company, the Sudirman Group and PT MII (collectively the “**Parties**”) have mutually agreed to dispose the vessels which are owned by PTMII, and distribute equally any remaining cash balance in PT MII to the Company and Sudirman Group.

In accordance with the Announcement dated 21 February 2020, the Parties agree to discontinue/ withdraw the Singapore High Court proceedings under HC/S 1238/2016 and HC/S 573/2017 and the District Court of Batam by 25 March 2020.

PSL Management may add that, the Company has incurred substantial time and professional costs on the abovementioned litigation proceedings. Even if these proceedings are ultimately successful, and judgments obtained against the Parties, the Company envisages having to incur further time along with significant professional expenditures to enforce the judgments in Indonesia. With these aspects taken into consideration together with the commercial terms stated in the Agreement as a whole, the Company is of the view that resolution of the litigation proceedings is in the interests of the Company and its Shareholders. The Company will focus on rebuilding its businesses to generate substantive values to the Shareholders.

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 criterion and would update its shareholders in due course. The Company will take active steps to restore its financial health and meet the requirements of Listing Rule 1314(1) of the SGX-ST Listing Manual by 4 June 2020, failing which the SGX-ST would delist the Company or suspend trading in the Company's shares with a view to delisting the Company.

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

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

28 February 2020