

BLACKGOLD NATURAL RESOURCES LIMITED

(Company Registration Number: 199704544C)

(Incorporated in the Republic of Singapore)

PROPOSED ISSUE OF UP TO S\$2.25 MILLION INTEREST-FREE CONVERTIBLE BONDS CONVERTIBLE INTO ORDINARY SHARES IN THE CAPITAL OF THE COMPANY

1. INTRODUCTION

- 1.1 The board of directors ("**Board**" or "**Directors**") of BlackGold Natural Resources Limited (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company had on 1 May 2023, entered into a convertible bonds subscription agreement ("**Convertible Bonds Agreement**") with PT Bumi Pratama Energi ("**BPE**" or the "**Subscriber**"). Pursuant to the Convertible Bonds Agreement, the Company proposes to issue, and the Subscriber has agreed to subscribe for, the convertible bonds which will be issued in two (2) tranches, namely Series A Bonds (as defined below) and Series B bonds (as defined below), with an aggregate principal amount of up to S\$2.25 million ("**Bonds**") and are convertible into new ordinary shares of the Company ("**Conversion Shares**") ("**Proposed Bonds Subscription**").
- 1.2 The Bonds, and the allotment and issuance of the Conversion Shares upon the conversion of the Bonds would be subject to the approval of shareholders of the Company ("**Shareholders**") in general meeting(s). Shareholders are advised that Shareholders' approval is required for the Proposed Bonds Subscription contemplated in paragraph 1.1 above ("**Shareholders' Approval**").
- 1.3 There is no placement agent appointed for the Proposed Bonds Subscription. The Bonds will be issued under Section 272B of the Securities and Futures Act 2001 of Singapore ("**SFA**"). As such, no prospectus or offer information statement will be issued by the Company and/or lodged with the Singapore Exchange Securities Trading Limited ("**SGX-ST**") in connection with the Proposed Bonds Subscription.

2. INFORMATION ON THE SUBSCRIBER

The Subscriber is an investment holding company incorporated in Indonesia and with company registration AHU-AH.01.10-42833. Mr Tri Junaedi and Mr Robi Pramana Putra are the shareholders of the Subscriber, and Mr Tri Junaedi who holds 90.0% shareholding interest in the Subscriber is the sole director of the Subscriber and has more than 15 years of experience in mining industry. The Subscriber was introduced to the Company through a mutual friend of Mr Tri Junaedi and Mr Andreas Rinaldi, the Executive Director and Chief Executive Officer of the Company. The Subscriber is subscribing for the Bonds to diversify its investment portfolio. For the avoidance of doubt, no introducer fee or commission was paid or payable in connection with the Proposed Bonds Subscription.

The allotment and issuance of the Conversion Shares to the Subscriber will result in a transfer of controlling interest in the Company. The resultant shareholdings of the Subscriber upon full conversion of the Bonds pursuant to the Proposed Bonds Subscription is as follows:

Shareholder	No. of Shares to be allotted and issued upon conversion of Series A Bonds	Shareholdings of Subscriber in enlarged issued share capital upon conversion of Series A Bonds (%)	No. of Shares to be allotted and issued upon conversion of Series A Bonds and Series B Bonds ⁽¹⁾	Shareholdings of Subscriber in enlarged issued share capital upon conversion of Series A Bonds and Series B Bonds (%)
Subscriber	100,000,000	8.51 ⁽¹⁾	450,000,000	29.51 ⁽²⁾

Notes:

- (1) Based on the enlarged share capital of 1,175,160,437 issued shares of the Company (“Shares”) which assumes that the Subscriber subscribes and converts Series A Bonds into 100,000,000 Conversion Shares.
- (2) Based on the enlarged share capital of 1,525,160,437 issued Shares which assumes that the Subscriber subscribes and converts Series A Bonds and Series B Bonds into 450,000,000 Conversion Shares in full.

As at the date of this announcement and to the best of the Company’s knowledge, the Subscriber and Mr Tri Junaedi (a) do not have any direct or indirect shareholding interests in the Company, (b) are not restricted persons under Rule 812 of the Catalist Rules, and (c) are not co-operating or acting in concert with any other Shareholders to obtain or consolidate effective control of the Company through the Proposed Bonds Subscription. The Subscriber and Mr Tri Junaedi also do not have any connection, including business relationship with the Company, its subsidiaries, its Directors or substantial Shareholders and their associates.

3. THE PROPOSED BONDS SUBSCRIPTION

Upon the execution of the Convertible Bonds Agreement, the Subscriber shall provide an advance of up to S\$2,250,000 (the “**Advance**”) to the Company, free of any interest charge, and unsecured to be used for working capital purposes.

In the event that the required Shareholders’ Approval for the issuance of the Bonds and the allotment and the issuance of the Conversion Shares and/or the listing and quotation and other requisite approval issued by the SGX-ST for the listing and quotation of the Conversion Shares on Catalist (“**Listing Approval**”) are obtained within six (6) months from the date of the Convertible Bonds Agreement, the Advance may be used by the Subscriber to pay for the subscription of Bonds via notification in writing. Any outstanding balance of Advance not used to satisfy payment for subscription of Bonds shall be repayable upon demand by the Subscriber.

In the event that the required Shareholders’ Approval for the issuance of the Bonds and the allotment and the issuance of the Conversion Shares and/or the Listing Approval is or are not obtained within six (6) months from the date of the Convertible Bonds Agreement, the Advance shall be repaid to the Subscriber henceforth.

3.1 Principal terms of the Proposed Bonds Subscription

The principal terms of the Proposed Bonds Subscription are summarised as follows:

Subscription of Series A Bonds : Subject to the satisfaction of the General Conditions Precedent (as defined in paragraph 3.2.1 below), the Subscriber will subscribe for an initial tranche of Bonds of an aggregate principal amount of S\$0.5 million ("**Series A Bonds**").

Option to subscribe for Series B Bonds : Subject to the satisfaction of the General Conditions Precedent (as defined in paragraph 3.2.1 below) and the Series B Conditions Precedent (as defined in paragraph 3.2.2 below), in consideration of the Subscriber agreeing to subscribe for the Series A Bonds, the Company has granted BPE an option to subscribe for additional Bonds ("**Series B Bonds**") of an aggregate principal amount of up to S\$1.75 million.

The option to subscribe for the Series B Bonds may be exercised in full or in part, and in one or multiple tranches, provided that the aggregate principal amount of Series B Bonds subscribed shall not exceed the maximum amount stipulated above, and that each exercise shall be for a minimum of S\$0.25 million or integral multiples thereof.

Conversion Right and Conversion Period : The Subscriber has the right to convert any Bonds ("**Conversion Right**"). Subject to and upon, compliance with the conversion condition as set out in the Convertible Bonds Agreement:

- (a) any Series A Bonds may be converted into duly authorised, validly issued, fully paid and unencumbered new Shares, at the option of the Subscriber, at any time on or before the Maturity Date (as defined below); and
- (b) any Series B Bonds may be converted into duly authorised, validly issued, fully paid and unencumbered Conversion Shares, at the option of the Subscriber, at any time in the event the Bonds on or before the Maturity Date,

PROVIDED THAT no Series A Bonds and Series B Bonds may be converted by any holder of Bonds (a "**Bondholder**") into any Conversion Shares ("**Relevant Conversion Shares**") unless:

- (i) the Listing Approval in respect of the Relevant Conversion Shares has been obtained and not

revoked or amended, and if any conditions are attached to the Listing Approval (“**Listing Conditions**”), such Listing Conditions (i) being on terms reasonably satisfactory to the Company; and (ii) which are required to be fulfilled on or before the relevant date of conversion having been fulfilled on or before that date to the satisfaction of the SGX-ST or waived by the SGX-ST;

- (ii) the Company has obtained a specific share issue mandate in respect of the Conversion Shares, and such specific share issue mandate shall remain valid and existing and not terminated; and
- (iii) unless otherwise approved by Shareholders in general meeting, the total number of Shares directly or deemed to be held by such Bondholder immediately before the exercise of the Conversion Right, together with the number of Relevant Conversion Shares to be issued and allotted upon conversion of the relevant Bonds shall not result in the such Bondholder holding, directly or indirectly, Shares representing fifteen percent (15%) or more of the total issued share capital of the Company immediately after the issue and allotment of the Relevant Conversion Shares.

Conversion Price for Series A Bonds and Series B Bonds : S\$0.005 (“**Conversion Price**”), subject to adjustments in accordance with the provisions of the Convertible Bonds Agreement.

The Conversion Price was agreed to by the parties to the Convertible Bonds Agreement (“**Parties**”) at arm’s length basis considering, amongst other, (a) the prevailing market share prices of the Company and (b) the financial condition of the Company. The Conversion Price represents a discount of approximately 16.7% to the volume-weighted average price of S\$0.006 for trades done on 28 April 2023 (being the full market day immediately preceding the signing of the Convertible Bonds Agreement).

Conversion Shares : Up to 450,000,000 new Shares to be allotted and issued by the Company upon conversion of the Series A Bonds and Series B Bonds.

Upon conversion of Series A Bonds and Series B Bonds, the Conversion Shares represent in aggregate approximately 41.85% of the issued share capital of the Company as at the date of this announcement (i.e. 1,075,160,437 issued Shares) (“**Existing Share Capital**”) and approximately 29.51% of the enlarged

issued share capital of the Company immediately following the conversion of all the Bonds ("**Post Conversion Enlarged Share Capital**").

Subscription Date : (a) In respect of the Series A Bonds, Parties shall complete the subscription of the Series A Bonds on the date falling five (5) business days from the date that all General Conditions Precedents have been fulfilled; and (b) in respect of any tranche of Series B Bonds, the date falling five (5) Business Days from the relevant date of the subscription notice in respect of the Series B Bonds has been delivered and received by the Company ("**Subscription Date**").

Interest : The Bonds are interest-free.

Redemption : Unless converted to Conversion Shares, the Bonds shall be redeemed at one hundred per cent (100%) of their principal amount on the Maturity Date. In the event that the Company fails to make payment of any amount in respect of the Bonds when the same becomes due and payable, interest shall accrue on the overdue sum at the rate 3% per annum from the Maturity Date.

Maturity Date for Series A Bonds and Series B Bonds ("Maturity Date") : The date falling thirty-six (36) months from the date of the relevant Bonds have been issued and registered, or such other date as the Parties may agree in writing ("**First Maturity Date**"), provided always that the Bondholder shall have the sole and absolute discretion to extend the redemption date for a further twelve (12) months from the expiry of the First Maturity Date.

Status of the Bonds : The Bonds constitute, direct, unconditional, unsubordinated and unsecured obligations of the Company, ranking *pari passu* and rateably without any preference among themselves, and, subject as mentioned in the Convertible Bonds Agreement and save as otherwise provided under any applicable laws or regulations, equally with all other present and future, direct, unconditional, unsubordinated and unsecured obligations of the Company from time to time outstanding.

The Company shall not, without the prior written approval of all Bondholders, incur, undertake, assume or permit any obligations ranking senior to the Bonds (including without limitation any secured obligations).

Status of Conversion Shares : The Conversion Shares will be duly authorised and they will be validly issued as fully paid-up Shares and the Conversion Shares shall be issued unencumbered and

free from any security interests, claims (including preemptive rights) or liens and will be freely transferable and shall rank *pari passu* in all respects with all other then existing Shares, except that such Conversion Shares shall not be entitled to any dividends, rights, allotments or other distributions, the record date of which is before the date the Bonds are converted, and will be admitted to listing on Catalist.

Adjustments to Conversion Price

: The Conversion Price will be subject to adjustments under Adjustment Events (as defined below) in accordance with the following formula:

$$\text{NCP} = \text{CP} \times (\text{OSC} / \text{NSC})$$

- NCP : is the new Conversion Price;
- CP : is the Conversion Price;
- OSC : is the total number of issued Shares immediately before such event; and
- NSC : is the total number of issued Shares immediately after such event.

The Conversion Price shall from time to time be adjusted as provided in these conditions in all or any of the following cases (“**Adjustment Event**”):

- (a) any consolidation, subdivision or conversion of the Shares; or
- (b) any issue by the Company of Shares credited as fully paid-up by way of capitalisation of profits or reserves (whether of a capital or income nature) to its Shareholders; or
- (c) an offer or invitation made by the Company to its Shareholders whereunder they may acquire or subscribe for Shares by way of rights; or
- (d) an issue by the Company of Shares other than being an Adjustment Event requiring an adjustment under (a), (b) or (c) above.

Non-transferability

: A Bond, upon issue, may not be transferred save and except with the prior written approval of the Company.

Pursuant to the terms of the Convertible Bonds Agreement, a Subscriber may assign the option to subscribe the Series B Bonds (or any part thereof, subject to a minimum of S\$0.25 million or integral multiples thereof) to any person designated by the Subscriber at their absolute discretion.

Listing Status : The Bonds shall not be listed on any stock exchange.

The Company's sponsor ("**Sponsor**") will make an application to the SGX-ST on behalf of the Company for the dealing in, listing and quotation of the Conversion Shares on Catalist. The Company will make the necessary announcement after the Listing Approval has been obtained from the SGX-ST.

Governing Law : The law of the Republic of Singapore.

3.2 **Conditions Precedent**

3.2.1 General Conditions Precedent

The Subscriber shall not be obliged to subscribe and pay for any Bonds unless the following conditions precedent ("**General Conditions Precedent**") have been satisfied by the date falling six (6) months from the date of the Convertible Bonds Agreement, or such other date as the Parties may mutually agree to in writing ("**Cut-Off Date**") and remains satisfied on the relevant Subscription Date:

- (i) the Shares of the Company remains listed and quoted on Catalist;
- (ii) all applicable governmental and regulatory approvals required in connection with the subscription of the Bonds, the Listing Approval, and Shareholders' Approval having been obtained and not revoked;
- (iii) all representations, warranties, undertakings and covenants of the Company and the Subscriber as set out in the Convertible Bonds Agreement being accurate and correct in all respects at each Subscription Date; and
- (iv) the Company not having experienced or suffered any event or series of events on or after the date of the Convertible Bonds Agreement that, individually or in the aggregate, would reasonably be expected to have a material adverse effect on the business, operations, properties, prospects or conditions (financial or otherwise) on the Group.

If any of the General Conditions Precedent above is not waived, satisfied on or before the Cut-Off Date, the Convertible Bonds Agreement shall forthwith *ipso facto* cease and the Parties shall be released and discharged from their respective obligations under the Convertible Bonds Agreement save and except for certain surviving clauses and any antecedent breaches as set out in the Convertible Bonds Agreement.

3.2.2 Series B Bonds Conditions Precedent

In addition to, and without prejudice to the General Conditions Precedent in paragraph 3.2.1 of this announcement, the Subscriber shall not be obliged to complete the subscription of the Series B Bonds (or any part thereof) unless the following conditions ("**Series B Conditions Precedent**") are satisfied:

- (i) a Series B subscription notice in respect of the Series B Bonds has been issued and received by the Subscriber within the period commencing from the date of the Convertible Bonds Agreement and ending on the First Maturity Date of the Series A Bonds and in any case no later than 5.00 pm of the last day of such period; and
- (ii) there having been no occurrence of any event of default at any time after the date of the Convertible Bonds Agreement and the subscription date of the relevant Series B Bonds.

3.3 Use of Proceeds

The estimated net proceeds (after deducting estimated fees and expenses of approximately S\$43,000) from the issue of the Series A Bonds assuming the full conversion of the Series A Bonds, is approximately S\$0.46 million ("**Series A Net Proceeds**"). The Company intends to use the Series A Net Proceeds as follows:

Use of Series A Net Proceeds	Amount (S\$)	% of Series A Net Proceeds (%)
Payment of outstanding professional fees due to the Group's auditors, Sponsor, and others	160,000	35.0
Working capital	297,000	65.0
TOTAL	457,000	100.0

In the event the Subscriber shall exercise the option to subscribe for the Series B Bonds, up to S\$1,750,000 may be raised ("**Series B Proceeds**"). As and when the option to subscribe for the Series B Bonds is exercised, the Company intends to use the Series B Proceeds as follows:

Use of Series B Proceeds	Amount (S\$)	% of Series B Proceeds (%)
Payment of outstanding professional fees due to the Group's auditors, sponsor, and others	350,000	20.0
Payment of outstanding royalties / dead rent (i.e., fixed rental payable for mines) / borrow-to-use forestry permit	731,000	41.8
Working capital	669,000	38.2
TOTAL	1,750,000	100.0

Pending the deployment of the net proceeds of the Proposed Bonds Subscription, the net proceeds may be deposited with banks and/or financial institutions and/or used for investment in short-term money markets instruments and/or marketable securities, and/or used for other purposes on a short-term basis as the Directors may, in their absolute discretion, deem appropriate in the interests of the Company.

The Company will make periodic announcements on the utilisation of the net proceeds from the Proposed Bonds Subscription as and when such net proceeds are materially disbursed and whether such disbursements are in accordance with the stated use and provide a status report on the use of the net proceeds in the Company's interim and full year financial statements and the annual reports until such time the proceeds have been fully utilised. Where the net proceeds have been used for general corporate and/or working capital purposes, the Company will also provide a breakdown with specific details on the use of the proceeds in the announcements and annual reports. Where there is a material deviation in the use of the net proceeds, the Company will announce the reasons for such deviation.

The Directors are of the opinion that, after taking into consideration, (a) the existing Shareholders' loan facilities of approximately US\$35.8 million ("**Shareholders' Loan Facilities**"), the working capital available to the Group is sufficient to meet its present requirements, (b) the Shareholders' Loan Facilities and the Series A Net Proceeds, the working capital available to the Group is sufficient to meet its present requirements, and (c) the Shareholders' Loan Facilities, and the Series A Net Proceeds and the Series B Proceeds, the working capital available to the Group is sufficient to meet its present requirements.

While the Directors are of the opinion that the current working capital available to the Group is sufficient to meet its present requirements, the Company is proposing to undertake the Proposed Bonds Subscription in order to increase the cash resources available to the Company. The allocation of Series A Net Proceeds and Series B Proceeds for working capital will allow the Group to improve its cash flow and strengthen its working capital position and to settle the outstanding professional fees.

3.4 **Financial effects of the Proposed Bonds Issue**

3.4.1 The financial effects of the Proposed Bonds Subscription (including the allotment and issuance of the Conversion Shares) set out below are strictly for the purposes of illustration only and do not purport to be an indication or projection of the results and financial position of the Company and the Group after completion. As the Company has not announced the audited consolidated financial statements for the financial year ended 31 December ("**FY**") 2021 and FY2022, these illustrative financial effects have been prepared based on the unaudited consolidated financial statements of the Group for FY2021:

- (a) the assumption that there is no adjustment event which will result in an adjustment to the Conversion Price, the maximum number of Conversion Shares to be allotted and issued upon conversion of the Series A Bonds shall be 100,000,000 Shares, and the maximum number of Conversion Shares to be allotted and issued upon conversion of the Series A Bonds and Series B Bonds shall be an aggregate of 450,000,000 Shares;

- (b) (for the purpose of computing the loss per Share (“LPS”) after the Proposed Bonds Subscription) the assumption that the Proposed Bonds Subscription was completed on 1 January 2021;
- (c) (for the purpose of computing the net tangible liabilities (“NTL”) per Share of the Group), the assumption that the Proposed Bond Subscription was completed on 31 December 2021;
- (d) the computation takes into account estimated expenses that may be incurred in relation to the Proposed Bonds Subscription of approximately S\$43,000;
- (e) the computation takes into account an aggregate of 25,733,334 new Shares issued to Mr Sudiarmo Prasetio (“**Mr Prasetio**”) and Mr Tan Chee Kiang (“**Mr Tan**”) by the Company pursuant to the placement exercise as announced on 31 July 2022 (the “**July 2022 Placement**”) which raised net proceeds of approximately S\$284,800;
- (d) the exchange rate of US\$1 to S\$1.3495 as at 31 December 2021 is used for computation; and
- (f) the computation for financial effects does not take into account the Advances.

3.4.2 NTL per Share

	Before issuance of Conversion Shares	After issuance of Conversion Shares from Series A Bonds	After issuance of Conversion Shares from the Bonds in full
NTL (US\$000)	11,501.06 ⁽¹⁾	11,162.42	9,865.64
Number of Shares	1,075,160,437 ⁽²⁾	1,175,160,437	1,525,160,437
NTL per Share (US\$ cents)	1.07	0.95	0.65

Notes:

- (1) Adjusted for the net proceeds received from the July 2022 Placement.
- (2) Based on the Company’s total number of issued shares as at the date of this announcement.

3.5.3 LPS

	Before issuance of Conversion Shares	After issuance of Conversion Shares from the Series A Bonds	After issuance of Conversion Shares from the Bonds in full
Loss attributable to equity holders of the Company (US\$000)	2,736.95	2,768.82	2,768.82

Weighted average number of Shares	1,047,313,367 ⁽¹⁾	1,147,313,367	1,497,313,367
LPS (US\$ cents)	0.26	0.24	0.18

Note:

- (1) The weighted average number of Shares as at 31 December 2021 has been adjusted for the issuance and allotment of 25,733,334 Shares pursuant to the July 2022 Placement.

3.5.4 Share Capital of the Company

	Before issuance of Conversion Shares	After issuance of Conversion Shares from the Series A Bonds	After issuance of Conversion Shares from the Bonds in full
Share Capital (US\$)	171,779,301 ⁽¹⁾	172,149,809	173,446,586
Number of Shares	1,075,160,437 ⁽²⁾	1,175,160,437	1,525,160,437

Notes:

- (1) Based on the share capital of the Company as at 31 December 2021 and after taking into account gross proceeds raised from the July 2022 Placement.
- (2) Based on the Company's total number of issued Shares as at the date of this announcement.

4. **RATIONALE FOR THE PROPOSED BONDS SUBSCRIPTION**

The Directors are of the view that the issuance of the Bonds is beneficial to Group as it will increase financial resources available to the Group to meet and strengthen its present working capital requirements and to improve the cash flow of the Group. Further, Mr Tri Junaedi, being the major shareholder of the Subscriber, is a strategic investor and can provides knowledge, information and strategic views on how to rejuvenate the Company's business, and the Company would be able to tap the Subscriber's available expertise, networks and resources to grow the Company's business.

Part of the Series A Net Proceeds will be used for the purposes of (i) settling outstanding professional fees, and (ii) working capital which will used for settling general overheads of the Group and other operating expenses of the Group. The funds raised from the issuance of the Series B Bonds, if any, would be used for the payment of professional fees, payment of outstanding royalties / dead rent (i.e., fixed rental payable for mines) / borrow-to-use forestry permit, and as additional working capital as set out under paragraph 3.3 of this announcement.

5. **AUTHORITY TO ISSUE SHARES**

5.1 **Shareholders' Approval under Chapter 8 of the Catalist Rules**

Pursuant to Rule 805(1) of the Catalist Rules, the Company must obtain the prior approval of Shareholders in a general meeting for the issue of the Bonds and the allotment and issue of

the Conversion Shares, except if the Shareholders had by resolution in a general meeting, given a general mandate to the Directors of the Company to issue, *inter alia*, shares of the Company or convertible securities pursuant to Rule 806 of the Catalist Rules. As the Conversion Shares will not be issued under any general mandate pursuant to Rule 806 of the Catalist Rules, the Company will convene a general meeting to seek Shareholders' approval for the issue of the Bonds, and the allotment and issue of the Conversion Shares.

Pursuant to Rule 803 of the Catalist Rules, the Company must not issue Shares to transfer a controlling interest without prior approval of Shareholders in general meeting. As at the date of this announcement, the Subscriber does not have any direct or indirect shareholding interests in the Company. Upon completion of the Proposed Bonds Subscription and full conversion of Bonds, the Subscriber will hold a shareholding interest in 450,000,000 Shares, representing 29.51% of the Post Conversion Enlarged Share Capital. Accordingly, the Company will be seeking Shareholders' approval under Rule 803 of the Catalist Rules.

Pursuant to Rules 811(2) and 811(3) of the Catalist Rules, the Conversion Price must not be more than 10% discount to the prevailing market price of the Shares prior to the signing of the Convertible Bonds Agreement unless specific Shareholders' approval is obtained. As mentioned in paragraph 3.1 of this announcement, the Conversion Price of S\$0.005 represents a discount of approximately 16.7% to the volume-weighted average price of S\$0.006 for trades done on 28 April 2023 (being the full market day immediately preceding the signing of the Convertible Bonds Agreement). Accordingly, the Company will be seeking Shareholders' approval under Rule 811 of the Catalist Rules.

A circular to the Shareholders in relation to the Proposed Bonds Subscription will be despatched by the Company in due course (the "**Circular**").

Until such Shareholders' Approval is obtained, under the terms of the Convertible Bonds Agreement, the Bonds will not be issued to the Subscriber, and the Bonds (or its assignee) may not be converted into any Conversion Shares.

6. INTEREST OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

None of the Directors or (so far as they are aware) the substantial Shareholders of the Company or their respective associates has any interest, direct or indirect (other than through their respective directorships and shareholdings in the Company), in the Proposed Bonds Subscription.

7. FUND RAISING BY THE COMPANY IN THE PAST 2 YEARS

The Company refers to its announcement on 31 July 2022 ("**31 July 2022 Announcement**") and circular dated 10 November 2022 in relation to three (3) placement agreements entered by the Company with each of (i) Mr Heliyanto; (ii) Mr Prasetyo; and (iii) Mr Tan (collectively, the "**Placees**"), pursuant to which the Placees agreed to subscribe for, and the Company agreed to issue and allot, up to 467,400,001 new ordinary shares (the "**Placement Shares**") in the capital of the Company for an aggregate estimated amount of proceeds of approximately S\$5.3 million.

On 5 December 2022, the Company announced that it had completed the issuance of an aggregate of 25,733,334 Placement Shares at the issue price of S\$0.012 to Mr Prasetio and Mr Tan.

The Company refers to its announcements on 30 September 2022, 16 December 2022, 19 January 2023, 31 January 2023, and 8 March 2023 in relation to the signing of the supplemental deeds to the placement agreement entered between the Company and Mr Heliyanto to further extend the completion date of the July 2022 Placement with Mr Heliyanto. As announced by the Company on 31 March 2023, the completion date of the July 2022 Placement with Mr Heliyanto had been extended to no later than 14 April 2023 (“**Sixth Supplemental Deed Announcement**”). Further to the Sixth Supplemental Deed Announcement, the Company wishes to update that the placement agreement with Mr Heliyanto had lapsed as completion had not taken place by 14 April 2023, and the Company is reserving all its right against Mr Heliyanto.

After taking into account the lapse of the placement agreement with Mr Heliyanto, as at the date of this announcement, the net proceeds of approximately S\$284,800 from the July 2022 Placement with Mr Tan and Mr Prasetio as announced by the Company on 31 July 2022 have been fully utilised as follows:

Use of Proceeds	Allocation of net proceeds raised (S\$)	Net proceeds utilised (S\$)
Payment of outstanding professional fees due to the Group’s auditors, legal adviser and sponsor	80,304	166,923
Payment of outstanding Director’s fees	35,066	0
Working Capital	169,430	117,877 ⁽²⁾
Total	284,800⁽¹⁾	284,800

Notes:

- (1) An aggregate of S\$308,801 was received from the completion of placement with Mr Tan and Mr Prasetio. The placement agreement with Mr Heliyanto had lapsed on 14 April 2023. As such, the amount of net proceeds less the expenses is S\$284,800.
- (2) Placement proceeds utilised for working capital purposes comprised (a) staff costs of S\$14,800, (b) other professional fees of S\$83,419, and (c) other operating expenses of S\$19,658.

Notwithstanding that the placement agreement with Mr Heliyanto has lapsed on 14 April 2023, the allocation of net proceeds in the table above is based on the percentage of allocation of the net proceeds raised from the July 2022 Placement as announced in the 31 July 2022 Announcement.

On continuous review of the Group’s cash flow and working capital requirement, the Directors have decided the amount of S\$35,066 and S\$51,553 which were originally intended to be used for payment of outstanding Director’s fees and working capital respectively, to be used for payment of outstanding professional fees instead.

8. ISSUANCE OF ADDITIONAL ANTI-DILUTION SHARES UNDER THE SERIES A CONVERTIBLE BONDS

The Company refers to its announcement dated 5 February 2020 in relation to the signing of convertible bond agreements (“**2020 Convertible Bond Agreements**”) with various subscribers (the “**2020 Bondholders**”) for the issue of Series A convertible bonds (the “**2020 Bonds**”) convertible into new Shares at a conversion price of S\$0.015 per Share (“**2020 Conversion Price**”), and its announcement dated 26 March 2020 on the completion of issuance of the 2020 Bonds in the amount of S\$1,000,000 (“**Kingpin Bond**”) and S\$1,000,000 (“**Atrium Asia Bond**”) to Kingpin Investment (Pte. Ltd.) (“**Kingpin Investment**”) and Atrium Asia Capital Partners Pte Ltd (“**Atrium Asia**”), respectively.

On 25 August 2020, the Atrium Asia Bond was subsequently transferred to Mr Cho Yu Chung and has reached its maturity date on 25 March 2023, and accordingly the Atrium Asia Bond has lapsed. On 14 February 2022, the maturity date of the Kingpin Bond has been further extended by 12 months from 25 March 2023 to 24 March 2024.

Based on the conversion price (“**2020 Conversion Price**”), in the event of conversion by the Kingpin Investment of all S\$1,000,000 of the Kingpin Bond at the 2020 Conversion Price, they will receive a total of 66,666,667 Shares in the Company.

Pursuant to the 2020 Convertible Bond Agreements, the 2020 Conversion Price is subject to a price adjustment, (the “**2020 Bonds Price Adjustment**”) upon occurrence of certain adjustment events, including the issuance of new Shares.

The 2020 Bonds Price Adjustment is computed using the following formula:

$$2020 \text{ NCP} = \text{CP} \times (\text{OSC}/\text{NSC})$$

Whereby:

2020 NCP	: is the new conversion price;
CP	: 2020 Conversion Price of S\$0.015 per Share;
OSC	: is the total number of issued Shares immediately before such adjustment event; and
NSC	: is the total number of issued Shares immediately after such adjustment event.

Since the issuance of the Bonds, the Company had on 10 December 2020, issued 13,333,333 Shares as introducer shares, being payment of introducer fees on the 2020 Bonds. On 20 August 2021, the Company had issued 32,350,000 Shares as share awards pursuant to the BlackGold share award scheme. On 5 December 2022 the Company had issued 25,733,334 Shares for the placement with Mr Tan and Mr Prasetio (collectively the “**Prior Adjustment Events**”).

Taking into account the Prior Adjustment Events and the completion of the Proposed Bonds Subscription, the 2020 NCP will be adjusted to S\$0.010 per Share. Such adjustment is in accordance with the above formula but has not been independently reviewed. Should Kingpin Investment exercise their conversion rights under the Kingpin Bond, an additional 33,333,333 Shares (“**2020 Bonds Additional Shares**”) will be issued based on the 2020 NCP of S\$0.010 per Share, bringing the total number of New Shares to be issued to Kingpin Investment upon conversion of all the 2020 Bonds to 100,000,000 Shares.

Pursuant to Catalist Rule 805(1), the Company intends to seek Shareholders’ approval at the Company’s general meeting(s) to be convened for the issuance and allotment of the 2020 Bonds Additional Shares. The Company will also apply to the SGX-ST through its sponsor,

Novus Corporate Finance Pte. Ltd., for the dealing in, listing and quotation for the 2020 Bonds Additional Shares.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Bonds Subscription, and the Company and its subsidiaries and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors have been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in the circular in its proper form and context.

10. DOCUMENT FOR INSPECTION

A copy of the Convertible Bonds Agreement is available for inspection during normal business hours at the Company's registered office located at 7 Temasek Boulevard #08-07 Suntec Tower 1 Singapore 038987 for a period of three (3) months from the date of this announcement.

11. TRADING CAUTION

Shareholders are advised to exercise caution in trading their Shares. The Proposed Bonds Subscription is subject to certain conditions. There is no certainty or assurance as at the date of this announcement that the Proposed Bonds Subscription will be completed (in part or in full) or that no changes will be made to the terms thereof. The Company will make the necessary announcements when there are further developments. Shareholders should consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

By Order of the Board

Andreas Rinaldi
Executive Director and Chief Executive Officer
5 May 2023

This announcement has been prepared by the Company and reviewed by the Company's sponsor, Novus Corporate Finance Pte. Ltd. (the "**Sponsor**"), in compliance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.

This announcement has not been examined or approved by the 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 Sponsor has also not drawn on any specific technical expertise in its review of this announcement.

The contact person for the Sponsor is Mr Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #18-03B Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.
