
RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON THE COMPANY'S RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON NON-BINDING MEMORANDUM OF UNDERSTANDING IN RELATION TO THE PROPOSED ACQUISITION OF 80% EQUITY INTEREST IN PT. BUANA PERKASA SUKSES ANNOUNCEMENT RELEASED ON 13 JULY 2018

The Board of Directors of PSL Holdings Limited (the "**Company**" or "**PSL**") refers to the following queries raised by the Singapore Exchange Securities Trading Limited ("**SGX**") in its email dated 17 July 2018 and would like to provide further information in relation to the Company's announcement titled "Responses to SGX Queries on the Non-Binding MOU announcement released on 5 July 2018" dated 13 July 2018.

Unless otherwise defined, all terms and references used in this announcement shall bear the same meaning ascribed to them in the Company's announcements dated 5 July 2018 and 13 July 2018 (the "**Earlier Announcements**").

SGX Query 1:

On 13 July 2018, the Company disclosed in its responses to SGX Queries on the Non-Binding MOU announcement released on 5 July 2018 that "Mr. Rusdi Arifin was employed as a sales manager in PT. Riau Food from May 2011 to October 2017." Please disclose whether Mr Rusdi Arifin has prior experience in coal trading.

Company's response to Query 1:

Mr. Rusdi Arifin has indicated to the Company that he does not have any prior experience in coal trading but holds diverse investment interests in various businesses and industries as described in the Earlier Announcements.

Following the completion of the Proposed Acquisition, it is intended that the existing management team of the Target Company will remain in place and continue to operate the day-to-day coal trading business of the Target Company.

SGX Query 2:

Please explain how the proposed acquisition of the Target Company provides the Company with a strategic exposure to the coal trading business.

Company's response to Query 2:

The Company is of the view that that the acquisition of an 80% equity interest in the Target Company provides the Company with a strategic exposure to the coal trading business on the basis that it gives the Group an immediate foothold and presence within this industry amidst the potential rising demand for coal in Southeast Asia in the near future.

As disclosed in the Earlier Announcements, the Target Company is currently carrying on a coal trading business in Indonesia and has secured major customers such as Sungai Budi Group, CV Panca Sukes Makmur, PT Sinar Prima Sejahtera, PT Bara Pagmer Jaya, CV Sumber Karya and PT PLN Batubara (a subsidiary of state-owned utilities firm, PT Perusahaan Listrik Negara).

SGX Query 3:

The Company disclosed that “the Target Company had a revenue of Rp. 22.7 billion (S\$2.2 million) and operating profits of Rp. 1.7 billion (S\$0.2 million)”. Please disclose the Target Company’s net profit/loss after tax.

Company’s response to Query 3:

Based on the unaudited financial accounts of the Target Company for the financial year ended 31 December 2017, the Target Company had a net profit after tax of Rp. 1.3 billion (S\$0.1 million) based on the exchange rate of S\$1: Rp.10,400.

SGX Query 4:

The Company disclosed that “Mr. Feri Sapry will remain as a minority shareholder in the Target Company following the completion of the Proposed Acquisition in order to fulfil equity requirements under Indonesian law which requires a minimum of 2 local shareholders”. Please clarify if Mr Feri Sapry is holding the shares in trust or as a nominee for anyone.

Company’s response to Query 4:

Mr. Feri Sapry has confirmed to the Company that he is not holding the shares in trust or a nominee for any party.

Trading Caution

Shareholders are advised to exercise caution in trading their shares as the MOU is not legally binding (other than certain provisions relating to confidentiality) 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
19 July 2018**