
**RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES
ON THE COMPANY'S SECOND QUARTER AND/OR HALF YEARLY RESULTS
ANNOUNCEMENT RELEASED ON 11 AUGUST 2020**

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-ST**") in its email dated 4 September 2020 and would like to provide further information in relation to the Company's announcement titled "Second Quarter and/or Half Yearly Results" dated 11 August 2020.

Unless otherwise defined, all terms and references used in this announcement shall bear the same meaning ascribed to them in the Company's announcement dated 11 August 2020.

SGX Query 1:

On page 9 of the Company's 1H2020 financial statements for the period ended 30 June 2020, the Company disclosed that "PT CRM carries on the business of mining activities, ranging from removal of overburden, coal mining and heavy equipment rental. PT CRM is an independent third party unrelated to any of PSL's Directors, controlling shareholders and each of their associates. Mr Edison, who is a 7.17% shareholder in PSL also owns 25% shares in PT CRM. He is not a director of PT CRM nor have any nominee(s) on the PT CRM board."

In relation to the agreement on PT CRM which gave rise to the PSL Group's leasing revenue of \$1.75 million for 2Q2020 and \$2.98 million for 1H2020, please disclose:

- i. **if there were any other transactions with PT CRM recorded in PSL's financial statements. Please quantify and disclose details;**

Save as disclosed in the Company's 1H2020 financial statements for the period ended 30 June 2020, there were no other transactions with PT CRM recorded in PSL's 1H2020 financial statements for the period ended 30 June 2020.

- ii. **the amounts received to-date from PT CRM for the sales amounting to \$1.75 million in 2Q2020 and \$2.98 million in 1H2020. If the amounts are not fully received to-date, please disclose credit terms, provide aging (in bands of 3 months) and explain when these trade receivables will be paid; and**

To date, PT IPA has received full payment from PT CRM for the sales amounting to \$1.75 million in 2Q2020 and \$2.98 million in 1H2020.

- iii. Other than Mr Edison, a 7.17% shareholder in PSL, who owns 25% of PT CRM, please disclose the remaining beneficial shareholders of PT CRM and disclose whether these persons have any relationships, current or in the past, with PSL, PSL's current or former directors or key management and their respective associates.

Based on the latest company profile of PT CRM, the shareholders of PT CRM are as follows:

Name of shareholder	No. of shares	Shareholding (%)
Chandra Gunawan	170	17%
Edison	250	25%
Amin	250	25%
Tjin Lam	330	33%

To the best of the Directors' knowledge, other than Mr Edison, a 7.17% shareholder in PSL, who owns 25% of PT CRM, none of the shareholders of PT CRM stated above have any relationships, current or in the past, with PSL, PSL's current or former directors or key management and their respective associates.

SGX Query 2:

On page 10 of the Company's 1H2020 financial statements, the Company disclosed that "Other operating income increased from S\$0.1 million in 2Q2019 to S\$0.4 million in 2Q2020 mainly due to fair value changes on profit guarantee due from the Vendors of PTMII as well as a decrease in interest income from the loan to PTMII as a result of a reduction in the 6-month SIBOR rates during the period." Please disclose:

- i. the payment terms;

As stated in Paragraphs 8.1 and 8.2 on Page 6 of the Company's announcement dated 21 February 2020, the profit guarantee provided by Mr Sudirman Kurniawan and Mr Angelo Fernandus under the CSPA will be fixed at the sum of US\$5,257,841 (the "**PG Amount**") and Mr Sudirman Kurniawan, Mr Angelo Fernandus, PT. Triputra Senamustika (collectively, the "**Sudirman Group**") shall repay the PG Amount plus accrued interest on the outstanding PG Amount at a rate of three per cent (3.0%) per annum (collectively, the "**Total PG**") to the Company, over a 3-year period and in 36 monthly instalments.

The agreed repayment schedule in respect of the Total PG is set out in Schedule 2 of the Announcement dated 21 February 2020 and also attached under Appendix A of this Announcement for ease of reference.

- ii. if these profit guarantee amounts have been received;

To date, the Sudirman Group has made timely repayments for the 7 instalments in accordance to Appendix A of this Announcement as follows:

Payment Date	Amount Received	Purpose of Transfer
10 and 13 February 2020	US\$0.16 million	First instalment payment of Profit Guarantee
27 March 2020	US\$0.16 million	Second instalment payment of Profit Guarantee
24 April 2020	US\$0.16 million	Third instalment payment of Profit Guarantee
28 May 2020	US\$0.16 million	Fourth instalment payment of Profit Guarantee
30 June 2020	US\$0.16 million	Fifth instalment payment of Profit

		Guarantee
30 July 2020	US\$0.16 million	Sixth instalment payment of Profit Guarantee
31 August 2020	US\$0.16 million	Seventh instalment payment of Profit Guarantee

The final PG instalment will be due in January 2023.

iii. whether the Vendors have sufficient financial resources to meet their obligations as and when the payments fall due; and

As announced on 13 February 2020, PSL has no knowledge of where the Sudirman Group will obtain funding to honour their obligation to pay the profit guarantee under the CSPA. As stated above, we note that to date the Sudirman Group has made timely repayments for the 7 instalments in accordance to Appendix A.

As stated in Paragraph 8.5 on Page 6 of the Company's announcement dated 21 February 2020, the Sudirman Group's repayment of the contingent consideration are secured by a pledge from the Sudirman Group in favour of the Company over the original unencumbered title deeds of the Sudirman Group Vessels (collectively, the "Collateral"). Further, if there is a default in timely payment of any of the instalments, the Company is entitled to sell all of the Sudirman Group Vessels which are secured by the Collateral.

iv. disclose and quantify the repayment terms of the profit guarantee. Please also disclose the reasons for the increase in FV of the profit guarantee.

Please refer to the Company's response in Query 2(i) above for details on the repayment terms of the profit guarantee.

As disclosed on Page 2 of the Company's Second Quarter Results Announcement dated 11 August 2020, the movement in contingent consideration on acquisition of PTMII (profit guarantee) in Note 1(b)(ii) are as follows:

	Group		Company	
	As at 30 June 2020 S\$'000	As at 31 December 2019 S\$'000 (Audited)	As at 30 June 2020 S\$'000	As at 31 December 2019 S\$'000 (Audited)
Balance at beginning of year	6,056	6,134	6,056	6,134
Less: Payments received	(1,110)	-	(1,110)	-
Fair value changes on profit guarantee due from Vendors	220	(78)	220	(78)
Balance at end of year	5,166	6,056	5,166	6,056

The reason for the increase in fair value changes on the profit guarantee is due to the appreciation of USD rates from 1 USD : 1.3457 SGD as at 31 December 2019 to 1 USD : 1.3946 SGD as at 30 June 2020 on the USD denominated profit guarantee.

SGX Query 3:

The Company disclosed that “Finance costs increased from S\$18,000 in 2Q2019 to S\$0.2 million in 2Q2020 mainly due to interest incurred on loans obtained by PT IPA to finance the purchase of heavy equipment.” Please disclose what type and size of these 5 heavy equipment purchased, details and terms of the purchases, amounts paid to date and disclose from whom these equipment were purchased and the relationship of the supplier to PSL, its former and current directors/key management/substantial shareholders and to PT CRM.

Details of the 5 heavy equipment purchased are as follows:

	Type of heavy equipment	Supplier	Purchase cost / terms	Total amount paid to-date
1.	1 unit excavator Hitachi ZX 870 LCH - 5G	PT Hexindo Adi Perkasa	IDR 8,100,000,000 (finance lease)	IDR 2,705,018,290
2.	4 units dump trucks Komatsu HD 865 - 7R	PT United Tractor	IDR 33,300,000,000 (finance lease)	IDR 11,120,630,750

The suppliers stated above have no relationship with PSL, its former and current directors/key management/substantial shareholders and to PT CRM.

SGX Query 4:

The Company disclosed that “Finance costs increased from S\$31,000 in 1H2019 to S\$0.5 million in 1H2020 mainly due to interest incurred on loans obtained by PT IPA to finance the purchase of heavy equipment.” Please disclose to whom is the interest paid to, the identity of lender and terms of the loan.

The interest was paid to PT Dipo Star Finance and PT BNI Multi Finance. The tenure of the finance lease is 4 years, at the rate of interest ranging from 13% to 15% per annum.

SGX Query 5:

On page 11 of the Company’s 1H2020 financial statements, the Company disclosed that “The Company is in the process of appointing the liquidators. The Company will be convening an Extraordinary General Meeting to seek the approval of shareholders and a Circular to shareholders will be despatched in due course.” Please provide an update on the Board’s efforts so far in appointing the liquidators and whether any liquidator has been identified since 4 Aug 2020 to-date.

The Board had on 6 August 2020 appointed Ardent Corporate Recovery Pte. Ltd as the proposed liquidator. The Company will be convening an extraordinary general meeting to seek shareholders’ approval on the aforementioned proposed appointment and a circular to shareholders will be despatched in due course.

SGX Query 6:

The Company disclosed that “The Group’s Indonesian subsidiary PT Indah Perkasa Abadi (“PT IPA”) achieved another profitable quarter. The Group will strive to maintain this momentum to continue to grow its business. The Group is wary of the growing challenging business environment and will exercise greater prudence in financial management. The Company will continue to closely monitor the financial and economical impact of the Covid-19 pandemic on the business operations of the Group and keep shareholders updated as and when appropriate.” Please elaborate whether the operations of PT IPA have been disrupted by the Covid 19 situation in Indonesia and provide details of its operations and projects in the last 3 months and the outlook of its projects for the next reporting period and for the next 12 months.

PT IPA is in the business of leasing and operating heavy equipment to the coal mining industry. Currently, PT IPA’s existing fleet of heavy equipment is fully contracted by PT CRM for a period of three years, providing revenue visibility for the next 2 to 3 years. Though on long-term lease, monthly revenue may fluctuate as revenue is calculated based on equipment usage hours subject to minimum rental amount.

Covid 19 has impacted the economy including the mining and resources industry. The Covid 19 pandemic has affected global demand for coal and hence coal price has weakened this year. The lower coal price has prompted some coal miners to reduce production. Correspondingly, mining activity is likely to remain subdued this year.

PT IPA will continue to focus on operational and cost efficiency and on achieving profitability in the next 12 months based on the current 3-year leasing contract.

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

**Kee Siang Hui
Executive Director
8 September 2020**

REPAYMENT SCHEDULE OF THE TOTAL PG

Instalment No.	Repayment of the PG Amount (US\$)	Repayment of the interest accrued on the PG Amount (US\$)	Total PG instalment payment (US\$)
1	\$146,051.14	\$13,144.60	\$159,195.74
2	\$146,051.14	\$13,144.60	\$159,195.74
3	\$146,051.14	\$13,144.60	\$159,195.74
4	\$146,051.14	\$13,144.60	\$159,195.74
5	\$146,051.14	\$13,144.60	\$159,195.74
6	\$146,051.14	\$13,144.60	\$159,195.74
7	\$146,051.14	\$13,144.60	\$159,195.74
8	\$146,051.14	\$13,144.60	\$159,195.74
9	\$146,051.14	\$13,144.60	\$159,195.74
10	\$146,051.14	\$13,144.60	\$159,195.74
11	\$146,051.14	\$13,144.60	\$159,195.74
12	\$146,051.14	\$13,144.60	\$159,195.74
13	\$146,051.14	\$8,763.07	\$154,814.21
14	\$146,051.14	\$8,763.07	\$154,814.21
15	\$146,051.14	\$8,763.07	\$154,814.21
16	\$146,051.14	\$8,763.07	\$154,814.21
17	\$146,051.14	\$8,763.07	\$154,814.21
18	\$146,051.14	\$8,763.07	\$154,814.21
19	\$146,051.14	\$8,763.07	\$154,814.21
20	\$146,051.14	\$8,763.07	\$154,814.21
21	\$146,051.14	\$8,763.07	\$154,814.21
22	\$146,051.14	\$8,763.07	\$154,814.21
23	\$146,051.14	\$8,763.07	\$154,814.21
24	\$146,051.14	\$8,763.07	\$154,814.21
25	\$146,051.14	\$4,381.53	\$150,432.67
26	\$146,051.14	\$4,381.53	\$150,432.67
27	\$146,051.14	\$4,381.53	\$150,432.67
28	\$146,051.14	\$4,381.53	\$150,432.67
29	\$146,051.14	\$4,381.53	\$150,432.67
30	\$146,051.14	\$4,381.53	\$150,432.67
31	\$146,051.14	\$4,381.53	\$150,432.67
32	\$146,051.14	\$4,381.53	\$150,432.67
33	\$146,051.14	\$4,381.53	\$150,432.67
34	\$146,051.14	\$4,381.53	\$150,432.67
35	\$146,051.14	\$4,381.53	\$150,432.67
36	\$146,051.10	\$4,381.53	\$150,432.63
Total	\$5,257,841.00	\$315,470.40	\$5,573,311.40