



Company Registration Number: 199707022K
(Incorporated in the Republic of Singapore)

FREIGHT CHARTER AGREEMENT ENTERED INTO BY PT MOMENTUM INDONESIA INVESTAMA

The Board of Directors (the “**Board**”) of PSL Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Company’s announcements dated 17 March 2015, 3 August 2015 and 25 November 2015, as well as the Company’s circular to shareholders dated 3 November 2015 (the “**Circular**”) in relation to, among others, the proposed acquisition of approximately 49% of the issued and paid-up share capital of PT Momentum Indonesia Investama (“**PT MII**”) (the “**Acquisition**”).

As announced by the Company on 10 August 2017, the Company has deconsolidated PT MII with effect from 1 April 2017 and has instead classified its investment in PT MII as an “available-for-sale” asset with effect from 1 April 2017.

In the Circular, the Company had stated that PT MII had entered on 30 June 2015 into a five year freight charter agreement with Geo Coal International Pte. Ltd. (“**GCI**”) with a contract value of approximately US\$33.0 million commencing in January 2016 (the “**Agreement**”). In arriving at certain terms of the Acquisition, including the consideration for the Acquisition, the Company had, under the guidance of the prior management of the Company, all of whom have departed from the Company (the “**Prior Management**”), taken into account the existence of the Agreement.

As stated in the Circular, Mr Sudirman Kurniawan, director and shareholder of PT MII (“**Sudirman**”), had in conjunction with the Acquisition entered into a service agreement with the Company for his appointment as an executive officer of the Company to spearhead the Marine Logistics Business of the Company and related management work.

The Board wishes to inform the shareholders of the Company that the Company’s counsel had received a letter from Sudirman dated 21 June 2017 (the “**Sudirman Letter**”) which attached a letter from GCI to PT MII dated 12 January 2016 (the “**GCI Letter**”). In the GCI Letter, GCI had stated that the Agreement was not effective as at 12 January 2016 as the Agreement was subject to mutual consent by both PT MII and GCI. In the GCI Letter, GCI also disputed the comments in *The Edge* publication dated 11 January 2016 made by Mr Mark Zhou, the former Chief Executive Officer of the Company, that PT MII has a five-year freight charter agreement with GCI. In addition, GCI also informed PT MII in the same letter that PT Sungai Danau Jaya, a subsidiary of GCI had on the 16 December 2015 appointed PT Armada Rock Karunia Transshipment as its barge operator. In the Sudirman Letter, Sudirman also attached a letter from PT MII to GCI dated 27 January 2016 where PT MII had replied to GCI strenuously disagreeing that the Contract was not effective as at 12 January 2016 and reserving its rights (the “**PT MII Letter**”).

However, further to the PT MII Letter, the Company is not aware of any further correspondence between PT MII and GCI relating to the Agreement, or any follow-up action taken by PT MII, the Prior Management or Sudirman to ascertain the status of the Agreement in light of GCI’s statement that the Agreement was not effective as at 12 January 2016.

The Company is now in the process of investigating into the circumstances surrounding GCI’s statement that the Agreement was not effective as at 12 January 2016, as well as the follow-up action

(if any) taken by PT MII, the Prior Management as well as Sudirman (in his capacity as executive officer of the Company) to protect the financial interests of the Company.

The Company will keep its shareholders informed of the progress of the matter and make such further announcements as and when appropriate.

BY ORDER OF THE BOARD

Tan Cheang Shiong
Chief Executive Officer

11 August 2017