

**NEW TERM SHEET FOR THE FRESH GLOBAL SETTLEMENT OF OUTSTANDING DISPUTES IN RELATION TO PT. MOMENTUM INDONESIA INVESTAMA**

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**1. INTRODUCTION**

- 1.1. The Board of Directors (the “**Board**” or the “**Directors**”) of PSL Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcement dated 2 October 2019 in relation to, *inter alia*, the lapse and/or abortion of the previous proposed global settlement of all outstanding disputes in relation to PT. Momentum Indonesia Investama (“**PT MII**”) as set out in the Term Sheet dated 18 April 2018 and the Settlement Agreement dated 10 December 2018 (the “**Previous Proposed Settlement**”).
- 1.2. The Board also refers to the Company’s unaudited financial statements for the second quarter ended 30 June 2017 announced on 10 August 2017, wherein it was disclosed that PT MII had been deconsolidated from the Group with effect from 1 April 2017. As a result of such deconsolidation of PT MII, PT MII is no longer a subsidiary of the Company.
- 1.3. The Board further refers to the Company’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, 23 March 2018, 19 April 2018, 7 August 2018, 10 December 2018, 22 June 2019 and 2 October 2019 (the “**Earlier Announcements**”) in relation to the Previous Proposed Settlement. Unless otherwise defined, terms used in this announcement shall bear the same meaning as defined in the Earlier Announcements.
- 1.4. Following the lapse and/or abortion of the Previous Proposed Settlement, Mr. Sudirman Kurniawan, Mr. Angelo Fernandus and PT. Triputra Senamustika (collectively, the “**Sudirman Group**”), the Company and PT MII commenced fresh settlement discussions to resolve the Outstanding Disputes. The Board wishes to announce that the Company had, on 20 January 2020, entered into a term sheet dated 20 January 2020 (the “**New Term Sheet**”) with the Sudirman Group and PT MII in relation to the resolution of all Outstanding Disputes between themselves in relation to PT MII (the “**New Proposed Settlement**”). The Company, the Sudirman Group and PT MII shall hereinafter be collectively referred to as the “**Parties**”.
- 1.5. The New Term Sheet supersedes the Parties’ prior discussions on resolving the Outstanding Disputes and is intended to document the Parties’ negotiations and form the basis for the subsequent definitive agreement(s) (the “**Definitive Agreement**”).

**2. SALIENT COMMERCIAL TERMS OF THE NEW PROPOSED SETTLEMENT AS SET OUT IN THE NEW TERM SHEET**

- 2.1. Under the New Term Sheet, the Sudirman Group have agreed to honour their obligation to pay the profit guarantee under the CSPA, and PT MII has agreed to repay all the shareholders loans that the Sudirman Group and the Company have respectively extended to PT MII. To enable PT MII to repay these shareholders loans, the Parties have also agreed that the vessels owned by PT MII (as set out in the list annexed to this announcement as the Annex) will be disposed of in accordance with paragraph 2.2(a)(iii) below.
- 2.2. A summary of the salient commercial terms of the New Term Sheet is as follows:
  - (a) the Company and the Sudirman Group mutually agree to break up their business partnership in PT MII in accordance with, *inter alia*, the following terms:
    - (i) within 21 calendar days after the execution of the New Term Sheet, PT MII shall transfer the partial repayment sum referred to in paragraph 2.2(a)(ii) of this announcement and the Sudirman Group shall transfer the first two (2)

instalment payments of the Total PG (as defined in paragraph 2.2(b) of this announcement) referred to in paragraphs 2.2(b)(i) and 2.2(b)(ii) of this announcement to an escrow account held with ZICO Insights Law LLC (“**ZICO**”);

- (ii) within three (3) business days after receiving the relevant sum in the escrow account, ZICO shall pay an aggregate sum of US\$3 million to the Company on behalf of PT MII as partial repayment of the shareholder’s loan of US\$11.5 million owing by PT MII to the Company;
- (iii) the Parties mutually agree to dispose the vessels, which are owned or were previously owned by PT MII and which exclude the barge known as “Momentum 3007” (the “**Vessels**”), in the manner set out in the New Term Sheet (the “**Sale of Vessels**”), the salient terms of which are as follows:
  - a. the Sudirman Group Vessels (as defined in paragraph 1 of the Annex) will be sold by PT MII to the Sudirman Group and/or their nominees, and the Sudirman Group shall pay an aggregate consideration of US\$8.5 million to PT MII in consideration for the Sudirman Group Vessels. PT MII shall then undertake to repay the US\$8.5 million shareholders’ loan owing from PT MII to the Sudirman Group in full. The aforementioned terms regarding the sale of the Sudirman Group Vessels and the repayment of the shareholders’ loan shall be set out in a sale and purchase agreement to be executed between the relevant parties on or before the execution of the Definitive Agreement; and
  - b. the PT MIS Vessels (as defined in paragraph 2 of the Annex) will be sold by PT MII to PT. Multi Indo Selaras (“**PT MIS**”) and/or its nominees for an aggregate consideration of US\$8.5 million (the “**PT MIS Consideration**”). PT MII shall procure PT MIS to pay the PT MIS Consideration to PT MII, and PT MII shall repay the remaining US\$8.5 million shareholder’s loan owing from PT MII to the Company, within 30 calendar days after the execution of the Definitive Agreement. The aforementioned terms regarding the sale of the PT MIS Vessels and the repayment of the shareholder’s loan shall be set out in a sale and purchase agreement to be executed between the relevant parties on or before the execution of the Definitive Agreement;
  - c. there shall be an open auction for the Auctioned Vessel (as defined in paragraph 3 of the Annex) in which all interested parties may participate (including but not limited to the Sudirman Group and/or their nominees, PT MIS and/or its nominees, and the Company and/or its nominees) (each a “**Bidding Party**”). The auction shall be administered by ZICO in a manner mutually acceptable to the Company and the Sudirman Group. The Auctioned Vessel shall be sold to the winning Bidding Party who offers the highest bid amount. The proceeds from the sale of the Auctioned Vessel shall be distributed to the Company and the Sudirman Group equally; and
  - d. the Sale of Vessels shall be completed within 30 calendar days after the execution of the Definitive Agreement;
- (iv) the Parties agree that the insurance proceeds received by PSL in connection with the sinking of the barge known as “Momentum 3007” shall be retained by PSL, in exchange for PSL’s agreement not to claim any dry-docking expenses relating to the Vessels from PT MII and the Sudirman Group; and
- (v) any remaining cash balance at PT MII will be distributed to the Company and the Sudirman Group equally;

- (b) the profit guarantee provided by Sudirman and Angelo under the CSPA will be fixed at the sum of US\$5,257,841 (the "**PG Amount**") and 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 in the manner set out in the New Term Sheet, the salient terms of which are as follows:
- (i) the PG Amount shall be repaid over a 3-year period, by 36 equal monthly instalments, with the first instalment to be paid within three (3) business days after ZICO receives the relevant sum in the escrow account. Each instalment thereafter shall be paid on the last business day of each succeeding month;
  - (ii) interest shall be calculated on an annual rest basis, based on the outstanding PG Amount at the start of each 12-month period commencing on the date of payment of the first instalment of the PG Amount. Interest shall also be paid in 36 monthly instalments along with the payment of the PG Amount as stated in paragraph 2.2(b)(i) above, with the first interest payment to be paid within three (3) business days after ZICO receives the relevant sum in the escrow account and the instalments thereafter to be paid on the last business day of each succeeding month;
  - (iii) the repayment of the Total PG shall be secured by a pledge in favour of the Company of the original unencumbered title deeds for the Sudirman Group Vessels and the Auctioned Vessel (if the Sudirman Group is the winning Bidding Party) (collectively, the "**Collateral**"). ZICO shall hold the Collateral until such time that the Collateral is released and subject to the terms of the New Term Sheet. For the period of the Collateral's subsistence until it is released pursuant to the New Term Sheet and the Definitive Agreement, the Sudirman Group undertakes not to mortgage or transfer the Sudirman Group Vessels and the Auctioned Vessel (if the Sudirman Group is the winning Bidding Party) to any third party;
  - (iv) upon payment of fifty per cent (50%) of the PG Amount, there shall be a partial release of the Collateral, by way of lifting of the pledge of the original unencumbered title deeds of the Discharged Vessels (as defined in paragraph 4 of the Annex), and ZICO shall release, return and/or cause to be returned the respective original unencumbered title deed(s) of the Discharged Vessel(s) as soon as practicable to the Sudirman Group;
  - (v) in the event of default on timely payment of any of the instalments of the Total PG and such default cannot be remedied by the Sudirman Group within fourteen (14) calendar days after receiving a notice of default in writing from the Company (the date of expiry of said period being the "**Event of Default**"), the outstanding amount of the Total PG as at the Event of Default (including the accrued interest on the outstanding PG Amount) (the "**Outstanding PG Amount**") shall immediately be due and payable. In such event, subject to the Sudirman Group's Right of Introduction (as defined in paragraph 2.2(b)(vi) below), the Company shall have the authority to sell all such vessels the original unencumbered title deeds for which remain secured by the Collateral and shall be entitled to set off the proceeds received from the sale of such vessels against the Outstanding PG Amount. For the avoidance of doubt, the Sudirman Group remains liable to pay the Company the difference between the proceeds received from the sale (if any) and the Outstanding PG Amount; and
  - (vi) the Sudirman Group shall have the right to introduce third party buyers (the "**Introduced Buyers**") to the Company for the vessels to be sold by the Company pursuant to paragraph 2.2(b)(v) above, at any time within three (3) calendar months after the Event of Default (the "**Right of Introduction**"). The Company shall be obliged to sell the vessels to the Introduced Buyers if the aggregate consideration payable for the vessels by the Introduced Buyers is at least equivalent to the Outstanding PG Amount. In the event that the Introduced Buyers are not prepared to purchase the vessels for an aggregate consideration at least equivalent to the Outstanding PG Amount, or if the

Sudirman Group is unable to procure any Introduced Buyers within the three-month period, the Company shall have the right to sell the vessels to a different buyer of its choosing and claim against the Sudirman Group for the difference between the Outstanding PG Amount and the sale price of the vessels. For the avoidance of doubt, Parties agree that such Introduced Buyers may include person(s) and/or entit(ies) known and/or related to any of the Parties; and

- (c) in respect of PT MII:
  - (i) the Sudirman Group shall transfer shares comprising 2% of the total share capital of PT MII to the Company's nominee in Indonesia at a consideration of US\$1 (the "**Share Transfer**"), subject to proper due diligence being conducted on PT MII. Upon completion of the Share Transfer, the Sudirman Group shall hold 49% of the shares in PT MII, and the Company and its nominee in Indonesia shall collectively hold 51% of the shares in PT MII; and
  - (ii) upon the execution of the New Term Sheet, PSL shall nominate two (2) persons, and the Sudirman Group shall nominate one (1) person, to be the authorised signatories for PT MII's bank accounts. PT MII shall inform the relevant banks of the change in the authorised signatories within three (3) business days after the execution of the New Term Sheet;
- (d) upon the execution of the New Term Sheet, the Parties shall commence preparation of the Definitive Agreement. The Definitive Agreement shall be executed within thirty (30) calendar days after the execution of the New Term Sheet or such later date as the Parties may mutually agree in writing;
- (e) upon the payment of the escrowed amounts referred to in paragraphs 2.2(a)(ii), 2.2(b)(i) and 2.2(b)(ii) above and pending the execution of the Definitive Agreement, the Parties agree to stay all Outstanding Disputes, including but not limited to Singapore High Court proceedings HC/S 1238/2016 and HC/S 573/2017 (collectively, the "**Singapore Proceedings**") and Case No. 201/PDT.G/2016/PN/BTM before the District Court of Batam inclusive of the appeal (the "**Indonesian Proceedings**"). Parties may apply to lift the stays should the settlement contemplated by the New Term Sheet and/or the Definitive Agreement lapse or be terminated;
- (f) within three (3) business days after (i) the execution of the Definitive Agreement or (ii) the payments into the escrow account have been made pursuant to paragraph 2.2(a)(i) above, whichever is the later, the Parties irrevocably and unconditionally agree to start taking steps to withdraw and/or discontinue all Outstanding Disputes, including but not limited to the Singapore Proceedings and the Indonesian Proceedings. The Outstanding Disputes shall be withdrawn and/or discontinued within 30 calendar days from the said date for withdrawal/ discontinuance, failing which the partial repayment of US\$3 million referred to in paragraph 2.2(a)(ii) above, the PG instalment payments referred to in paragraph 2.2(b)(i) above, and all other sums received by the Company under the New Term Sheet and/or the Definitive Agreement shall become repayable to the respective payors, and the Company shall repay such sums without demand upon the expiry of the one-month period;
- (g) if required, the Company shall obtain approvals from its shareholders, the Singapore Exchange Securities Trading Limited and/or other relevant regulatory authorities (the "**Approvals**") for, and to comply with all authority and/or regulatory requirements in respect of, the transactions contemplated in the New Term Sheet and the Definitive Agreement to be executed. The Company shall use its best endeavours and take all reasonable steps to obtain all such Approvals and to comply with all such authority and/or regulatory requirements;
- (h) the Parties may at any time agree in writing to an extension of any of the timelines set out in the New Term Sheet and the Definitive Agreement; and
- (i) in the event that the Definitive Agreement is not executed for any reason and/or the Parties fail to or are unable to duly perform any of the obligations by the timelines stipulated in the New Term Sheet and the Definitive Agreement and no extension of

time is mutually agreed pursuant to paragraph 2.2(h) above, the New Proposed Settlement shall lapse in its entirety and the Parties shall revert to the position and the rights they had as though this settlement and the Previous Proposed Settlement were never entered into. Any and all sums paid pursuant to the Previous Proposed Settlement, the New Term Sheet and/or the Definitive Agreement (including but not limited to the partial repayment referred to in paragraph 2.2(a)(ii) above and the instalment payments of the Total PG) shall become claimable by the payors from the payees, and the payees undertake to return such sums without demand to the payors within three (3) business days after the date on which the settlement lapsed, save that the Parties shall not be obliged to repay or return any monies or dividends that they have received arising out of or in relation to the charterparties that the Vessels have been employed under from the date of the Previous Proposed Settlement to the date of the completion of the Sale of Vessels contemplated under the New Term Sheet and/or the Definitive Agreement.

### **3. INFORMATION ON PT MIS**

*The information on PT MIS was provided by PT MIS and/or extracted from publicly available sources. In respect of such information, the Company and the Directors have not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to the proper extraction and reproduction herein in the context that the information is being disclosed in this announcement.*

- 3.1. PT MIS is an Indonesia-incorporated company engaged in the business of shipping and logistics, with an issued and paid-up capital of IDR 18,000,000,000 divided into 18,000 shares, where 490 shares representing 2.72% of the equity interest in PT MIS are legally and beneficially owned by Indonesian National, Tjin Lam. The remaining 17,510 shares representing 97.28% of the equity interest in PT MIS are held by PT. Usaha Maju Makmur ("PT UMM"). PT UMM is legally and beneficially owned by Indonesian Nationals, Tn. M. Suri (80%) and Ny. Lizawati (20%).
- 3.2. The Directors confirm that, to the best of their knowledge and belief, the directors and controlling shareholders of PT MIS are not related to the Directors, controlling shareholders of the Company, or their respective associates.

### **4. INTERESTS OF THE DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

- 4.1. Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company (other than in their capacity as directors or shareholders of the Company) has any interest, direct or indirect, in the New Proposed Settlement.

### **5. TRADING CAUTION**

- 5.1. 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 New Proposed Settlement will be completed or the Definitive Agreement will be executed or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. 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**

**Stephen Leong, BBM  
Vice Chairman and Executive Director  
23 January 2020**

## ANNEX

1. The vessels that will be sold by PT MII to the Sudirman Group and/or their nominees in accordance with paragraph 2.2(a)(iii)(iii)a are (collectively, the **"Sudirman Group Vessels"**):
  - i. Tug Boat known as "Momentum 03";
  - ii. Barge known as "Momentum 3003";
  - iii. Tug Boat known as "Momentum 05";
  - iv. Barge known as "Momentum 3005";
  - v. Tug Boat known as "Momentum 08";
  - vi. Barge known as "Momentum 3008";
  - vii. Tug Boat known as "Momentum 09";
  - viii. Barge known as "Momentum 3009";
  - ix. Tug Boat known as "Momentum 13";
  - x. Barge known as "Momentum 3013"; and
  - xi. Tug Boat known as "Pacific 02".
  
2. The vessels that will be sold by PT MII to PT MIS and/or its nominees in accordance with paragraph 2.2(a)(iii)(iii)b are (collectively, the **"PT MIS Vessels"**):
  - i. Tug Boat known as "Pacific 01";
  - ii. Barge known as "Pacific 3001";
  - iii. Tug Boat known as "Momentum 06";
  - iv. Barge known as "Momentum 3006";
  - v. Tug Boat known as "Momentum 10";
  - vi. Barge known as "Momentum 3010";
  - vii. Tug Boat known as "Momentum 11";
  - viii. Barge known as "Momentum 3011";
  - ix. Tug Boat known as "Momentum 12";
  - x. Barge known as "Momentum 3012"; and
  - xi. Tug Boat known as "Momentum 07".
  
3. The vessel that will be sold to the winning Bidding Party in accordance with paragraph 2.2(a)(iii)c is (the **"Auctioned Vessel"**):
  - i. Barge known as "Pacific 3002".
  
4. The pledge on the original title deeds with respect to the following vessels (the **"Discharged Vessels"**) shall be lifted upon the satisfaction of the conditions set out in paragraph 2.2(b)(iv):
  - i. Tug Boat known as "Momentum 09";
  - ii. Barge known as "Momentum 3009";
  - iii. Tug Boat known as "Momentum 13"; and
  - iv. Barge known as "Momentum 3013".