
RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON THE COMPANY'S RESPONSES TO SINGAPORE EXCHANGE SECURITIES TRADING LIMITED'S QUERIES ON THE COMPANY'S NEW TERM SHEET FOR THE FRESH GLOBAL SETTLEMENT OF OUTSTANDING DISPUTES IN RELATION TO PT MOMENTUM INDONESIA INVESTAMA ANNOUNCEMENT RELEASED ON 23 JANUARY 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 11 February 2020 and would like to provide further information in relation to the Company's announcement titled "New Term Sheet for the Fresh Global Settlement of Outstanding Disputes in Relation to PT. Momentum Indonesia Investama" dated 23 January 2020.

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 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.

SGX Query 1:

On 23 January 2020, the Company announced ("**Announcement**") 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**"). It was also disclosed that "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. Please:

- i. Clarify where will the Sudirman get the funding to honour their obligation to pay the profit guarantee under the CSPA;
- ii. Disclose how much of the profit guarantee is payable to the Company, when it will be paid and that the payment will be made in cash; and
- iii. Disclose what is the amount outstanding for the profit guarantee under the CSPA.

Company's response to Query 1:

- i. PSL has no knowledge of where Sudirman Group will obtain the funding to honour their obligation to pay the profit guarantee under the CSPA. However, as disclosed in Paragraph 2(b)(iii), the profit guarantee payments are secured by Sudirman Group vessels which they procure for US\$8.5 million adequately covers any default payment giving rise to PSL rights to dispose the vessels under Paragraph 2(b)(v) refers.
- ii. As disclosed in Paragraph 2(b) on page 3, 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. 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 in cash.

The agreed repayment schedule in respect of the Total PG is attached under Appendix A for ease of reference.

- iii. Under Clause 4B in the CSPA, it was stated that Sudirman and Angelo would guarantee that the aggregate Net Profit After Tax ("**NPAT**") of PT MII for the period of 24 months (i.e. 730 calendar days) commencing from the Completion Date (the "**Guaranteed Period**") shall be at least US\$12,244,898.

PSL's entitlement for the profit guarantee is therefore capped at US\$6 million (49% of US\$12,244,898). The PG Amount of US\$5,257,841 is computed based on 36 days (26 November 2015 to 31 December 2015) from the 2015 audited accounts of PT MII and 694 days (1 January 2016 to 25 November 2017) from the unaudited management accounts of PT MII for 2016 and 2017.

SGX Query 2:

The Company disclosed that 11 tug boats/barges will be disposed to PT Multi Indo Selaras ("PT MIS") and/or its nominees. Please disclose the identities of the shareholders of PT MIS, its directors and disclose whether they are acting as nominees, trustees or taking instructions or are financed by any other persons/entities for the purpose of the acquisition. Please disclose the specific identities.

Company's response to Query 2:

As disclosed in Paragraph 3.1. on page 5, 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%).

The Board of PT MIS consist of Indonesian Nationals, Tjin Lam (President Director), Hendra (Director) and Felix Feriadi (Commissioner).

PSL is not aware that PT MIS is acting as nominees, trustees or taking instructions or are financed by any other persons/entities for the purpose of the acquisition.

SGX Query 3:

In relation to the open auction for the Auctioned Vessel set out in paragraph 2(iii)(b.) on page 2 of the Announcement, please explain how the open auction will be conducted and who will be invited to the open auction. Please disclose details on the process of the open auction to be conducted and when the process is expected to complete.

Company's response to Query 3:

After the execution of the Term Sheet, the Parties have agreed that the Auctioned Vessel would be sold to a third party buyer for a fixed purchase consideration of Rp 8.5 billion, instead of via an open auction as set out in the Term Sheet as set out in paragraph 2(iii)(b) on page 2 of the Announcement. 50% of the proceeds from the sale of the Auctioned Vessel will be paid to the Company. This new agreement will be set out in the Definitive Agreement which the Parties are currently preparing.

SGX Query 4:

In paragraph 2(iii)c. on page 2, it was disclosed that the auction shall be administered by ZICO. Please justify why ZICO is suitable for the engagement to perform the auction and provide full details of ZICO's experience in vessel auctions.

Company's response to Query 4:

Please refer to PSL's response to Query 3 and be informed that the vessel will not be disposed by way of auction.

SGX Query 5:

In paragraph 2(b) on page 3, it was disclosed that "the profit guarantee provided by Sudirman and Angelo under the CSPA will be fixed at the sum of US\$5,257,841". Please disclose the original amount of profit guarantee provided by Sudirman and Angelo. Please also confirm if the Profit Guarantee Amount of US\$5,257,841 is wholly payable to the Company and will be paid in cash.

Company's response to Query 5:

Please refer to PSL's response to Query 1(ii). The Profit Guarantee Amount of US\$5,257,841 is wholly payable to the Company and will be paid in cash.

SGX Query 6:

In paragraph 2(b)(i) on page 3 it was disclosed that "the first instalment to be paid within three (3) business days after ZICO receives the relevant sum in the escrow account." Please disclose the role of ZICO and disclose in which bank and whether the escrow account will be separately kept in a trust account for the benefit of the Company.

Company's response to Query 6:

ZICO's role in respect of the payment of the first instalment of the Total PG, as set out in paragraph 2(b)(i) on page 3 of the Announcement, is limited to receiving such sum from the Sudirman Group in Indonesia and effecting the onward transfer of such sum to the Company in Singapore.

SGX Query 7:

In paragraph 2(c)(i) on page 4, it was disclosed that "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." Please disclose the identity of the Company's nominee in Indonesia and will the shares be placed in trust account controlled by the Company.

Company's response to Query 7:

The Company presently intends to nominate Ms Melda Veronica as its nominee in Indonesia to hold the shares which are the subject of the Share Transfer. Ms Melda Veronica is an employee of the Company.

SGX Query 8:

The Company disclosed that “the directors, controlling shareholders of PT MIS are not related to the Directors, controlling shareholders of the Company, or their respective associates.” Please disclose if any of the directors, substantial shareholders or key management of PT MIS are related to the Directors, substantial shareholders, key management of the Company, or their respective associates. Please also disclose if any of the directors and substantial shareholders of PT MIS have business relationships with the Company’s directors, substantial shareholders, or their respective associates.

Company’s response to Query 8:

PSL is not aware that any of the directors, substantial shareholders or key management of PT MIS are related to the Directors, substantial shareholders, key management of the Company, or their respective associates. PSL is also unaware of any business relationships between any of the directors and substantial shareholders of PT MIS and the Company’s directors, substantial shareholders, or their respective associates.

To this effect, PSL will if required, seek the relevant confirmation from the directors and substantial shareholders of PT MIS.

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