

**ENTRY INTO DEED OF SETTLEMENT WITH KARL HOFFMANN MINERAL PTE. LTD.**

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*Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings ascribed to them in the Company's announcements dated 28 October 2017, 12 March 2018, 5 July 2023, 14 July 2023, 24 July 2023, 3 August 2023, 24 August 2023, and 16 October 2023 in relation to the Project Financing Arrangement with Karl Hoffmann (the "**Announcements**").*

**1. ENTRY INTO DEED OF SETTLEMENT**

1.1. The Board refers to the Announcements and wishes to update that the Company has entered into a deed of settlement dated 16 May 2026 with Karl Hoffmann Mineral Pte. Ltd. ("**Karl Hoffman**") (the "**Deed of Settlement**"), pursuant to which the parties thereto have agreed to a full and final settlement of, and Karl Hoffman has agreed to a full and complete release and discharge, of any and all actual or potential, past, present and future claims, disputes, demands, obligations, causes of action, rights, damages, expenses, compensation and/or liabilities which Karl Hoffman may have against the Company, its subsidiaries (whether direct or otherwise), and the directors and management personnel of the aforesaid entities up to and including the date of the Deed of Settlement, whether in law or equity and whether actual or potential, relating to, in connection with and/or arising out of:

- (a) the Deed of Compensation dated 10 October 2023 ("**Oct 2023 Deed**") entered into between the Company, Wijaya Lawrence (Executive Chairman and President of the Company) and Karl Hoffman for, *inter alia*, the full and final settlement of all claims, rights, and/or liabilities arising out of or in connection with:
  - (i) the agreement entered into on 26 October 2017 titled "Financing Arrangement" ("**Financing Agreement**");
  - (ii) the supplemental deed dated 12 March 2018 varying the Financing Agreement ("**Supplemental Deed**");
  - (iii) the deed of confirmation entered into on 10 May 2022 (the "**Deed of Confirmation**");
  - (iv) the statutory notice of demand served by Karl Hoffmann on the Company on 3 July 2023 (as set out in the Company's announcement dated 5 July 2023) (the "**3 July SD**").

In the 3 July SD, the solicitors acting for Karl Hoffmann referred to the Financing Arrangement, the Supplemental Deed and the Deed of Confirmation, and asserted, *inter alia*, that the Company had failed to pay a total compensation amount of US\$2,000,000 within three (3) working days of the letter of demand dated 23 June 2023, and accordingly, the solicitors acting for Karl Hoffmann demanded payment of a total compensation amount of US\$2,000,000 under Section 125(2)(a) read with Section 125(1)(e) of the Insolvency, Restructuring

and Dissolution Act 2018, within 21 days from the date of service of the 3 July SD;

- (v) the application filed by the Company in the High Court of Singapore on 24 July 2023 (as set out in the Company's announcement dated 24 July 2023) ("**24 July Application**");
- (vi) the statutory notice of demand served by Karl Hoffmann on the Company on 3 August 2023 (as set out in the Company's announcement dated 3 August 2023) ("**3 August SD**").

In the 3 August SD, the solicitors acting for Karl Hoffmann referred to the Financing Arrangement, as varied and amended by the Supplemental Deed, and the Notice of Termination, and asserted, inter alia, that the Company had failed to pay a total termination amount of US\$23,587,643.80 (comprising the principal sum of US\$13,500,000 plus interest at the rate of 13% per annum starting from the date of the Financing Arrangement of 26 October 2017 to the date of termination of 24 July 2023, amounting to US\$10,087,643.80) within 20 business days of the termination. Accordingly, the solicitors acting for Karl Hoffmann demanded payment of a total termination amount of US\$23,587,643.80 as of 24 July 2023, plus interest at the rate of 13% per annum that should continue to accrue until the date of full payment, under Section 125(2)(a) read with Section 125(1)(e) of the Insolvency, Restructuring and Dissolution Act 2018, within 21 days from the date of service of the 3 August SD; and

- (vii) the application filed by the Company in the High Court of Singapore on 24 August 2023 (as set out in the Company's announcement of 24 August 2023) ("**24 August Application**").

## **2. OUTSTANDING AMOUNT DUE TO KARL HOFFMAN UNDER THE OCT 2023 DEED**

- 2.1 Pursuant to the terms of the Oct 2023 Deed, the total net outstanding sum owing to Karl Hoffman amounted to US\$25,437,643.80 (being US\$25,587,643.80 less the sum of US\$150,000.00 paid by the Company to Karl Hoffman upon the execution of the Oct 2023 Deed) ("**October 2023 Outstanding Amounts**") plus interest accrued at the rate of 9% per annum on the October 2023 Outstanding Amounts owing to Karl Hoffman from the date of the Oct 2023 Deed.

## **3. SALIENT TERMS OF THE DEED OF SETTLEMENT**

### **3.1. PAYMENT BY THE COMPANY**

3.1.1. Pursuant to the terms and conditions of the Deed of Settlement, the Company shall pay Karl Hoffman an aggregate sum of US\$14,500,000.00 as means to settle all matters arising from, relating to and/or in connection with the Oct 2023 Deed in the following manner (the "**Payment Conditions**"):

- (i) payment of a non-refundable sum of US\$250,000.00 by the Company to Karl Hoffman upon the execution of the Deed of Settlement; and
- (ii) payment of the balance US\$14,250,000.00 by the Company to Karl Hoffman within three (3) months after the date of the Deed of Settlement.

- 3.1.2. For the avoidance of doubt, it is agreed that the Company shall be entitled to such extension(s) of time for the payment of the balance amount that the Company may reasonably require to comply with any requirements under any regulations, laws, constitutions, by-laws, and/or articles of association including, but not limited to, any approvals by way of extraordinary general meeting(s) and/or board meeting(s) as may be agreed between the Company and Karl Hoffman and such agreement by Karl Hoffman shall not be unreasonably withheld or delayed.
- 3.1.3. No statutory interest claims or any other interest claims shall accrue on any sum payable, from the date of the Deed of Settlement. Interest shall only accrue from the date of any judgment or order obtained pursuant to rights under the Deed of Settlement.
- 3.1.4. Additionally, it was agreed between the Company, and Karl Hoffman that the Deed of Settlement supersedes and cancels all previous deeds, agreements, warranties, and undertakings, whether oral or written, express or implied, given or made by the Company and Karl Hoffman previously.

## 3.2. **DEFAULT**

- 3.2.1. In the event that the Company does not fulfil or comply with the Payment Conditions including, but not limited to, failing to pay Karl Hoffman the balance sum of US\$14,250,000.00 after such extensions(s) of time that the Company is entitled to pursuant to paragraph 3.1.1.(ii) above:
  - (i) the outstanding amount due to Karl Hoffman be deemed to have been revised to US\$25,587,643.80 less any payments that the Company made to Karl Hoffman under the Oct 2023 Deed, including but not limited to, the US\$150,00.00 paid under the Oct 2023 Deed (the “**2026 Revised Outstanding Amount**”); and
  - (ii) the 2026 Revised Outstanding Amount shall incur interest at the rate of 9% per annum from 10 October 2023 up to the date that the 2026 Revised Outstanding Amount is paid in full.
- 3.2.2. In any claim, action and/or demand for the 2026 Revised Outstanding Amount and interest, Karl Hoffman shall give credit for any payments received from the Company pursuant to the Oct 2023 Deed, whether before or after the commencement / making of the claim, action and/or demand, and there shall not, in any event, be double recovery of the 2026 Revised Outstanding Amount, any sums owing under the Oct 2023 Deed, interest accrued under the Oct 2023 Deed and/or interest as contemplated in the Deed of Settlement.
- 3.3. The settlement, release and discharge as set out under section 1.1 above shall extend to, but are not limited to, any and all actual or potential claims, rights, liabilities and/or obligations (a) which were fully and finally settled, discharged and/or released pursuant to the Oct 2023 Deed and/or (b) arising from, relating to and/or in connection with the guarantee granted by Wijaya Lawrence (Executive Chairman and President of the Company) pursuant to the Oct 2023 Deed.
- 3.4. Nothing in the Deed of Settlement shall prohibit any party from commencing any legal proceedings for a breach of any of the terms of the Deed of Settlement. The non-defaulting party shall be entitled to seek specific performance against the defaulting party for performance of its obligations under the Deed of Settlement and/or injunctive relief in addition to any and all other legal or equitable remedies available to it. In such circumstances, the defaulting party will be required to fully indemnify the non-defaulting party for all legal costs, fees and/or disbursements reasonably incurred and/or occasioned by such legal proceedings.

- 3.5. In the event of any breach of the terms of the Deed of Settlement, this shall not affect the settlement, release and/or discharge of, and the non-defaulting party is not entitled to enforce any claims, disputes, demands, obligations, actions, causes of action, rights, damages, expenses, compensation and/or liabilities settled, released and/or discharged pursuant to section 1.1 above, including those in respect of any sums owing and/or interest accrued under the Oct 2023 Deed.

#### 4. CAUTIONARY STATEMENT

Shareholders and potential investors of the Company are advised to read this announcement and any further announcements by the Company carefully, and to exercise caution when dealing in the securities of the Company. Shareholders of the Company should consult their stockbrokers, bank managers, solicitors or other professional advisors if they have any doubt about the actions they should take.

#### BY ORDER OF THE BOARD

Wijaya Lawrence  
Chairman and President  
20 May 2026

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*This announcement has been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor").*

*This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this announcement, including the correctness of any of the statements or opinions made or reports contained in this announcement.*

*The contact person for the Sponsor is Ms. Goh Mei Xian, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone: (65) 6636 4201.*