

PSL Holdings Limited

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

VARIATION AGREEMENT TO THE NEW SETTLEMENT AGREEMENT FOR THE FRESH GLOBAL SETTLEMENT OF OUTSTANDING DISPUTES IN RELATION TO PT. MOMENTUM INDONESIA INVESTAMA

1. INTRODUCTION

The Board of Directors (the “**Board**” or the “**Directors**”) of PSL Holdings Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to:

- (a) The Company’s announcement dated 23 January 2020 in relation to, *inter alia*, the entry by Mr. Sudiman Kumiawan (“**Sudirman**”), Mr. Angelo Fernandus (“**Angelo**”) and PT. Triputra Senamustika (“**PT TS**”)(collectively, the “**Sudirman Group**”), the Company and PT MII into a new term sheet dated 20 January 2020 (the “**New Term Sheet**”) for the resolution of all Outstanding Disputes between themselves in relation to PT MII following fresh settlement discussions;
- (b) the Company’s announcement dated 21 February 2020 in relation to the New Settlement Agreement entered into on 19 February 2020 to resolve the Outstanding Disputes in relation to PT. Momentum Indonesia Investama (“**PT MII**”) and to give effect to the settlement contemplated by the New Term Sheet (“**21 February Announcement**”);
- (c) the Company’s announcement dated 20 March 2020 in relation to the extension of time pursuant to the New Settlement Agreement;
- (d) the Company’s announcement dated 9 April 2020 in relation to the agreement for extension of time pursuant to the New Settlement Agreement for the fresh global settlement of outstanding disputes in relation to PT MIII (“**Agreement for Extension of Time**”);
- (e) the Company’s holding announcement dated 22 April 2020 in respect of the agreement for extension of time pursuant to the New Settlement Agreement for the fresh global settlement of outstanding disputes in relation to PT MIII (“**Holding Announcement**”); and
- (f) the Company’s update announcement dated 17 June 2020 in respect of the New Settlement Agreement for the fresh global settlement of outstanding disputes in relation to PT MIII (“**Update Announcement**”),

(collectively, the “**Announcements**”).

Unless otherwise defined, all terms and references used in this announcement shall bear the same meanings ascribed to them in the Announcements.

Further to the Announcements, the Board wishes to update shareholders of the Company that the Parties had on 24 June 2020 entered into a variation agreement (“**Variation Agreement**”) to vary and amend the New Term Sheet and the New Settlement Agreement (as amended by the Agreement for Extension of Time), on the terms and conditions of the Variation Agreement. In this regard, paragraph 2 sets out the salient terms of the Variation Agreement.

2. SALIENT TERMS OF THE VARIATION AGREEMENT

Pursuant to the Variation Agreement, the Company has agreed to, *inter alia*, vary, amend and/or supplement the New Term Sheet and New Settlement Agreement (as amended by the Agreement for Extension of Time) as set out below.

Further Extensions of Time

2.1. With effect from 20 April 2020, the following timelines set out in the New Term Sheet and the New Settlement Agreement (as extended by the Agreement for Extension of time) shall be further extended, and the clauses in the New Term Sheet and the New Settlement Agreement (as amended by the Agreement for Extension of Time) in relation to these timelines shall be further amended as follows:

- (a) The timeline for:
 - (i) PT MII to complete the sale of PT MII Vessels to PT MIS and/or its nominees for an aggregate consideration of US\$8.5 million (the “**PT MIS Consideration**”);
 - (ii) PT MII to procure PT MIS to pay the PT MIS Consideration to PT MII; and
 - (iii) PT MII to pay the Company an aggregate sum of US\$8.5 million, being repayment of the balance US\$8.5 million of the PSL Shareholder Loan,

(collectively, the “**Shareholder Loan Repayment Obligations**”) shall be further extended until such time that the Shareholder Loan Repayment Obligations are resolved between the Company and/or the new shareholders of PT MII and its new management, after the completion of the Share Transfer (as defined below) and the Further Share Transfer (as defined below).
- (b) The timeline for the withdrawal and/or discontinuance of the Singapore Proceedings shall be further extended to the date that is three (3) business days after the date of the Variation Agreement or by 30 June 2020 (whichever is the earlier).
- (c) The timeline for the withdrawal and/or discontinuance of the Batam Proceedings shall be further extended to 31 December 2020, save that:
 - (i) the parties to the Batam Proceedings shall undertake to work out an arrangement with their respective Indonesian counsel to withdraw and/or discontinue the Batam Proceedings as soon as reasonably possible after the measures currently implemented, and any further measures which may be subsequently implemented, in Indonesia due to the COVID-19 pandemic (the “**Indonesian COVID-19 Measures**”) are lifted; and
 - (ii) the parties to the Batam Proceedings shall undertake to take all necessary steps to ensure that the Batam Proceedings do not progress and/or proceed pending the withdrawal and/or discontinuance of the Batam Proceedings.

The Distribution of Remaining Cash Balance in PT MII

2.2. The following amendments have been made in respect of the remaining cash balance in PT MII:

- (a) Subject to paragraphs 2.2(b) and 2.2(c) below, the cash balance remaining in four (4) designated bank accounts maintained by PT MII and denominated in the Indonesian Rupiah (the “**PT MII Bank Accounts**”) as at the date that is 60 calendar days after the date of the Variation Agreement (the “**Cash Distribution Date**”) shall be distributed by PT MII to the Company and the Sudirman Group equally, within three (3) business days after the Cash Distribution Date.
- (b) On the date of the Variation Agreement, PT MII shall furnish to the Company:
 - (i) a copy of the latest bank statements of the PT MII Bank Accounts; and
 - (ii) confirmation in writing that, as at the date of the Variation Agreement, PT MII has sufficient cash balance in the PT MII Bank Accounts to settle its trade debts that will be incurred until 30 June 2020 or the date of Sudirman’s Resignation (as defined below) (whichever is the later).

- (c) Upon Sudirman's Resignation (as defined below), PT MII shall furnish to the Company a comprehensive account of its trade debts incurred as at the date of furnishing of such account.
- (d) The Parties acknowledge and agree that on 16 March 2020, PT MII caused to be paid to the Company and the Company received the sale proceeds from the Auctioned Vessel.

The Share Transfer

2.3. The following amendments have been made in respect of the Share Transfer:

- (a) Save as provided for in this paragraph 2.3(a) and subject to paragraph 2.3(b)(iii), the Sudirman Group agrees to transfer such number of shares comprising 2% of the total issued and paid-up capital of PT MII (the "**2% PT MII Shares**") to Mr. Fhifi Alfian Ronie ("**Mr. Fhifi**") for an aggregate consideration of US\$1 (the "**Share Transfer**") within three (3) business days after the date of the Variation Agreement or by 30 June 2020 (whichever is the earlier) and in any event after the fulfilment of the conditions set out below:
 - (i) proper due diligence shall be conducted on PT MII. In this regard, the Parties acknowledge that PT MII has appointed HLB Hadori Sugiarto Adi & Rekan to conduct an audit of PT MII's financial accounts for the period ended 31 December 2019 and as at the date of this announcement has been duly completed;
 - (ii) all corporate approvals and consents of PT MII and each of the parties to the Share Transfer necessary in accordance with its articles of association and the prevailing laws and regulations for the consummation of the Share Transfer shall be obtained; and
 - (iii) all consents, approvals from and/or notification to any third party as may be necessary for the consummation of the Share Transfer shall be obtained, made or given, by each of the parties to the Share Transfer, and shall not be subject to any condition or limitation which may affect the Share Transfer.

Mr Fhifi has agreed to act as the Company's nominee for the Share Transfer at no costs, fees or other forms of consideration due from the Company.

- (b) In addition to paragraph 2.3(a) above, the following shall apply in respect of the Share Transfer:
 - (i) The Sudirman Group agrees that, until the Share Transfer is completed, it will not take any steps to prevent the Company from maintaining such number of nominee directors on the board of PT MII which would allow the Company to establish "control" of PT MII as defined in the Singapore Financial Reporting Standards, specifically Singapore Financial Reporting Standard 110.
 - (ii) Sudirman agrees to step down as a president director of PT MII and to give full release and discharge from his management responsibilities as a president director of PT MII, concurrently with the execution of the Share Transfer ("**Sudirman's Resignation**"). Upon Sudirman's Resignation, the Parties agree to waive, release and forever discharge Sudirman from any and all manner of claims, obligations, debts, demands, actions whenever incurred, and liabilities of any nature that any Party may have against Sudirman in relation to and/or arising from his appointment and discharge of duties as a director, officer and/or agent of PT MII and/or the Company.
 - (iii) Notwithstanding anything in the New Settlement Agreement (as amended by the Agreement for Extension of Time) and/or the New Term Sheet, the Parties agree that the Share Transfer shall not precede the withdrawal and/or discontinuance of the Singapore Proceedings.

The Further Share Transfer

2.4. The Sudirman Group shall transfer such number of shares comprising 49% of the total issued and paid-up capital of PT MII (the "**49% PT MII Shares**") to PT MIS or other parties as may be referred by the

Company in the manner as provided for in the Variation Agreement for a mutually agreed consideration price (the “**Further Share Transfer**”) within one (1) month after the date of the Variation Agreement and in any event after completion of the Share Transfer and registration of the Share Transfer with the Indonesian authorities, subject to the Further Share Transfer being capable of being effected on the intended date of transfer in light of the Indonesian COVID-19 Measures.

- 2.5. The Further Share Transfer shall be governed by, and the terms of the Further Share Transfer shall be set out in, an Indonesian share sale and purchase agreement. The Company shall procure PT MIS (or such parties referred by the Company) to enter into the said Indonesian share sale and purchase agreement.
- 2.6. The Parties further agree that, following the execution and delivery of the documents by the Sudirman Group in connection with the Further Share Transfer:
- (a) notwithstanding the terms of the Shareholders’ Deed and/or the PSL Loan Agreement, the repayment of the PSL Shareholder Loan shall be resolved solely by the Company and/or the new shareholders of PT MII and its new management;
 - (b) the Sudirman Group and/or any of them shall not be responsible or involved in any manner or capacity in relation to PT MII’s repayment of the PSL Shareholder Loan; and
 - (c) they shall waive, release and forever discharge the Sudirman Group from any and all manner of claims, obligations, debts, demands, actions whenever incurred, and liabilities of any nature that the Company may have against the Sudirman Group in relation to and/or arising from the provision of the PSL Shareholder Loan and the repayment thereof.

3. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

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 Variation Agreement.

4. TRADING CAUTION

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 Settlement or the matters contemplated in the New Settlement Agreement (as amended by the Agreement for Extension of Time and/or the Variation Agreement) will be completed 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**

**Kee Siang Hui
Executive Director**

24 June 2020