

**SIXTEENTH SCHEDULE OF THE SECURITIES AND FUTURES
(OFFERS OF INVESTMENTS)
(SECURITIES AND SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

**OFFER INFORMATION STATEMENT DATED 18 June 2024
UNDER SECTION 277 OF THE SECURITIES AND FUTURES ACT 2001 OF SINGAPORE**
(Lodged with the Singapore Exchange Securities Trading Limited (the "SGX-ST") acting as agent
on behalf of the Monetary Authority of Singapore (the "Authority"), on 18 June 2024)

THIS OFFER INFORMATION STATEMENT IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. BEFORE MAKING ANY INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED BY RESOURCES GLOBAL DEVELOPMENT LIMITED (THE "COMPANY"), YOU SHOULD CONSIDER THE INFORMATION PROVIDED IN THIS OFFER INFORMATION STATEMENT CAREFULLY, AND CONSIDER WHETHER YOU UNDERSTAND WHAT IS DESCRIBED IN THIS OFFER INFORMATION STATEMENT. YOU SHOULD ALSO CONSIDER WHETHER AN INVESTMENT IN THE SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BEING OFFERED IS SUITABLE FOR YOU, TAKING INTO ACCOUNT YOUR INVESTMENT OBJECTIVES AND RISK APPETITE. IF YOU ARE IN ANY DOUBT AS TO THE ACTION YOU SHOULD TAKE, YOU SHOULD CONSULT YOUR LEGAL, FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY. YOU ARE RESPONSIBLE FOR YOUR OWN INVESTMENT CHOICES.

The Placement Shares (as defined herein) offered are issued by the Company, an entity whose shares are listed for quotation on Catalist (as defined herein). **Companies listed on Catalist may carry higher investment risk when compared with larger or more established companies listed on the Main Board of the SGX-ST. In particular, companies may list on Catalist without a track record of profitability and there is no assurance that there will be a liquid market in the securities traded on Catalist. A prospective investor should be aware of the risks of investing in such companies and should make the decision to invest only after careful consideration and, if appropriate, consultation with an independent financial adviser.**

This offer is made in or accompanied by a copy of this offer information statement (the "Offer Information Statement") that has been lodged with the SGX-ST, acting as agent on behalf of the Authority. Neither the Authority nor the SGX-ST has examined or approved the contents of this Offer Information Statement. Neither the Authority nor the SGX-ST assumes any responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made or reports contained herein. Neither the Authority nor the SGX-ST has in any way considered the merits of the Company and its subsidiaries, the Shares (as defined herein), the Proposed Placement (as defined herein) and the Placement Shares being offered or in respect of which an invitation is made for investment. The lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, does not imply that the Securities and Futures Act 2001 of Singapore, or any other legal or regulatory requirements, or requirements under the SGX-ST's listing rules, have been complied with. Neither the Authority nor the SGX-ST has, in any way, considered the merits of the securities or securities-based derivatives contracts, as the case may be, being offered for investment.

An application has been made to the SGX-ST for permission for the Placement Shares to be listed for quotation on Catalist. The Company will, through its Sponsor, apply for the listing and quotation notice from the SGX-ST to deal in and for the listing of and quotation for the Placement Shares on Catalist subject to certain conditions being fulfilled which include, *inter alia*, compliance with the Catalist Rules. The listing and quotation notice granted by the SGX-ST for the listing of and quotation of the Placement Shares on Catalist is not to be taken as an indication of the merits of the Proposed Placement, the Placement Shares, the Company, its subsidiaries and their securities. Acceptance of applications will be conditional upon the issue of the securities and upon listing of the issued securities of the Company. Monies paid in respect of any application accepted will be returned if the listing of the securities does not proceed.

This Offer Information Statement has been prepared solely in relation to the Proposed Placement and shall not be relied upon by any other person or for any other purpose. No Shares will be allotted on the basis of this Offer Information Statement later than six (6) months after the date of lodgement of this Offer information Statement. After the expiration of six (6) months from the date of lodgement of this Offer Information Statement, no person shall make an offer of securities, or allot, issue or sell any securities, on the basis of this Offer Information Statement; and no officer or equivalent person or promoter of the Company will authorise or permit the offer of any securities or the allotment, issue or sale of any securities, on the basis of this Offer Information Statement.

All the documentation relating to the Proposed Placement have been seen and approved by the directors of the Company ("Directors") and they collectively and individually accept full responsibility for the accuracy of the information given in this Offer Information Statement and confirm, after making all reasonable enquiries, that to the best of their knowledge and belief, this Offer Information Statement constitutes full and true disclosure of all material facts about the Proposed Placement, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this Offer Information Statement misleading.

This Offer Information Statement has been prepared solely in relation to the Proposed Placement (as defined herein) and shall not be relied upon by any other person for any other purpose. Your attention is drawn to the section entitled "Risk Factors" under Appendix A of this Offer Information Statement which should be read carefully.

This Offer Information Statement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "Sponsor"), in accordance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist (the "Catalist Rules"). This Offer Information Statement has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Offer Information Statement, including the correctness of any of the statements or opinions made, or reports contained in this Offer Information Statement. The contact person for the Sponsor is Ms Karen Soh, Managing Director, ZICO Capital Pte. Ltd., 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.



RESOURCES GLOBAL DEVELOPMENT LIMITED

(Company Registration No.: 201841763M)

(Incorporated in the Republic of Singapore on 12 December 2018)

**PROPOSED PLACEMENT OF UP TO 50,000,000 NEW ORDINARY SHARES IN THE CAPITAL OF THE COMPANY AT A
PLACEMENT PRICE OF S\$0.20 FOR EACH PLACEMENT SHARE**

Placement Agent



ZICO CAPITAL PTE. LTD.

(Company Registration Number: 201613589E)

(Incorporated in the Republic of Singapore)

IMPORTANT NOTICE

Capitalised terms used below which are not otherwise defined herein shall have the same meanings as are ascribed to them under the section entitled "Definitions" of this Offer Information Statement.

Persons wishing to subscribe for the Placement Shares offered by this Offer Information Statement should, before deciding whether to so subscribe, carefully read this Offer Information Statement in its entirety in order to make an informed assessment of, *inter alia*, the assets and liabilities, profits and losses, financial position, performance and prospects of the Company, the Group and the rights and liabilities attaching to the Placement Shares. They should make their own independent enquiries and investigations of any bases and assumptions, upon which financial projections, if any, are made or based, and carefully consider this Offer Information Statement in the light of their personal circumstances (including financial and taxation affairs). It is recommended that such persons seek professional advice from their stockbroker, bank manager, solicitors, accountant, financial adviser, tax adviser or other professional advisers before deciding whether to subscribe for any Placement Shares or invest in the Company.

No person has been authorised to give any information or to make any representations other than those contained in this Offer Information Statement in connection with the Proposed Placement and the issue and/or sale of the Placement Shares and, if given or made, such information or representations must not be relied upon as having been authorised by the Company, the Group or the Placement Agent. Save as expressly stated in this Offer Information Statement, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance or policies of the Company and/or the Group. Neither the delivery of this Offer Information Statement nor the issue and/or sale of the Placement Shares shall, under any circumstances, constitute a continuing representation, or give rise to any implication, that there has been no material change in the financial performance and condition or prospects or affairs of the Company, or any of the information contained herein since the date hereof. Where such changes occur after the date hereof and are material, or are required to be disclosed by law and/or the SGX-ST, the Company may make an announcement of the same via SGXNET and, if required, lodge a supplementary or replacement document with the SGX-ST, acting as agent on behalf of the Authority. All prospective subscribers of the Placement Shares should take note of any such announcement and, upon the release of such announcement and/or lodgement of such supplementary or replacement document, as the case may be, shall be deemed to have notice of such changes.

Neither the Company, the Group, the Sponsor nor the Placement Agent is making any representation to any person regarding the legality of an investment in the Placement Shares and/or the Shares, by such person under any investment or any other laws or regulations.

Neither the Company, the Group, the Sponsor nor the Placement Agent is making any representation, warranty or recommendation whatsoever as to the merits of the Placement Shares, the Shares, the Company, the Group or any other matter related thereto or in connection therewith. Nothing in this Offer Information Statement and/or its accompanying documents shall be construed as a recommendation to subscribe for the Placement Shares. Each prospective subscriber of the Placement Shares should rely on their own investigation of the financial condition and affairs, appraisal and determination of the merits of investing in the Company and/or the Group and shall be deemed to have done so.

No information in this Offer Information Statement should be considered to be business, financial, legal, investment or tax advice regarding an investment in the Placement Shares and/or the Shares. Each prospective subscriber of the Placement Shares should consult his own professional or other advisers for business, financial, legal, investment or tax advice regarding an investment in the Placement Shares and/or the Shares.

This Offer Information Statement and its accompanying documents have been prepared solely for the purpose of subscription of the Placement Shares under the Proposed Placement and may not be relied upon by any persons other than prospective subscribers of the Placement Shares to whom it is despatched by the Company, or for any other purpose. For the avoidance of doubt, the Placement Agent is not making

any representations to any person regarding the accuracy and completeness of the information set out in this Offer Information Statement.

Notification under Section 309B of the Securities and Futures Act 2001 of Singapore: The Placement Shares are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018 and "Excluded Investment Products" (as defined in MAS Notice SFA 04- N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

ZICO Capital Pte. Ltd., named as the Sponsor in this Offer Information Statement, has given and has not, before the lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name and all references thereto, in the form and context in which they are included and appear in this Offer Information Statement.

SELLING RESTRICTIONS

*Capitalised terms used below which are not otherwise defined herein shall have the same meanings as are ascribed to them under the section entitled "**Definitions**" of this Offer Information Statement.*

No person shall subscribe for the Placement Shares except on the basis of the information contained in this Offer Information Statement.

This Offer Information Statement has not been lodged in any other jurisdiction other than Singapore. This Offer Information Statement may not be used for the purpose of, does not constitute an offer, solicitation or invitation to subscribe for the Placement Shares in any jurisdiction or under any circumstances in which such offer, solicitation or invitation is unlawful or is unauthorised or to any person to whom it is unlawful to make such offer, solicitation or invitation. No action has been or will be taken under the requirements of the legislation or regulations of, or of the legal or regulatory requirements of any jurisdiction, except for the filing and/or registration of this Offer Information Statement in Singapore in order to permit a public offering of the Placement Shares and the public distribution of this Offer Information Statement in Singapore.

The distribution of this Offer Information Statement and the offering of the Placement Shares in certain jurisdictions may be restricted by the relevant laws in such jurisdictions. Persons who may come into possession of this Offer Information Statement are required by the Company, the Sponsor and Placement Agent to inform themselves about, and to observe and comply with, any such restrictions at their own expense and without liability to the Company, the Sponsor and/or the Placement Agent. Any failure to comply with these restrictions may constitute a violation of the securities laws of any such jurisdiction.

Persons to whom a copy of this Offer Information Statement has been issued shall not circulate to any other persons, reproduce or otherwise distribute this Offer Information Statement or any information contained herein for any purpose whatsoever nor permit or cause the same to occur.

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DEFINITIONS

For the purposes of this Offer Information Statement, the following definitions apply throughout unless the context otherwise requires or unless otherwise stated:

"FY2021"	:	The financial year of the Company ended 31 December 2021
"FY2022"	:	The financial year of the Company ended 31 December 2022
"FY2023"	:	The financial year of the Company ended 31 December 2023
"ACRA"	:	Accounting and Corporate Regulatory Authority
"AGM"	:	The annual general meeting of the Company held on 29 April 2024
"Authority"	:	The Monetary Authority of Singapore
"BBD Acquisition"	:	The purchase by the Company of all the issued and paid-up shares in the capital of the Target Company, further details of which are set out in the Company's announcements on 17 November 2023, 28 December 2023, 15 January 2024 and 17 January 2024, and the Company's circular to Shareholders dated 29 December 2023
"BBD Acquisition Announcement"	:	The Company's announcement on 17 November 2023 in relation to the BBD Acquisition, as set out in Appendix B to this Offer Information Statement
"BBD Acquisition Circular"	:	The Company's circular to Shareholders dated 29 December 2023 in relation to the BBD Acquisition, as set out in Appendix C to this Offer Information Statement
"Board"	:	The board of Directors of the Company for the time being
"Board Committees"	:	The sub-committees of the Board, which includes the Audit Committee, the Nominating Committee and the Remuneration Committee
"Catalist"	:	The sponsor-supervised listing platform of the SGX-ST
"Catalist Rules"	:	The SGX-ST Listing Manual Section B: Rules of Catalist, as may be amended, modified, or supplemented from time to time
"CDP"	:	The Central Depository (Pte) Limited
"Code"	:	The Singapore Code on Takeovers and Mergers, as amended or modified from time to time
"Companies Act"	:	The Companies Act 1967, Singapore, as amended, modified or supplemented from time to time
"Company"	:	Resources Global Development Limited
"Consideration"	:	The purchase consideration for the Sale Shares, being S\$5,700,000
"Constitution"	:	The constitution of the Company for the time being

"Controlling Interest"	:	The interest of the Controlling Shareholder
"Controlling Shareholder"	:	A person who: <ul style="list-style-type: none"> (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies the above is not a Controlling Shareholder; or (b) in fact exercises control over the Company
"Council" or "SIC"	:	The Securities Industry Council of Singapore
"Director"	:	A director of the Company for the time being, and "Directors" shall be construed accordingly
"Enlarged Share Capital"	:	The issued and paid-up share capital of the Company immediately following the Proposed Placement
"EPS"	:	Earnings per Share
"FY"	:	Financial year ended or ending 31 December, as the case may be
"ICI"	:	Indonesian Coal Index
"Group"	:	The Company and its subsidiaries
"Latest Practicable Date"	:	7 June 2024, being the latest practicable date prior to the release of this Offer Information Statement
"Listing Approval Date"	:	the date on which the SGX-ST grants its in-principle approval for the listing and quotation of the Placement Shares on the SGX-ST
"Market Day"	:	A day or days on which the SGX-ST is open for trading in securities
"NAV"	:	Net asset value
"Placement Agreement"	:	The placement agreement entered into between the Company and the Placement Agent in relation to the Proposed Placement on 18 June 2024
"Placement Announcement"	:	The Company's announcement dated 18 June 2024 in relation to the Proposed Placement
"Placement Completion Date"	:	The completion date of the Proposed Placement, being seven (7) Market Days after the Listing Approval Date or such other date as the Company and the Placement Agent may otherwise agree
"Placement Price"	:	S\$0.20 per Placement Share
"Proposed Placement"	:	The placement of the Placement Shares at the Placement Price by the Company to investors, on the terms and subject to the conditions of this Offer Information Statement

"Placement Shares"	:	Up to 50,000,000 new Shares to be allotted and issued by the Company pursuant to the Proposed Placement
"PT CBP"	:	PT Cakrawala Bara Persada
"PT DDS"	:	PT Dwi Daya Swakarya
"PT DIR"	:	PT Deli Indonesia Raya
"PT DNS"	:	PT Deli Niaga Sejahtera, a 99% subsidiary of the Company
"PT DPAL"	:	PT Deli Pratama Angkutan Laut, a 50.5% effective interest subsidiary of the Company
"PT IKN"	:	PT Interkayu Nusantra
"PT PBC"	:	PT Pesona Bara Cakrawala
"PT PBP"	:	PT Pasir Bara Prima
"PT PKP"	:	PT Persada Kapuas Prima
"PT SINI"	:	PT Singaraja Putra Tbk
"Register of Members"	:	Register of members of the Company
"Sale Shares"	:	All the issued and paid-up shares in the capital of the Target Company
"Securities and Futures Act" or "SFA"	:	Securities and Futures Act 2001 of Singapore, as may be amended, modified, or supplemented from time to time
"Securities and Futures Regulations" or "SFR"	:	Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018 of Singapore, as amended, modified, or supplemented from time to time
"Seller"	:	Deli International Resources Pte. Ltd.
"SGXNET"	:	The SGXNET Corporate Announcement System, being a system network used by listed companies to send information and announcements to the SGX-ST or any other system networks prescribed by the SGX-ST
"SGX-ST"	:	Singapore Exchange Securities Trading Limited
"Share Registrar"	:	B.A.C.S Private Limited
"Shares"	:	Ordinary shares in the share capital of the Company, and each a " Share "
"Shareholder(s)"	:	The registered holders of Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term " Shareholders " shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective

	:	securities accounts in the Depository Register maintained by CDP
"Shareholder's Loan"	:	The loan of S\$4,300,000 extended by the Seller to the Target Company
"Singapore"	:	The Republic of Singapore
"Sponsor"	:	ZICO Capital Pte. Ltd.
"Substantial Shareholder"	:	A person who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Share, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
"Target Company" or "BBD"	:	Batubara Development Pte. Ltd.
"Target Group"	:	Collectively, (i) the Target Company, (ii) PT SINI, (iii) PT IKN, (iv) PT DDS, (v) PT PKP, (vi) PT PBC, (vii) PT PBP and (viii) PT CBP
"Total Consideration"	:	The total consideration for the BBD Acquisition, being S\$10,000,000, comprising the Consideration and the Shareholder's Loan

Currencies, Units and Others

"dwt"	:	Deadweight tonnage
"IDR"	:	Indonesian Rupiah, being the lawful currency of Indonesia
"kcal/kg"	:	Kilocalories per kilogram
"S\$" and "cents"	:	Singapore dollars and cents, respectively, being the lawful currency of Singapore
"US\$"	:	US dollars, being the lawful currency of the United States of America
"%" or "per cent"	:	Per centum or percentage

The terms "**Depositor**", "**Depository Agent**" and "**Depository Register**" shall have the same meanings ascribed to them respectively in Section 81SF of the SFA.

The terms "**subsidiaries**" and "**related corporations**" shall have the meanings ascribed to them in Section 5 and Section 6 respectively of the Companies Act.

The term "**treasury shares**" shall have the meaning ascribed to it in Section 76H of the Companies Act.

Words importing the singular shall, where applicable, include the plural and vice versa. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and vice versa. References to persons shall, where applicable, include firms, corporations and other entities.

Any reference in this Offer Information Statement to any statute or enactment is a reference to that statute or enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules or any statutory or regulatory modification thereof, which is not otherwise defined and is used in this Offer Information Statement, shall, where applicable, have the meaning assigned to it

under the Companies Act, the SFA, the Catalist Rules or such statutory or regulatory modification thereof, as the case may be, unless otherwise provided.

Any reference to any agreement or document shall include such agreement or document as amended, modified, varied, novated, supplemented or replaced from time to time. Any reference to a time of day and dates in this Offer Information Statement shall be a reference to Singapore time and dates unless otherwise stated. Any reference to a date and/or time in this Offer Information Statement shall include such other date(s) and/or time(s) as may be announced from time to time by or on behalf of the Company.

Unless otherwise stated, all amounts converted from IDR to S\$ in this Circular shall be based on an indicative exchange rate of S\$1.00 : IDR12,058.4 (the "**Exchange Rate**"), being the mid-day exchange rate as at the Latest Practicable Date as published on the website of the Monetary Authority of Singapore.

All discrepancies in the figures included herein between the listed amounts and totals thereof are due to rounding. Accordingly, figures shown as totals in this Offer Information Statement may not be an arithmetic aggregation of the figures that precede them.

Any reference to "**we**", "**us**" and "**our**" in this Offer Information Statement is a reference to the Company, the Group or any member of the Group as the context requires. The headings in this Offer Information Statement are inserted for convenience only and shall be ignored in construing this Offer Information Statement.

Any reference to announcements of or by the Company in this Offer Information Statement includes announcements by the Company disclosed on SGXNET at <https://www.sgx.com>.

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CAUTIONARY NOTE ON FORWARD LOOKING STATEMENTS

All statements contained in this Offer Information Statement, statements made in public announcements, press releases and oral statements that may be made by the Company or its officers, Directors or employees acting on its behalf, that are not statements of historical fact, constitute "forward-looking statements". Some of these statements can be identified by words that have a bias towards the future or are forward-looking, such as, without limitation, "anticipate", "believe", "could", "estimate", "expect", "forecast", "if", "intend", "may", "plan", "possible", "probable", "project", "should", "will" and "would" or other similar words. However, these words are not the exclusive or exhaustive means of identifying forward-looking statements. All statements regarding the Group's expected financial position and performance, operating results, business strategies, future plans and prospects are forward-looking statements.

These forward-looking statements and other matters discussed in this Offer Information Statement, including but not limited to, statements as to:

- revenue and profitability;
- any expected growth;
- expected industry prospects and trends;
- future expansion plans;
- other matters that are not historical facts; and
- any other matters discussed in this Offer Information Statement,

are only predictions. These forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause the Group's actual results, performance or achievements to be materially different from any future results, performance or achievements expected, expressed or implied by such forward-looking statements. These risks, uncertainties and other factors are discussed in more detail in the section entitled "Risk Factors" under **Appendix A** of this Offer Information Statement.

Given the risks, uncertainties and other factors that may cause the Group's actual future results, performance or achievements to be materially different from that expected, expressed or implied by the forward-looking statements in this Offer Information Statement, undue reliance must not be placed on these statements. The Group's actual results, performance or achievements may differ materially from those anticipated in these forward-looking statements. Neither the Company, the Group, the Sponsor, the Placement Agent, nor any other person represents or warrants that the Group's actual future results, performance or achievements will be as expected, expressed or implied in those statements. Further, the Company and its Directors, officers, executives and employees, the Sponsor and the Placement Agent disclaim any responsibility to update any of those forward-looking statements or publicly announce any revisions to those forward-looking statements to reflect future developments, events or circumstances for any reason, even if new information becomes available or other events occur in the future. However, where such developments, events or circumstances occur and are material, or are required to be disclosed by law, the SGX-ST and/or the Sponsor, the Company will make an announcement via SGXNET on the SGX-ST's website, and, if required, lodge a supplementary or replacement document with the SGX-ST (acting as agent on behalf of the Authority).

The Company is also subject to the provisions of the Catalist Rules regarding corporate disclosure.

**SIXTEENTH SCHEDULE OF THE SECURITIES AND
FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
SECURITIES-BASED DERIVATIVES CONTRACTS) REGULATIONS 2018**

PART 2 – IDENTITY OF DIRECTORS, ADVISERS AND AGENTS

DIRECTORS

1. Provide the names and addresses of each of the directors or equivalent persons of the relevant entity.

The names and addresses of each of the Directors are as follows:

Name	Address	Designation
Ms Alice Yan	27 Marine Crescent #03-05 Marine Crescent Ville Singapore 440027	Independent Non-Executive Chairperson
Mr Francis Lee	c/o 144 Robinson Road #11-02 Robinson Square Singapore 068908	Executive Director and Chief Executive Officer
Mr Salim Limanto	c/o 144 Robinson Road #11-02 Robinson Square Singapore 068908	Executive Director and Chief Operating Officer
Mr Hew Koon Chan	15C Limau Garden Singapore 467938	Independent Non-Executive Director
Mr Cheong Hock Wee	90 Yunnan Crescent Singapore 638306	Independent Non-Executive Director

ADVISER

2. Provide the names and addresses of:

- (a) the issue manager to the offer, if any;
- (b) the underwriter to the offer, if any; and
- (c) the legal adviser for or in relation to the offer, if any.

Issue Manager to the offer, if any	:	Not applicable. There is no issue manager.
Underwriter to the offer, if any	:	Not applicable. There is no underwriter as the Proposed Placement is not underwritten.
Placement Agent	:	ZICO Capital Pte. Ltd. 77 Robinson Road #06-03 Robinson 77 Singapore 068896
Legal Adviser to the Company for or in relation to the Proposed Placement	:	Withers KhattarWong LLP 18 Cross Street #14-01 Cross Street Exchange Singapore 048423

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FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
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REGISTRARS AND AGENTS

3. Provide the names and addresses of the relevant entity's registrars, transfer agents and receiving bankers for the securities or securities-based derivatives contracts being offered, where applicable.

Share Registrar and Transfer Agent : **B.A.C.S Private Limited**
77 Robinson Road
#06-03 Robinson 77
Singapore 068896

Receiving Banker : **CIMB Bank Berhad**
30 Raffles Place
#04-01
Singapore 048622

**SIXTEENTH SCHEDULE OF THE SECURITIES AND
FUTURES (OFFERS OF INVESTMENTS) (SECURITIES AND
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PART 3 – OFFER STATISTICS AND TIMETABLE

OFFER STATISTICS

- 1. For each method of offer, state the number of securities or securities-based derivatives contracts being offered.**

Number of Placement Shares	:	Placement of up to 50,000,000 Placement Shares
Placement Price	:	S\$0.20 for each Placement Share
Status of Placement Shares	:	The Placement Shares will, upon allotment and issuance, rank <i>pari passu</i> in all respects with the existing Shares, for any dividends, rights, entitlements, allotments or other distributions, save that it shall not rank for any dividends, rights, entitlements, allotments or distributions (if any), the record date of which falls prior to the date of issue of the Placement Shares.

Upon the listing of, and quotation for, the Placement Shares on Catalist, the Placement Shares will be traded on Catalist under the book-entry scripless settlement systems. For the purposes of trading on Catalist, each board lot of Shares will comprise 100 Shares.

METHOD AND TIMETABLE

- 2. Provide the information mentioned in paragraphs 3 to 7 of this Part to the extent applicable to:**
- (a) the offer procedure; and**
 - (b) where there is more than one group of targeted potential investors and the offer procedure is different for each group, the offer procedure for each group of targeted potential investors.**

Please refer to Paragraphs 3 to 7 of this Part 3 below.

- 3. State the time at, date on, and period during which the offer will be kept open, and the name and address of the person to whom the purchase or subscription applications are to be submitted. If the exact time, date or period is not known on the date of lodgement of the offer information statement, describe the arrangements for announcing the definitive time, date or period. State the circumstances under which the offer period may be extended or shortened, and the duration by which the period may be extended or shortened. Describe the manner in which any extension or early closure of the offer period must be made public.**

Pursuant to the Placement Agreement, the Placement Agent has been appointed to procure placees to subscribe for the Placement Shares at the Placement Price for each Placement Share, on a best efforts basis in accordance with the terms and conditions of the Placement Agreement. Under the terms of the Placement Agreement, the Placement Agent may, at its own expense, make sub-placement arrangements in respect of its placement obligations under the Placement Agreement upon such terms and conditions as the Placement Agent deems fit. Each of the Company and the Placement Agent shall be referred to as a "**Party**" and together, the "**Parties**".

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The Proposed Placement will commence from the time and date that this Offer Information Statement is lodged with the SGX-ST, acting as agent on behalf of the Authority, and will remain open until the Placement Completion Date.

Completion of the Proposed Placement is conditional upon the following (the "**Placement Conditions**"):

- (a) all representations and warranties and other statements of the Company in the Placement Agreement being, at and as of the Placement Completion Date with references to the then existing circumstances, true and correct in all respects and the Company having performed all of its undertakings or obligations under the Placement Agreement to be performed on or before the Placement Completion Date;
- (b) the transactions contemplated by the Placement Agreement not being prohibited by law or regulation or interpretation thereof (including without limitation, any statute, order, rule, regulation, request, judgement or directive promulgated or issued by any legislative, executive, judicial or regulatory body or authority (including without limitation, the Authority and the SGX-ST)) in Singapore or any other jurisdiction which is applicable to the Company or the Placement Agent;
- (c) the approval in-principle for the listing of and quotation for the Placement Shares on the Catalist being obtained from the SGX-ST and remaining in full force and effect and not having been revoked or amended and, where such approval is subject to conditions, such conditions being acceptable to the Placement Agent, and, to the extent that any conditions for the listing of and quotation for the Placement Shares on the Catalist are required to be fulfilled on or before the Placement Completion Date, they are so fulfilled;
- (d) the general share issue mandate approved by the Shareholders at the AGM remaining in full force and effect and not having been revoked prior to the Placement Completion Date;
- (e) subsequent to the execution and delivery of the Placement Agreement, there shall not have occurred:
 - (i) any material adverse change, or any development reasonably likely to involve a prospective material adverse change, in the financial condition, prospects, earnings, business, undertakings, assets or properties of the Group, whether or not arising from transactions in the ordinary course of business subsequent to the date of the Placement Agreement which is or, in the opinion of the Placement Agent, is likely to be materially adverse in the context of the Proposed Placement or makes or is reasonably likely to make it impracticable or inadvisable or inexpedient to proceed therewith or, in the opinion of the Placement Agent, is likely to prejudice materially the success of the Proposed Placement or dealings in the Placement Shares in the secondary market;
 - (ii) any change in Singapore or international financial, political or economic conditions or currency exchange rates or exchange controls as would, in the reasonable judgment of the Placement Agent, be likely to prejudice materially the success of the proposed issue, sale or distribution of the Placement Shares, whether in the primary market or in respect of dealings in the secondary market;
 - (iii) any material suspension or material limitation of trading in securities generally on the SGX-ST, or any setting of minimum prices for trading on such exchange;
 - (iv) any suspension of trading of any securities of the Company on any exchange or in the over-the-counter market;

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- (v) any banking moratorium declared by the Singapore authorities;
 - (vi) any major disruption of settlements of securities or clearance services in Singapore;
 - (vii) the occurrence or escalation of riot, uprising against constituted authority, civil commotion, disorder, rebellion, organised armed resistance to the government, insurrection, revolt, military or usurped power, civil war, industrial action Singapore;
 - (viii) flood, fire, storm, lightning tempest, accident, natural disaster or other acts of God;
 - (ix) the occurrence or escalation of epidemic, explosion, disease, earthquake, hijacking, sabotage or crime which would or is likely to have an adverse effect on the financial markets in Singapore;
 - (x) any government acquisition or other occurrence of any nature whatsoever which would or is likely to have an adverse effect on the financial and operational condition or prospects of the Company in Singapore;
 - (xi) the occurrence, declaration or escalation of war, acts of warfare, hostilities, invasion, incursion by armed force, act of hostile army, nation or enemy (including any act of terrorism) or any other national or international calamity or emergency if, in the reasonable judgment of the Placement Agent, the effect of any such occurrence, declaration, escalation, attack acts, calamity or emergency in Singapore which makes it impractical or inadvisable to proceed with completion of the offering or sale of and payment for the Placement Shares; or
 - (xii) the Placement Agent becoming aware of information which in the opinion of the Placement Agent would have resulted in the Placement Agent acting as placement agent in contravention of any directives, guidelines, requirements, statutes or regulations;
- (f) the Placement Agent having received a certificate on the Placement Completion Date signed by a Director, in the form as set out in the Placement Agreement ("**Completion Certificate**");
- (g) the compliance with all applicable laws and regulations concerning (i) the Proposed Placement (ii) the listing of the Placement Shares on the Catalist, (iii) the transactions contemplated in the Placement Agreement, and no new laws, regulations and directives having been promulgated, published and/or issued and/or having taken effect or any other similar matter having occurred which, in the opinion of the Placement Agent, has or may have an adverse effect on the Proposed Placement and the listing of the Placement Shares on the Catalist;
- (h) the Company providing the Placement Agent with a certified true copy of the resolution approving its entry into the Placement Agreement.

The Company undertakes to use all reasonable endeavours to procure (so far as it is able to procure) the fulfilment of the conditions set out above and to notify the Placement Agent as soon as possible after becoming aware of the non-fulfilment of any of the conditions stated above, any breach of the Company's obligations under the Placement Agreement or any matter which would allow the Placement Agent to terminate the Placement Agreement.

The Placement Agent may, at its discretion and upon such terms as it thinks fit, waive compliance with any of the conditions set out above (other than the conditions in clauses (b), (c) and (d)) provided always that any such waiver as aforesaid shall be without prejudice to its right to elect to treat any further or other breach, failure or event as releasing and discharging it from its obligations under the Placement Agreement. For the avoidance of doubt, the right of the Placement Agent to

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terminate the Placement Agreement may be waived only by means of an instrument in writing containing an express waiver signed by the Placement Agent.

If any of the conditions precedent is not fulfilled or waived by the Placement Agent when and as required to be fulfilled or waived by the Placement Agent in accordance with the terms of the Placement Agreement, the Placement Agreement may be terminated by the Placement Agent by notice to the Company at any time at or prior to the time of completion of the Proposed Placement, and such termination shall be without liability of any party to any other party except as provided in the Placement Agreement.

As at the Latest Practicable Date, the Company does not expect the offer period to be modified. However, the Company may, in consultation with the Sponsor, Placement Agent and/or SGX-ST modify the offer period subject to any limitations under any applicable laws, rules or regulations. In that event, the Company will publicly announce the same through a SGXNET announcement to be posted on the SGX-ST's website <http://www.sgx.com>. The number of Placement Shares subscribed for pursuant to the Proposed Placement will also be announced by the Company on the SGXNET.

4. State the method and time limit for paying up for the securities or securities-based derivatives contracts and, where payment is to be partial, the manner in which, and dates on which, amounts due are to be paid.

The placees will be obliged to pay the full Placement Price of the Placement Shares upon subscription for the Placement Shares. Payment for the Placement Shares under the Proposed Placement shall be made by way of remittance to a bank account designated by the Placement Agent or such other means as agreed with the Placement Agent. Accordingly, the Placement Shares will be fully paid-up and partial payment is not relevant in the context of the Proposed Placement.

The Placement Agent or such other persons as the Placement Agent may direct, against delivery of written confirmations by the Company as required under the Placement Agreement, shall on the Placement Completion Date, make payment to the Company of the net placement monies in respect of the number of Placement Shares for which the Placement Agent has procured placees for in Singapore Dollars, being the aggregate Placement Price of the relevant number of Placement Shares placed out, less the commission payable to the Placement Agent.

5. State, where applicable, the methods of and time limits for –

- (a) the delivery of the documents evidencing titles to the securities or securities-based derivatives contracts being offered (including temporary documents of title, if applicable) to subscribers or purchasers; and**
- (b) the book-entry transfers of the securities or securities-based derivatives contracts being offered in favour of subscribers or purchasers.**

Under the terms of the Placement Agreement, on the Placement Completion Date, the Placement Agent shall make payment to, or procure that payment is made to, the Company of the net proceeds in respect of the Placement Shares for which the Placement Agent has agreed to use their best efforts to procure subscribers for ("**Placed Shares**"). The Company shall deliver, or procure to be delivered, to the CDP, the appropriate number of duly issued share certificates in respect of the relevant number of the Placed Shares in the name of the CDP.

6. In the case of any pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered, state the procedure for the exercise of

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any right of pre-emption, the negotiability of such rights and the treatment of such rights which are not exercised.

Not applicable as there are no pre-emptive rights to subscribe for the Placement Shares.

- 7. Provide a full description of the manner in which results of the allotment or allocation of the securities or securities-based derivatives contracts are to be made public and, where appropriate, the manner for refunding excess amounts paid by applicants (including whether interest will be paid).**

Pursuant to the Placement Agreement, the Placement Agent will procure placees for the Placement Shares on a best efforts basis.

The Company will announce the completion of the Proposed Placement (including the number of Placement Shares successfully placed to placees) by way of an SGXNET announcement to be posted on the SGX-ST's website at <http://www.sgx.com>.

No excess amounts are expected to be received in respect of the Placement Shares.

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PART 4 – KEY INFORMATION

USE OF PROCEEDS FROM OFFER AND EXPENSES INCURRED

1. **In the same section, provide the information set out in paragraphs 2 to 7 of this Part.**

Please refer to Paragraphs 2 to 7 of this Part 4.

2. **Disclose the estimated amount of proceeds from the offer (net of the estimated amount of expenses incurred in connection with the offer) (referred to in this paragraph and paragraph 3 of this Part as the net proceeds). Where only a part of the net proceeds will go to the relevant entity, indicate the amount of the net proceeds that will be raised by the relevant entity. If none of the proceeds will go to the relevant entity, provide a statement of that fact.**

Assuming that the Placement Shares are fully placed out at the Placement Price, the Company expects to receive net proceeds of approximately S\$9.8 million ("**Net Proceeds**"), after deducting estimated commission, and costs and expenses for the Proposed Placement of approximately S\$180,000. The entire Net Proceeds raised from the allotment and issuance of Placement Shares will be received by the Company.

3. **Disclose how the net proceeds raised by the relevant entity from the offer will be allocated to each principal intended use. If the anticipated proceeds will not be sufficient to fund all of the intended uses, disclose the order of priority of such uses, as well as the amount and sources of other funds needed. Disclose also how the proceeds will be used pending their eventual utilisation for the proposed uses. Where specific uses are not known for any portion of the proceeds, disclose the general uses from which the proceeds are proposed to be applied. Where the offer is not fully underwritten on a firm commitment basis, state the minimum amount which, in the reasonable opinion of the directors or equivalent persons of the relevant entity, must be raised by the offer of securities or securities-based derivatives contracts.**

Assuming that the Placement Shares are fully placed out at the Placement Price, the Company intends to allocate the full Net Proceeds from the issue of the Placement Shares for the BBD Acquisition. Pending the deployment of the Net Proceeds for the purposes mentioned above, the Net Proceeds may be deposited with banks and/or financial institutions, invested in short-term money market instruments and/or marketable securities, and/or used for any other purposes on a short-term basis as the Directors may, in their absolute discretion, deem fit from time to time, in the interest of the Company.

The Company undertakes that it will comply with Rules 704(30) and 1204(22) of the Catalist Rules. Accordingly, the Company will make periodic announcements on the utilisation of the Net Proceeds as and when they are materially disbursed, and whether such use of the Net Proceeds is in accordance with the stated use and the percentage allocated. Where there is any material deviation from the stated use, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Net Proceeds in the Company's interim and full year financial results announcement(s) and the Company's annual report(s), until such time the Net Proceeds have been fully utilised. Further, where the Net Proceeds are used for working capital purposes, the Company will disclose a breakdown with specific details on the use of the Net Proceeds for working capital in the Company's announcement(s) and annual report(s).

The Proposed Placement will not be underwritten. The Directors are of the reasonable opinion that there is no minimum amount which must be raised from the Proposed Placement.

The Directors confirm that the proceeds from the issuance of the Placement Shares will be utilised in accordance with the purposes stated above.

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4. **For each dollar of the proceeds from the offer that will be raised by the relevant entity, state the estimated amount that will be allocated to each principal intended use and the estimated amount that will be used to pay for expenses incurred in connection with the offer.**

Based on the intended use of the proceeds as set out in paragraph 3 above, assuming that 50,000,000 Placement Shares are issued at S\$0.20 each, the estimated allocation per dollar raised from the issuance of the Placement Shares for each principal intended use is as follows:

Purpose	S\$'000	Estimated amount for each dollar of the gross proceeds from the issue of the Placement Shares (S\$)
BBD Acquisition	9,820	0.982
Costs and expenses relating to the Proposed Placement	180	0.018
Total Gross Proceeds	10,000	1.00

Depending on the level of subscription for the Placement Shares, the Company will make the necessary announcements on the allocations when the final Net Proceeds have been determined upon the completion of the Proposed Placement.

5. **If any material part of the proceeds to be raised by the relevant entity will be used, directly or indirectly, to acquire or refinance the acquisition of any asset, business or entity, briefly describe the asset, business or entity and state its purchase price. Provide information on the status of the acquisition and the estimated completion date. Where funds have already been expended for the acquisition, state the amount that has been paid by the relevant entity, or, if the relevant entity is the holding company or holding entity of a group, the amount that has been paid by the relevant entity or any other entity in the group as at the latest practicable date. If the asset, business or entity has been or will be acquired from an interested person of the relevant entity, identify the interested person and state how the cost to the relevant entity is or will be determined and whether the acquisition is on an arm's length basis.**

As set out in Paragraphs 3 and 4 of this Part 4, the Company intends to use the Net Proceeds to fund the BBD Acquisition. Please refer to Paragraph 2 of the BBD Acquisition Announcement as set out in **Appendix B** to this Offer Information Statement, and Section 2 of the BBD Acquisition Circular as set out in **Appendix C** to this Offer Information Statement, for further information and details of the Target Group and the purchase price.

As announced by the Company via SGXNET on 17 January 2024, the BBD Acquisition was completed on 17 January 2024 following the fulfilment of all the conditions precedent for the BBD Acquisition, which includes the approval from Shareholders being obtained for the BBD Acquisition. For the avoidance of doubt, the completion of the BBD Acquisition is not conditional upon the full payment of the Consideration by the Company.

As at the Latest Practicable Date, no funds have been expended by the Company for the BBD Acquisition. Assuming that the Placement Shares are fully placed out at the Placement Price, the Company intends to allocate the full Net Proceeds from the issue of the Placement Shares for the BBD Acquisition.

The Seller is a Controlling Shareholder of the Company by virtue of its direct interest in 375,000,000 Shares, comprising 83.33% of the issued and paid-up capital of the Company as at the Latest

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Practicable Date. The shareholders of the Seller are the Controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and their associates. Accordingly, the Seller is an interested person under Chapter 9 of the Catalist Rules and the BBD Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules. Please refer to Paragraphs 2.3(b) and 6.3 of the BBD Acquisition Announcement, and Sections 2.2(b) and 5.3 of the BBD Acquisition Circular for further information and details of the BBD Acquisition as an interested person transaction, how the purchase price was determined and whether the acquisition was on an arm's length basis.

- 6. If any material part of the proceeds to be raised by the relevant entity will be used to discharge, reduce or retire the indebtedness of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, of the group, describe the maturity of such indebtedness and, for indebtedness incurred within the past year, the uses to which the proceeds giving rise to such indebtedness were put.**

As set out in Paragraphs 3 and 4 of Part 4 of this Offer Information Statement, and Paragraph 8 of Part 5 of this Offer Information Statement, the Net Proceeds will be utilised to fund the BBD Acquisition, which comprises the Consideration and the Shareholder's Loan.

The Consideration and the repayment of the Shareholder's Loan shall be satisfied in full in cash within one (1) month after the completion of the Proposed Placement. If completion of the BBD Acquisition has taken place but the Proposed Placement has not been completed by 16 November 2024, (i) the Consideration shall become a non-interest-bearing and unsecured loan due from the Company to the Seller and with no fixed terms of repayment; and (ii) the Shareholder's Loan shall continue to remain outstanding on and after 16 November 2024. For the avoidance of doubt, in such event, the Shareholder's Loan shall continue to be unsecured, non-interest-bearing and with no fixed terms of repayment.

Save as disclosed above, as at the Latest Practicable Date, no portion of the Net Proceeds has been earmarked for the purposes of discharging, reducing or retiring the indebtedness of all present loans and facilities of the Group.

- 7. In the section containing the information mentioned in paragraphs 2 to 6 of this Part or in an adjoining section, disclose the amount of discount or commission agreed upon between the underwriters, or other placement or selling agents in relation to the offer, and the person making the offer. If it is not possible to state the amount of discount or commission, the method by which it is to be determined must be explained.**

The Company shall pay the Placement Agent (i) a placement commission in the range of 0.5% to 3.0% of the aggregate Placement Price for the total number of Placement Shares, the subscription of which was successfully procured by the Placement Agent, or (ii) a minimum commission of S\$100,000, whichever is higher. The placement commission payable to the Placement Agent shall be payable on the Placement Completion Date contemporaneously with the Placement Agent's payment obligations pursuant to the Placement Agreement. The Placement Agent shall be entitled to set off and deduct the commission and fees (plus any goods and services tax and value added tax) payable by the Company to the Placement Agent from the gross proceeds of the Proposed Placement payable to the Company.

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INFORMATION ON THE RELEVANT ENTITY

8. Provide the following information:

- (a) the address and telephone and facsimile numbers of the relevant entity's registered office and principal place of business (if different from those of its registered office), and the email address of the relevant entity or a representative of the relevant entity;**

Registered office and principal place of business

Registered Office : 144 Robinson Road
#11-02 Robinson Square
Singapore 068908

Principal Place of Business : 144 Robinson Road
#11-02 Robinson Square
Singapore 068908

Grand ITC Permata Hijau
Lantai 8 Suite B-7/8
Kec. Grogol Utara
Jakarta 12210 Indonesia

Telephone Number : +65 6289 6588
(Singapore)

Email address of the Company or the : info@rgd.sg
representative of the Company

- (b) the nature of the operations and principal activities of the relevant entity or, if it is the holding company or holding entity of a group, of the group;**

The Company was incorporated in the Republic of Singapore on 12 December 2018 under the Companies Act and was listed on the Catalist on 31 January 2020.

Prior to the extraordinary general meeting of the Company held on 15 January 2024, the Group was principally engaged in the business of trading and shipping in Indonesia ("**Existing Business**"). The Group's main trading products is currently thermal coal procured from coal mines located in South Kalimantan for domestic and export sales. The Group's Shipping Services comprise chartering services and trans-shipment services mainly within the Indonesian territories for commodity traders. Further information on the Existing Business can be found in the Company's offer document dated 14 January 2020 and the Company's annual report for FY2023.

Following the extraordinary general meeting of the Company held on 15 January 2024, Shareholders' approval was obtained for the proposed diversification of the Existing Business to include the business of coal mining, with a particular focus on coal with total average gross as received ("**GAR**") of approximately 4,200 kcal/kg ("**New Business**") ("**Diversification**"). As such, the Group's core business now includes the Existing Business and the New Business. Further information on the Diversification and New Business can be found in the Company's circular to Shareholders dated 29 December 2023.

As at the Latest Practicable Date, the subsidiaries and associated companies of the Company and their principal activities are as follows:

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Name of Subsidiary or Associated Company	Principal activities	Country of incorporation	Effective equity held by the Group (%)
<u>Held by the Company</u>			
PT DNS	Trading	Indonesia	99 ⁽¹⁾
PT DPAL	Shipping Services	Indonesia	49 ⁽²⁾
RG International Commodities Pte. Ltd.	Investment holding and trading	Singapore	100
Batubara Development Pte. Ltd.	Investment holding	Singapore	100
<u>Held by Batubara Development Pte. Ltd.</u>			
PT SINI	Holding company	Indonesia	31.22
<u>Held by PT SINI</u>			
PT DDS	Business management consulting and holding company	Indonesia	23.42
<u>Held by PT DDS</u>			
PT CBP	Coal Mining	Indonesia	18.74
PT PBC	Coal Mining	Indonesia	18.74
PT PBP	Coal Mining	Indonesia	18.74
PT PKP	Coal Mining	Indonesia	18.74

Notes:

- (1) The non-controlling interest of the subsidiary is PT DIR, an entity controlled by the controlling shareholders of the Company.
- (2) The non-controlling interests of the subsidiary are PT DIR, holding 48% equity interests (voting) and PT Karya Niaga Gemilang, holding 3% equity interest (non-voting). Effectively, the Company holds 50.5% of the voting rights in PT DPAL, and therefore PT DPAL is deemed to be controlled by the Company.

(c) the general development of the business from beginning of the period comprising the three (3) most recent completed financial years to the latest practicable date, indicating any material change in the affairs of the relevant entity or the group, as case may be, since –

- (i) the end of the most recent completed financial year for which financial statements of the relevant entity have been published, or**
- (ii) the end of any subsequent period covered by interim financial statements, if interim financial statements have been published;**

The general developments of the business of the Group comprising the three (3) most recently completed financial years and up to the Latest Practicable Date are set out in chronological order

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below and include matters extracted from related announcements released by the Company via the SGXNET. Shareholders are advised to refer to the public announcements released by the Company via SGXNET for further details:

General Developments in FY2021 (i.e. 1 January 2021 to 31 December 2021)

On 12 January 2021, the Company provided an update on the utilisation of the gross proceeds from the initial public offering and listing of the Shares on the Official List of the Catalist in accordance with the amended allocation as announced on 27 March 2020. The gross proceeds were utilised for general working capital (comprising staff costs and Directors' fees, professional fees and operating expenses).

On 20 January 2021, the Company announced that one of the Group's tugboats ("**Pacific Five tugboat**") was grounded by the relevant Indonesia authority due to seven (7) crew members from the Pacific Five tugboat testing positive for Covid-19 infection and being placed under quarantine in accordance with the local Indonesia requirements.

On 29 January 2021, the temporary grounding of the Pacific Five tugboat was lifted in accordance with the local Indonesia regulations and resumed shipping operations.

On 12 July 2021, the Company entered into an option to purchase an office unit at 144 Robinson Road, #11-02 Robinson Square, Singapore 068908 (the "**Property**"). The purchase was completed on 6 October 2021. The Property is a freehold office unit, covering an area of approximately 1,184 square feet, and is presently the Company's registered office and principal place of business in Singapore.

On 18 November 2021, the Company provided updates on its Trading Business and Shipping Services, including but not limited to the commencement of operations of the Group's new tugboat and barge ("**TBBG**") on 1 November 2021 and the other set of TBBG expected to be operational at the end of November 2021, bringing the Group's total number of TBBG to ten (10) sets as at the end of November 2021.

General Developments in FY2022 (i.e. 1 January 2022 to 31 December 2022)

On 24 February 2022, PT DPAL, a subsidiary of the Company, entered into four (4) sales and purchase agreements and addendums with PT Palma Progress Shipyard to purchase two (2) sets of newly built TBBG for a cash consideration of US\$6.20 million. In connection with the purchase of the two (2) sets of newly built TBBG, PT DPAL had on 24 February 2022 entered into a loan agreement ("**Loan Agreement**") with PT DNS, an interested person defined under Chapter 9 of the Catalist Rules, to finance the down-payment for the purchase. Pursuant to the Loan Agreement, PT DNS agreed to grant to PT DPAL a loan amount of IDR30 billion on an unsecured, interest-free basis and with a loan tenure of six (6) months.

On 5 May 2022, the Company announced that it had, on 5 May 2022, submitted an application to ACRA to strike off a dormant subsidiary, RG Nutrients Pte. Ltd. ("**RGN**"), from the Register of Companies pursuant to Section 344A of the Companies Act. RGN was incorporated in Singapore on 22 June 2020 and was a dormant company. The shareholders of RGN at the time of the announcement were the Company, Mr Francis Lee (the Executive Director and Chief Executive Officer of the Company) and Ms Ma Thandar Yin (a Myanmar national who is not related to the Company, any of the Directors and Controlling Shareholders, and their respective associates) holding 60%, 25% and 15% respectively.

On 24 May 2022, the Group announced that PT DNS will reduce its sale of coal to some of its major customers ("**Major Customers**") in Indonesia ("**Reduction of Sale**") as an end-user of the Major Customers ("**End-User**") intends to purchase coal directly from coal mines due to certain tax planning structure that the End-User is pursuing. In view of the Reduction of Sale, PT DNS

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commenced negotiations with the designated coal mine to adopt a brokerage model for coal directly purchased from the mine. Further, PT DNS is exploring the sale of coal to other customers.

On 18 August 2022, the Group announced that the Company had agreed to enter into a joint venture with Cape of Good Hope International Trade Co., Ltd to jointly tender for a contract on supply of coal and transportation to a power plant in Cambodia ("**Tender**"). In connection with the joint venture, the Company incorporated a new wholly-owned subsidiary, RG International Commodities Pte. Ltd. ("**RGIC**"), and a new joint venture company, RG Camgen Pte. Ltd. ("**RG Camgen**"). Upon incorporation of RG Camgen, the shareholders were RGIC and Cape of Good Hope International Trade Co., Ltd, each holding 50%.

General Developments in FY2023 (i.e. 1 January 2023 to 31 December 2023)

On 28 July 2023, the Company announced that as the Tender was not successful and RG Camgen remained as a dormant company since its incorporation, the Company intended to dissolve RG Camgen by way of a members' voluntary liquidation.

On 19 October 2023, the Company announced that as advised by the joint and several liquidators of RG Camgen, the final meeting to conclude the liquidation was held on 6 October 2023 and that pursuant to Section 180(6) of the Insolvency, Restructuring and Dissolution Act 2018, RG Camgen shall be dissolved three (3) months (on or around 11 January 2024) after the lodgement of the Return by Liquidator Relating to Final Meeting with ACRA and the Official Receiver which was filed on 12 October 2023.

On 17 November 2023, the Company entered into the share sale and purchase agreement in respect of the BBD Acquisition. The Group had also announced that, in connection with the BBD Acquisition, to acquire an effective interest of 18.74% in each of the four coal mining companies with a total estimated proved and probable reserves of 162 million tonnes, and subject to Shareholders' approval, the Group intended to undertake the Diversification and the Proposed Placement.

General Developments from 1 January 2024 up to the Latest Practicable Date

On 15 January 2024, the Company convened an extraordinary general meeting and Shareholders' approval for the BBD Acquisition and the Diversification was obtained at the extraordinary general meeting.

On 17 January 2024, the BBD Acquisition was completed and the Target Company became a wholly-owned subsidiary of the Group. As at the Latest Practicable Date, no funds have been expended by the Company for the BBD Acquisition. Assuming that the Placement Shares are fully placed out at the Placement Price, the Company intends to allocate the full Net Proceeds from the issue of the Placement Shares for the BBD Acquisition.

On 4 April 2024, the Company announced that PT DNS, a 99% subsidiary of the Company, had entered into a share subscription agreement with PT Deli Pratama Nusantara, PT Sinar Deli and PT Deli Pratama Batubara ("**PT DPB**"), to acquire an effective interest of 30.1% in PT Tri Oetama Persada ("**PT TRIOP**"), subject to Shareholders' approval at an extraordinary general meeting to be convened. The consideration of IDR174 billion (equivalent to S\$14.4 million) for the proposed subscription will involve a subscription of a 58% stake in PT DPB, which in turns owns 75% of PT Perdana Karya Perkasa Tbk, a company listed on the Indonesia Stock Exchange, which indirectly owns approximately 70% interest in PT TRIOP. PT TRIOP has a mining business permit with production operation period until 19 July 2031 over a coal mine located in Central Kalimantan, Indonesia, with total estimated proved and probable reserves of 64 million tonnes.

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On 4 April 2024, the Company announced a share split of every one (1) existing ordinary Share in the capital of the Company held by Shareholders into five (5) Shares ("**Share Split**"), on a record date to be determined by the Board.

On 29 April 2024, the Company announced its receipt of listing and quotation notice for the additional Shares to be issued pursuant to the Share Split.

On 20 May 2024, the Company announced the completion of the Share Split. Following the completion of the Share Split, the Company has an issued and paid-up share capital of S\$6,000,000 comprising 450,000,000 Shares.

On 18 June 2024, the Company entered into a Placement Agreement with ZICO Capital Pte. Ltd. in relation to the placement to allot and issue an aggregate of up to 50,000,000 new Shares at an issue price of S\$0.20 per Placement Share.

Save as disclosed in this Offer Information Statement and as publicly announced by the Company via SGXNET, there have been no material changes in the affairs of the Group for the period comprising the three (3) most recently completed financial years and up to the Latest Practicable Date.

(d) the equity capital and the loan capital of the relevant entity as at the latest practicable date, showing –

(i) in the case of the equity capital, the issued capital, or

(ii) in the case of the loan capital, the total amount of the debentures issued and outstanding, together with the rate of the interest payable thereon;

As at the Latest Practicable Date, the equity capital of the Company is as follows:

Issued and paid-up share capital (as per the business profile of the Company filed with ACRA) : S\$6,000,000

Number of ordinary shares in issue (excluding treasury shares and as per the business profile of the Company filed with ACRA) : 450,000,000

Loan capital : Nil

Number of treasury shares and subsidiary holdings : Nil

(e) Where –

(i) the relevant entity is a corporation, the number of shares of the relevant entity owned by each substantial shareholder as at the latest practicable date, or

(ii) the relevant entity is not corporation, the amount of equity interests in the relevant entity owned by each substantial interest-holder as at the latest practicable date;

As at the Latest Practicable Date, based on the information recorded in the Register of Substantial Shareholder(s) maintained by the Company, the Substantial Shareholders and the number of Shares in which they have an interest are as follows:

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Name of Shareholders	Direct Interest		Deemed Interest	
	No. of Shares	Shareholding (%) ⁽¹⁾	No. of Shares	Shareholding (%) ⁽¹⁾
Deli International Resources Pte. Ltd. ⁽²⁾	375,000,000	83.33		
Juhadi ⁽²⁾⁽³⁾	-	-	375,000,000	83.33
Arifin Tan ⁽²⁾	-	-	375,000,000	83.33
Djunaidi Hardi ⁽²⁾⁽³⁾	-	-	375,000,000	83.33

Notes:

- (1) The percentage is computed based on the total number of 450,000,000 Shares (excluding treasury shares) in issue as at the Latest Practicable Date. The Company does not have any treasury shares.
- (2) Deli International Resources Pte. Ltd. ("**DIR**") is the controlling shareholder of the Company. DIR is a private limited company incorporated in Singapore on 5 September 2006. The shareholders of DIR are Mr Arifin Tan (25.0%), Mr Djunaidi Hardi (25.0%), Mr Juhadi (20.0%), Mr Limas Ananto (15.0%) and Mr Arifin Ang (15.0%). Mr Juhadi, Mr Arifin Tan and Mr Djunaidi Hardi are deemed to be interested in the Shares owned by DIR by virtue of Section 4 of the SFA.
- (3) Mr Juhadi, Mr Djunaidi Hardi, Mr Limas Ananto and Mr Arifin Ang are siblings.

- (f) any legal or arbitration proceedings, including those which are pending or known to be contemplated, which may have, or which have had in the 12 months immediately preceding the date of lodgement of this offer information statement, a material effect on the financial position or profitability of the relevant entity or, where the relevant entity is a holding company or holding entity of a group, of the group;**

As at the date of lodgement of this Offer Information Statement, the Directors are not aware of any legal or arbitration proceedings which may have or which have had a material effect on the Group's financial position or profitability in the last twelve (12) months before the date of lodgement of this Offer Information Statement.

- (g) where any securities, securities-based derivatives contracts or equity interests of the relevant entity have been issued within the 12 months immediately preceding the latest practicable date –**
- (i) if the securities, securities-based derivatives contracts or equity interests have been issued for cash, state the prices at which the securities or securities-based derivatives contracts have been issued and the number of securities, securities-based derivatives contracts or equity interests issued at each price; or**
- (ii) if the securities, securities-based derivatives contracts or equity interests have been issued for services, state the nature and value of the services and give the name and address of the person who received the securities, securities-based derivatives contracts or equity interests;**

The Company has not issued any securities, securities-based derivatives or equity interests for cash or for services within 12 months immediately preceding the Latest Practicable Date.

- (h) a summary of each material contract, other than a contract entered into in the ordinary course of business, to which the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any member of the group is a party, for the period of two (2) years immediately preceding the date of lodgement of this offer**

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information statement, including the parties to the contract, the date and general nature of the contract, and the amount of any consideration passing to or from the relevant entity or any other member of the group, as the case may be.

As at the Latest Practicable Date, save as disclosed below and Part 4 of this Offer Information Statement, neither the Company nor any of its subsidiaries has entered into any material contract (not being a contract entered into in the ordinary course of business) during the period of two (2) years immediately preceding the date of lodgement of this Offer Information Statement:

- (a) the share sale and purchase agreement dated 17 November 2023 entered into between the Company and the Seller in relation to the BBD Acquisition, pursuant to which the Company has agreed to purchase all the issued and paid-up shares in the capital of the Target Company. Please refer to Paragraph 5 of Part 4 of this Offer Information Statement for further information and details of the BBD Acquisition;
- (b) the share subscription agreement dated 3 April 2024 entered into between the Group and PT DPB, pursuant to which the Group has agreed to subscribe for a 58% stake in PT DPB. Please refer to the announcement dated 4 April 2024 for further information and details of the share subscription; and
- (c) the Placement Agreement dated 18 June 2024 entered into between the Company and ZICO Capital Pte. Ltd. in relation to the Proposed Placement to allot and issue an aggregate of up to 50,000,000 new Shares.

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PART 5 - OPERATING AND FINANCIAL REVIEW AND PROSPECTS

OPERATING RESULTS

1. Provide selected data from –

- (a) the audited income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the audited consolidated income statement of the relevant entity or the audited combined income statement of the group, for each financial year (being one of the three (3) most recently completed financial years) for which that statement has been published; and
- (b) any interim income statement of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, any interim consolidated income statement of the relevant entity or interim combined income statement of the group, for any subsequent period for which that statement has been published.

The summary of the following financial information and the relevant commentaries should be read in conjunction with the full text of the annual reports and/or relevant financial result announcements for the respective financial years and financial periods of the Company. Figures presented herewith are subject to rounding.

The summary of the audited financial consolidated income statements of the Group for FY2021, FY2022 and FY2023 are set out below. As at the Latest Practicable Date, the Company has not published any interim consolidated income statement of the Group subsequent to FY2023.

Group	FY2021	FY2022	FY2023
	S\$	S\$	S\$
	(Audited)	(Audited)	(Audited)
Revenue	133,327,996	179,010,828	105,607,183
Cost of sales and services	(107,961,493)	(142,504,098)	(73,347,859)
Gross profit	25,366,503	36,506,730	32,259,324
Interest income	205,113	302,274	770,964
Other income	44,414	121,828	124,330
Administrative expenses	(2,854,979)	(2,963,432)	(3,706,377)
Finance costs	(222,675)	(63,503)	(452,685)
Share of result of associated company	-	(2,174)	2,174
Profit before tax	22,538,376	33,901,723	28,997,730
Tax expense	(3,574,300)	(4,335,891)	(1,939,460)
Profit for the financial year	18,964,076	29,565,832	27,058,270
Other comprehensive (loss)/income			
<i>Item that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences arising from consolidation	244,494	(4,475,462)	(917,246)
<i>Item that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of post-employment benefits liabilities, net of tax	27,942	(41,660)	(80,662)
Currency translation differences arising from consolidation	119,593	(2,296,084)	(728,809)
Other comprehensive (loss)/income for the financial year, net of tax	392,029	(6,813,206)	(1,726,717)
Total comprehensive income for the financial year	19,356,105	22,752,626	25,331,553

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Profit for the financial year attributable to:

Equity holders of the Company	14,818,035	20,115,874	12,936,503
Non-controlling interests	4,146,041	9,449,958	14,121,767
	18,964,076	29,565,832	27,058,270

Total comprehensive income attributable to:

Equity holders of the Company	15,074,956	15,597,049	11,987,143
Non-controlling interests	4,281,149	7,155,577	13,344,410
	19,356,105	22,752,626	25,331,553

**Earnings per share attributable to equity holders of
the Company**

Basic & Diluted (\$ in cent)⁽¹⁾	16.5	22.4	14.4
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Note:

- (1) The basic and diluted earnings per share was calculated based on "Profit for the financial year attributable to Equity holders of the Company" and the weighted average number of shares of 90,000,000 in issue for FY2021, FY2022 and FY2023 respectively.

2. **The data mentioned in paragraph 1 of this Part must include the line items in the audited income statement, audited consolidated income statement, audited combined income statement, interim income statement, interim consolidated income statement or interim combined income statement, as the case may be, and must in addition include the following items:**

- (a) **dividends declared per share in both the currency of the financial statements and the Singapore currency, including the formula used for any adjustment to dividends declared;**
- (b) **earnings or loss per share, and**
- (c) **earnings or loss per share, after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.**

Following are the dividends declared for FY2021, FY2022 and FY2023.

	FY2021	FY2022	FY2023
Dividend per Share (\$ in cents)	1.0	3.0	0.7 ⁽¹⁾

As an illustration only and assuming the Share Split and the Proposed Placement had been completed on 1 January of the respective financial year, the financial effects of the Proposed Placement on the earnings per Share of the Group for FY2021, FY2022, and FY2023 are as follows:

	FY2021	FY2022	FY2023
EPS before the Share Split and the Proposed Placement (\$ in cents)	16.5	22.4	14.4
EPS after adjusting for the Share Split (\$ in cents)	3.3	4.5	2.9
EPS after adjusting for the Share Split and the Proposed Placement	3.0	4.0	2.6

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	FY2021	FY2022	FY2023
(S\$ in cents)			

Notes:

- (1) Following the completion of the share split of every one (1) existing Share into five (5) Shares on 20 May 2024, the final tax-exempt dividend of S\$0.035 per Share for FY2023 was adjusted to S\$0.007 per Share. As at the Latest Practicable Date, the Company has not announced the record date for the dividend for FY2023.
- (2) EPS has been computed based on the Group's profit attributable to equity holders of the Company for the respective financial years and the weighted average number of Shares in issue for the respective financial years.
- (3) For the calculation of EPS after the Share Split and the Proposed Placement, it is assumed that: (a) the Proposed Placement is fully placed out and (b) an aggregate of 50,000,000 Placement Shares are allotted and issued.

3. Despite paragraph 1 of this Part, where -

- (a) **unaudited financial statements of the relevant entity or, if the relevant entity is the holding company or holding entity of a group, the unaudited consolidated financial statements of the relevant entity or unaudited combined financial statements of the group, have been published in respect of the most recently completed financial year; and**
- (b) **the audited financial statements for that year are unavailable,**

the data mentioned in paragraph 1 of this Part in respect of the most recently completed financial year may be provided from such unaudited financial statements, if the directors or equivalent persons of the relevant entity include a statement in this offer information statement that to the best of their knowledge, they are not aware of any reason which could cause the unaudited financial statements to be significantly different from the audited financial statements for the most recently completed financial year.

Not applicable. The audited financial statements in respect of FY2023, which is the most recently completed financial year, have been published and are made available on the SGX website at <https://www.sgx.com>.

4. In respect of -

- (a) **each financial year (being one of the three (3) most recent completed financial years) for which financial statements have been published; and**
- (b) **any subsequent period for which interim financial statements have been published,**

provide information regarding any significant factor, including any unusual or infrequent event or new development, which materially affected profit or loss before tax of the relevant entity or, if it is the holding company or holding entity of a group, of the group, and indicate the extent to which such profit or loss before tax of the relevant entity or the group, as the case may be, was so affected. Describe any other significant component of revenue or expenditure necessary to understand the profit or loss before tax for each of these financial periods.

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Save as disclosed below and in this Offer Information Statement, the Directors are not aware of any significant factor, including any unusual or infrequent event or new development which materially affected profit or loss before tax of the Group.

A summary of the operations, business and financial performance of the Group is set out below:

FY2023 vs FY2022

Revenue

Total revenue decreased by S\$73.4 million (41.0%), from S\$179.0 million in FY2022 to S\$105.6 million in FY2023, mainly due to (i) the decrease in revenue of S\$90.3 million for the Trading Business due to shortage of coal supply and decrease in the average selling price affected by the decline in the ICI Index in FY2023; and offset against (ii) the increase in revenue of S\$16.8 million for the Shipping Services due to the increase in freight rate and shipping volume attributed by the increase in the number of TBBG from 13 sets in FY2022 to 20 sets in FY2023.

Gross profit

Gross profit decreased by S\$4.2 million (11.6%) from S\$36.5 million in FY2022 to S\$32.3 million in FY2023, mainly due to (i) the decrease in gross profit of S\$14.4 million for the Trading Business due to the decreased margin associated with the ICI Index downturn in FY2023; and offset against (ii) the increase in gross profit of S\$10.1 million for the Shipping Services due to increase in the business activities on the back of the increase number of TBBG in FY2023.

Interest income

Interest income, which comprised interest from bank and fixed deposit, increased by S\$0.5 million (155.1%), from S\$0.3 million in FY2022 to S\$0.8 million in FY2023. The increase was mainly due to higher cash amounts placed with financial institutions for time deposits during FY2023.

Administrative expenses

Administrative expenses increased by S\$0.7 million (25.1%), from S\$3.0 million in FY2022 to S\$3.7 million in FY2023. The increase was mainly due to (i) increase in staff costs by S\$0.4 million due to salary increment and increase of headcounts in FY2023; and (ii) increase in professional fee by S\$0.3 million due to the BBD Acquisition that commenced in fourth quarter of FY2023. The Company completed the acquisition of BBD as announced via SGXNET on 17 January 2024, following the approval granted by shareholders at the Extraordinary General Meeting convened on 15 January 2024.

Finance costs

Finance costs increased by S\$0.4 million (612.9%), from S\$0.1 million in FY2022 to S\$0.5 million in FY2023. The increase was mainly due to a new interest-bearing bank loan obtained in late FY2022. This interest-bearing bank loan was fully repaid in FY2023.

Tax expense

Tax expense decreased by S\$2.4 million (55.3%), from S\$4.3 million in FY2022 to S\$1.9 million in FY2023, due mainly to decrease in trading activities in FY2023.

Profit for the financial year

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As a result of the above, profit for the financial year decreased by S\$2.5 million (8.5%) from S\$29.6 million in FY2022 to S\$27.1 million in FY2023.

FY2022 vs FY2021

Revenue

Total revenue increased by S\$45.7 million (34.3%), from S\$133.3 million in FY2021 to S\$179.0 million in FY2022, mainly due to (i) the increase in revenue of S\$29.0 million for the Trading Business due to increase in the average selling price in FY2022; and (ii) the increase in revenue of S\$16.7 million for the Shipping Services due to an increase in shipping volume and freight rates in FY2022.

Gross profit

Gross profit increased by S\$11.1 million (43.9%) from S\$25.4 million in FY2021 to S\$36.5 million in FY2022 mainly due to (i) the increase in gross profit of S\$1.3 million for the Trading Business due to higher selling price in FY2022; and (ii) the increase in gross profit of S\$9.8 million for the Shipping Services due to the increased business activities on the back of the increase in number of the tugboat and barge from 10 sets as of 31 December 2021 to 13 sets as of 31 December 2022.

Interest income

Interest income increased by S\$97,000 (47.4%), from S\$205,000 in FY2021 to S\$302,000 in FY2022 mainly due to higher cash amounts placed with financial institutions for time deposits during FY2022.

Other income

Other income increased by S\$78,000 (174.3%) from S\$44,000 in FY2021 to S\$122,000 in FY2022. Other income in FY2021 comprised mainly the Jobs Support Incentive ("**JGI**") Grant as well as temporary rental income received from the newly purchased office unit in Singapore in FY2021 ("**Rental Income**"). Other income in FY2022 mainly comprised of JGI Grant, Rental Income and a reversal of over-accrual of the post employee benefits liability based on actuarial report.

Administrative expenses

Administrative expenses increased by S\$108,000 (3.8%), from S\$2.9 million in FY2021 to S\$3.0 million in FY2022 mainly due to (i) increase in staff costs of S\$252,000 due to salary increment and increase in bonus issued in FY2022; (ii) increase in travelling expenses of S\$64,000 after the relaxation on the travel restrictions related to the COVID-19 pandemic; and partially offset by the absence of inventory write off in FY2022 (FY2021: S\$291,000).

Finance costs

Finance costs decreased by S\$159,000 (71.5%), from S\$223,000 in FY2021 to S\$64,000 in FY2022 mainly due to full repayment of a bank loan in FY2021.

Tax expense

Tax expense increased by S\$0.7 million (21.3%), from S\$3.6 million in FY2021 to S\$4.3 million in FY2022, in line with the increase of business activities for both the Trading Business and Shipping Services in FY2022.

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Profit for the financial year

As a result of the above, profit for the financial year increased by S\$10.6 million (55.9%) from S\$19.0 million in FY2021 to S\$29.6 million in FY2022.

FINANCIAL POSITION

5. Provide selected data from the balance sheet of the relevant entity or, if it is the holding company or holding entity of a group, the group as at the end of -

- (a) the most recent completed financial year for which audited financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period.

The audited consolidated statement of financial position of the Group as at 31 December 2023 is set out below. As at the Latest Practicable Date, the Company has not published any interim financial statements of the Group subsequent to FY2023.

Group	31 December 2023 S\$ (Audited)
Non-current assets	
Property, plant and equipment	82,630,864
Intangible assets	92,255
Deferred tax assets	5,319
Investment in subsidiaries	-
Investment in an associate	-
Other receivables	1,175,045
	83,903,483
Current assets	
Contract assets	17,472
Inventories	2,976,340
Trade and other receivables	6,806,607
Cash and cash equivalents	27,132,593
	36,933,012
Total assets	120,836,495
Non-current liabilities	
Liabilities for post-employment benefits	543,162
Borrowings	2,346,014
	2,889,176
Current liabilities	
Trade and other payables	15,854,237
Contract liabilities	1,171,316
Borrowings	286,651
Tax payable	731,308
	18,043,512
Total liabilities	20,932,688
Net assets	99,903,807
Equity	

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Share capital	5,701,262
Retained earnings	61,658,681
Currency translation reserve	(6,286,443)
Equity attributable to equity holders of the Company	61,073,500
Non-controlling interests	38,830,307
Total equity	99,903,807

6. The data mentioned in paragraph 5 of this Part shall include the line items in the audited or interim balance sheet of the relevant entity or the group, as the case may be, and shall in addition include the following items:

- (a) number of shares after any adjustment to reflect the sale of new securities or securities-based derivatives contracts;
- (b) net assets or liabilities per share; and
- (c) net assets or liabilities per share after any adjustment to reflect the sale of new securities or securities-based derivatives contracts.

As an illustration only and assuming that (i) the Share Split and the Proposed Placement had been completed on 31 December 2023, and (ii) an aggregate of 50,000,000 Placement Shares are allotted and issued, the financial effects of the Proposed Placement on the NAV based on the audited consolidated statement of financial position of the Group as at December 2023 is as follows:

	As at 31 December 2023 Audited
Before the Share Split and the Proposed Placement	
NAV attributable to equity holders of the Company before the Share Split and the Proposed Placement (S\$'000)	61,073
Number of Shares in issue ('000)	90,000
NAV per Share (S\$ cents)	67.9
After the Share Split and the Proposed Placement	
Gross proceeds from the Proposed Placement (S\$'000)	10,000
NAV attributable to equity holders of the Company after adjusting for the Share Split and the Proposed Placement (S\$'000)	70,893
Number of Shares in issue ('000)	500,000
NAV per Share (S\$ cents)	14.2

LIQUIDITY AND CAPITAL RESOURCES

7. Provide an evaluation of the material sources and amounts of cash flows from operating, investing and financing activities in respect of -

- (a) the most recent completed financial year for which financial statements have been published; and
- (b) if interim financial statements have been published for any subsequent period, that period.

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The audited consolidated statement of cash flows of the Group for FY2023 is set out below. As at the Latest Practicable Date, the Company has not published any interim financial statements of the Group subsequent to FY2023.

Group	FY2023 S\$ (Audited)
Cash flows from operating activities	
Profit before tax	28,997,730
Adjustments for:	
Depreciation of property, plant and equipment	6,097,668
Amortisation of intangible assets	31,757
Post-employment benefits	227,756
Interest income	(770,964)
Interest expense	452,685
Gain on disposal of property, plant and equipment	(124,330)
Share of result of associated company	(2,174)
	<hr/>
Operating cash flows before working capital changes	34,910,128
Change in operating assets and liabilities:	
Inventories	(1,066,381)
Receivables and contract assets	19,651,050
Payables and contract liabilities	(5,286,970)
Currency translation difference	(10,850)
Cash generated from operations	48,196,977
Interest received	770,964
Taxes paid	(2,331,224)
	<hr/>
Net cash generated from operating activities	46,636,717
Cash flows from investing activities	
Purchases of property, plant and equipment	(21,552,866)
Proceeds from disposal of property, plant and equipment	246,633
	<hr/>
Net cash used in investing activities	(21,306,233)
Cash flows from financing activities	
Advance payment for right-of-use assets	(37,134)
Interest paid	(451,261)
Dividend paid to non-controlling shareholder	(56,911)
Dividend paid to shareholders of the Company	(2,700,000)
Repayment of borrowings	(13,376,272)
Repayment of loan to immediate holding company	(1,000,000)
Repayment of lease liabilities	(167,427)
	<hr/>
Net cash used in financing activities	(17,789,005)
Net increase in cash and cash equivalents	7,541,479
Effect of exchange rate changes on cash and cash equivalents	(452,435)
Cash and cash equivalents at beginning of financial year	20,043,549
	<hr/>
Cash and cash equivalents at end of financial year	27,132,593

A review of the cash flow position of the Group for FY2023 is set out below:

Review of cash flows for FY2023

During FY2023, net cash generated from operating activities amounted to approximately S\$46.6 million. This comprises positive operating cash flows before changes in working capital of

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approximately S\$34.9 million, adjusted by net working capital inflow of S\$13.3 million, interest received and taxes paid of approximately S\$0.7 million and S\$2.3 million, respectively.

Net cash used in investing activities of approximately S\$21.3 million in FY2023 relates mainly to the payments for the purchase of new tugboats and barges, vessels equipment, and docking costs incurred for a vessel of an aggregate of approximately S\$21.6 million, partially offset against by proceeds received from disposal of property, plant and equipment of approximately S\$0.3 million in FY2023.

Net cash used in financing activities of approximately S\$17.8 million in FY2023 was mainly due to (i) repayment of a bank loan of approximately S\$13.4 million; (ii) repayment of a shareholder loan of approximately S\$1.0 million; (iii) dividend paid to the shareholders of the Company of S\$2.7 million; and (iv) payment on bank loan interest of approximately S\$0.5 million.

As a result of the above, net changes from cash flows (before effect of exchange rate changes) increased by approximately S\$7.5 million. After accounting for the effect of exchange rate changes of approximately S\$0.4 million, cash and cash equivalents increased from approximately S\$20.0 million as at 31 December 2022 to approximately S\$27.1 million as at 31 December 2023.

- 8. Provide a statement by the directors or equivalent persons of the relevant entity as to whether, in their reasonable opinion, the working capital available to the relevant entity or, if it is the holding company or holding entity of a group, to the group, as at the date of lodgement of this offer information statement, is sufficient for at least the next 12 months and, if insufficient, how the additional working capital considered by the directors or equivalent persons to be necessary is proposed to be provided. When ascertaining whether working capital is sufficient, any financing facilities which are not available as at the date of lodgement of the prospectus must not be included, but net proceeds from the offer may be taken into account if the offer is fully underwritten. Where the offer is not fully underwritten, minimum net proceeds may be included only if it is an express condition of the offer that minimum net proceeds are to be raised and that the application moneys will be returned to investors if the minimum net proceeds are not raised.**

As at the date of this Offer Information Statement, the Directors of the Company are of the reasonable opinion that, barring unforeseen circumstances and after taking into consideration the cash flows generated from the Group's operating activities, the Group's cash and cash equivalents, and the Group's present bank facilities, the working capital available to the Group is sufficient to meet its present requirements and for the next 12 months, including the BBD Acquisition. The Directors are also of the opinion, after taking into consideration the purpose for the Proposed Placement as set out below, that the Proposed Placement is in the interest of the Company.

Notwithstanding the above, the Company is undertaking the Proposed Placement based on the potential Net Proceeds to be raised for payment of the Total Consideration and to diversify its shareholder base, increase the public float of the Company and improve trading liquidity.

- 9. If the relevant entity or any other entity in the group is in breach of any of the terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the relevant entity's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the relevant entity, provide -**
- (a) a statement of that fact;**
 - (b) details of the credit arrangement or bank loan; and**

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- (c) any action taken or to be taken by the relevant entity or other entity in the group, as the case may be, to rectify the situation (including the status of any restructuring negotiations or agreement, if applicable).

As at the Latest Practicable Date, and to the best the Directors' knowledge, the Directors are not aware of any breach by any entity in the Group of any terms and conditions or covenants associated with any credit arrangement or bank loan which could materially affect the Company's financial position and results or business operations, or the investments by holders of securities or securities-based derivatives contracts in the Company.

TREND INFORMATION AND PROFIT FORECAST OR PROFIT ESTIMATE

10. Discuss -

- (a) the business and financial prospects of the relevant entity or, if it is the holding company or holding entity of a group, the group, for the next 12 months from the latest practicable date; and
- (b) any known trends, uncertainties, demands, commitments or events that are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources for at least the current financial year, or that may cause financial information disclosed in this offer information statement to be not necessarily indicative of the future operating results or financial condition. If there are no such trends, uncertainties, demands, commitments or events, provide an appropriate statement to that effect.

The discussion on the business and financial prospects of the Group as set out herein may contain forward-looking statements, and are subject to certain risks. Please refer to the Section entitled "**Cautionary Note on Forward-Looking Statements**" of this Offer Information Statement for further details.

Save as disclosed below and in this Offer Information Statement, the Company's annual reports, circulars and SGXNET announcements, the Directors are not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that would cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition of the Group.

Business and financial prospects of the Group for the next 12 months

On 4 April 2024, the Company announced that it intends to acquire a strategic stake in PT TRIOP which owns a coal mine with proved and probable reserves of 64 million tonnes in Central Kalimantan. This will lift the Company's total proved and probable reserves of 226 million tonnes. PT TRIOP's mine is situated next to the four coal mines owned by BBD, enabling the Company to leverage economies of scale and extract greater synergies when it progressively commences production. The proposed acquisition of PT TRIOP will be funded by the Group's internal resources and is subject to Shareholders' approval at an extraordinary general meeting to be convened.

Trends, uncertainties, events, factors and risks

To the best of the Directors' knowledge and belief, the risk factors that are material to prospective investors and Shareholders in making an informed judgment on the Proposed Placement (save for those which have already been disclosed to the general public) are set out in **Appendix A** of this Offer Information Statement. Prospective investors and Shareholders should carefully consider and evaluate each of them and all other information contained in this Offer Information Statement before deciding whether to invest in the Placement Shares.

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Save as disclosed in this Offer Information Statement, the Company's annual reports and SGXNET announcements, and barring unforeseen circumstances, the Directors are not aware of any known trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect on net sales or revenues, profitability, liquidity or capital resources, or that may cause financial information disclosed in this Offer Information Statement to be not necessarily indicative of the future operating results or financial condition.

- 11. Where a profit forecast is disclosed, state the extent to which projected sales or revenues are based on secured contracts or orders, and the reasons for expecting to achieve the projected sales or revenues and profit, and discuss the impact of any likely change in business and operating conditions on the forecast.**

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

- 12. Where a profit forecast or profit estimate is disclosed, state all principal assumptions, if any, upon which the directors or equivalent persons of the relevant entity have based their profit forecast or profit estimate, as the case may be.**

Not applicable. There is no profit forecast or profit estimate disclosed in this Offer Information Statement.

- 13. Where a profit forecast is disclosed, include a statement by an auditor of the relevant entity as to whether the profit forecast is properly prepared on the basis of the assumptions referred to in paragraph 12 of this Part, is consistent with the accounting policies adopted by the relevant entity, and is presented in accordance with the accounting standards adopted by the relevant entity in the preparation of its financial statements.**

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

- 14. Where the profit forecast disclosed is in respect of a period ending on a date not later than the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part -**

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, that the profit forecast has been stated by the directors or equivalent persons of the relevant entity after due and careful enquiry and consideration; or

(b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

- 15. Where the profit forecast disclosed is in respect of a period ending on a date after the end of the current financial year of the relevant entity, provide in addition to the statement referred to in paragraph 13 of this Part -**

(a) a statement by the issue manager to the offer, or any other person whose profession or reputation gives authority to the statement made by him, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part, to the effect that no matter has come to his attention which

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gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast; or

- (b) a statement by an auditor of the relevant entity, prepared on the basis of his examination of the evidence supporting the assumptions referred to in paragraph 12 of this Part and in accordance with the Singapore Standards on Auditing or such other auditing standards as may be approved in any particular case by the Authority, to the effect that no matter has come to his attention which gives him reason to believe that the assumptions do not provide reasonable grounds for the profit forecast.

Not applicable. There is no profit forecast disclosed in this Offer Information Statement.

SIGNIFICANT CHANGES

16. Disclose any event that has occurred from the end of -

- (a) the most recent completed financial year for which financial statements have been published; or
- (b) if interim financial statements have been published for any subsequent period, that period,

to the latest practicable date which may have a material effect on the financial position and results of the relevant entity or, if it is the holding company or holding entity of a group, the group, or, if there is no such event, provide an appropriate negative statement.

Save as disclosed in this Offer Information Statement, the Company's annual reports, circulars and announcements of the Company on SGXNET from time to time, the Directors are not aware of any event which has occurred from 31 December 2023 and up to the Latest Practicable Date which may have a material effect on the financial position and results of the Group.

MEANING OF "PUBLISHED"

17. In this Part, "published" includes publication in a prospectus, in an annual report or on the SGXNET.

Noted.

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PART 6 - THE OFFER AND LISTING

OFFER AND LISTING DETAILS

- 1. Indicate the price at which the securities or securities-based derivatives contracts are being offered and the amount of any expense specifically charged to the subscriber or purchaser. If it is not possible to state the offer price at the date of lodgement of this offer information statement, state the method by which the offer price is to be determined and explain how the relevant entity will inform investors of the final offer price.**

The Placement Price for each Placement Share is S\$0.20.

No expenses incurred by the Company in respect of the Proposed Placement will be specifically charged to the Placement Agent or the placees procured by the Placement Agent.

- 2. If there is no established market for the securities or securities-based derivatives contracts being offered, provide information regarding the manner of determining the offer price, the exercise price or conversion price, if any, including the person who establishes the price or is responsible for the determination of the price, the various factors considered in such determination and the parameters or elements used as a basis for determining the price.**

Not applicable. The Shares are, and the Placement Shares will be, listed, quoted and traded on the Catalist.

- 3. If -**

- (a) any of the relevant entity's shareholders or equity interest-holders have pre-emptive rights to subscribe for or purchase the securities or securities-based derivatives contracts being offered; and**
- (b) the exercise of the rights by the shareholder or equity interest-holder is restricted, withdrawn or waived,**

indicate the reasons for such restriction, withdrawal or waiver, the beneficiary of such restriction, withdrawal or waiver, if any, and the basis for the offer price.

Not applicable. None of the Shareholders have pre-emptive rights to subscribe for the Placement Shares.

- 4. If securities or securities-based derivatives contracts of the same class as those securities or securities-based derivatives contracts being offered are listed for quotation on any approved exchange -**

- (a) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for at least 12 months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts -**

(i) for each of the 12 calendar months immediately preceding the calendar month in which the latest practicable date falls; and

(ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date; or

- (b) in a case where the first-mentioned securities or securities-based derivatives contracts have been listed for quotation on the approved exchange for less than 12**

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months immediately preceding the latest practicable date, disclose the highest and lowest market prices of the first-mentioned securities or securities-based derivatives contracts -

- (i) for each calendar month immediately preceding the calendar month in which the latest practicable date falls; and
 - (ii) for the period from the beginning of the calendar month in which the latest practicable date falls to the latest practicable date;
- (c) disclose any significant trading suspension that has occurred on the approved exchange during the three (3) years immediately preceding the latest practicable date or, if the securities or securities-based derivatives contracts have been listed for quotation for less than three (3) years, during the period from the date on which the securities or securities-based derivatives contracts were first listed to the latest practicable date; and
- (d) disclose information on any lack of liquidity, if the securities or securities-based derivatives contracts are not regularly traded on the approved exchange.
- (a) The Placement Shares to be issued upon subscription are of the same class as the Shares and the Shares are listed for quotation on Catalist.

The price range and volume of the Shares traded on Catalist during each of the twelve (12) calendar months immediately preceding the calendar month in which the Latest Practicable Date falls and for the period from 1 June 2024 up to and including the Latest Practicable Date are as follows:

Month/Year	Price Range		Share Volume ('000)
	Lowest (\$)	Highest (\$)	
June 2023	0.92	0.92	- ⁽²⁾
July 2023	0.90	0.96	126
August 2023	0.92	0.97	136
September 2023	0.97	0.97	2
October 2023	0.96	0.98	32
November 2023	0.98	1.03	21
December 2023	1.03	1.07	29
January 2024	1.07	1.09	98
February 2024	1.05	1.07	28
March 2024	1.06	1.09	100
April 2024	1.09	1.11	198
May 2024	0.22 ⁽³⁾	1.10	668

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Month/Year	Price Range		Share Volume ('000)
	Lowest (\$)	Highest (\$)	
1 June 2024 up to and including the Latest Practicable Date	0.22	0.23	325

Source: Bloomberg Finance L.P.⁽¹⁾

Notes:

- (1) Bloomberg Finance L.P. has not consented for the purposes of Section 249 of the SFA to the inclusion of the information referred to above and is thereby not liable for such information under Sections 253 and 254 of the SFA. While the Company has taken reasonable actions to ensure that the above information has been reproduced in their proper form and context, neither the Company nor any other party has conducted an independent review of this information nor verified the accuracy of such information.
- (2) Less than 1,000 shares.
- (3) Share price adjusted subsequent to the completion of the Share Split on 20 May 2024.
- (b) Not applicable. The Shares have been listed and quoted on the Catalist for more than twelve (12) months immediately preceding the Latest Practicable Date.
- (c) There has been no significant trading suspension of Shares on the SGX-ST during the three (3) years immediately preceding the Latest Practicable Date.
- (d) Please refer to the table set out in Paragraph 4(a) of Part 6 of this Offer Information Statement for the volume of Shares traded during each of the twelve (12) calendar months immediately preceding the Latest Practicable Date and for the period from 1 June 2024 up to and including the Latest Practicable Date. Based on the information set out therein, the Shares are regularly traded on the Catalist.
- 5. Where the securities or securities-based derivatives contracts being offered are not identical to the securities or securities-based derivatives contracts already issued by the relevant entity, provide -**
- (a) **a statement of the rights, preferences and restrictions attached to the securities or securities-based derivatives contracts being offered; and**
- (b) **an indication of the resolutions, authorisations and approvals by virtue of which the entity may create or issue further securities or securities-based derivatives contracts, to rank in priority to or pari passu with the securities or securities-based derivatives contracts being offered.**
- (a) The Placement Shares will, upon allotment and issue, rank *pari passu* in all respect with the then existing Shares save for any dividends, rights, allotments or other distributions, the record date for which falls before the date of issue of the Placement Shares.
- (b) The Placement Shares will be issued pursuant to the general share issue mandate ("**Share Issue Mandate**") approved by Shareholders at the AGM, pursuant to Section 161 of the Companies Act and Rule 806 of the Catalist Rules. Pursuant to the Share Issue Mandate granted by the Shareholders at the AGM, the Directors are authorised and empowered to, *inter alia*, allot and issue Shares in the Company not exceeding 100% of the total number of issued Shares (excluding treasury shares) in the capital of the Company at the time of passing of the Share Issue Mandate, of which the aggregate number of Shares to be issued other than on a pro-rata basis to all existing shareholders shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company. As at the

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date of the AGM, the total number and issued share capital of the Company was 90,000,000 Shares. Subsequent to the completion of the Share Split on 20 May 2024, the total number and issued share capital of the Company was adjusted to 450,000,000 (the "**Approved Limit**"). As no Shares were previously issued under the Share Issue Mandate, the Company is authorised to issue up to 450,000,000 Shares being not more than 100% of the Approved Limit, of which up to 225,000,000 Shares, being not more than 50% of the Approved Limit may be issued other than on a pro-rata basis. In view of this, and taking into consideration the proposed allotment and issuance of the Placement Shares, the proposed allotment and issuance of the Placement Shares is within the limits of the Share Issue Mandate.

PLAN OF DISTRIBUTION

6. **Indicate the amount, and outline briefly the plan of distribution, of the securities or securities-based derivatives contracts that are to be offered otherwise than through underwriters. If the securities or securities-based derivatives contracts are to be offered through the selling efforts of any broker or dealer, describe the plan of distribution and the terms of any agreement or understanding with such entities. If known, identify each broker or dealer that will participate in the offer and state the amount to be offered through each broker or dealer.**

Number of Placement Shares	: Up to 50,000,000 Placement Shares
Manner of Placement	: ZICO Capital Pte. Ltd. as the Placement Agent, will, pursuant to the Placement Agreement, procure placees for the Placement Shares at the Placement Price on a best efforts basis for each Placement Share subject to the terms and conditions of the Placement Agreement.

Pursuant to the Placement Agreement, the Placement Agent represents and warrants to the Company that, among others:

- (a) it is duly incorporated and validly existing under the laws of Singapore with full power and authority to conduct its business in Singapore and to enter into, exercise its rights and perform and comply with its obligations under the Placement Agreement;
- (b) all consents, approvals and authorisations that may be required to be obtained by it to enter into the Placement Agreement and carry out the transactions contemplated by the Placement Agreement have been obtained and such approvals and authorisations remain valid and subsisting;
- (c) its entry into, exercise of its rights and/or performance of or compliance with its obligations under the Placement Agreement do not and will not violate (i) any law to which it is subject, (ii) its memorandum and articles of association, or (iii) any agreement to which it is a party or which is binding on it or its assets;
- (d) the Placement Agreement constitutes its valid and binding obligations in accordance with its terms (subject to bankruptcy, insolvency and similar laws of general applicability relating to or affecting creditors' rights and to general principles of equity); and
- (e) it has complied and will comply with the selling restrictions set out in the Placement Agreement in connection with the Proposed Placement.

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- 7. Provide a summary of the features of the underwriting relationship together with the amount of securities or securities-based derivatives contracts being underwritten by each underwriter.**

Not applicable as pursuant to the Placement Agreement, the Placement Agent is to procure places for the Placement Shares on a best efforts basis.

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PART 7 - ADDITIONAL INFORMATION

STATEMENTS BY EXPERTS

1. **Where a statement or report attributed to a person as an expert is included in this offer information statement, provide such person's name, address and qualifications.**

Not applicable. No statement or report attributed to a person as an expert is included in this Offer Information Statement.

2. **Where this offer information statement contains any statement (including what purports to be a copy of, or extract from, a report, memorandum or valuation) made by an expert -**

- (a) **state the date on which the statement was made;**
- (b) **state whether or not it was prepared by the expert for the purpose of incorporation in this offer information statement; and**
- (c) **include a statement that the expert has given, and has not withdrawn, his written consent to the issue of this offer information statement with the inclusion of the statement in the form and context in which it is included in this offer information statement.**

Not applicable. No statement has been made by or is attributed to an expert in this Offer Information Statement.

3. **The information referred to in paragraphs 1 and 2 of this Part need not be provided in this offer information statement if the statement attributed to the expert is a statement to which the exemption under regulation 33(2) applies.**

Not applicable. No statement has been made by or is attributed to an expert in this Offer Information Statement.

CONSENTS FROM ISSUE MANAGER AND UNDERWRITERS

4. **Where a person is named in this offer information statement as the issue manager or underwriter (but not a sub-underwriter) to the offer, include a statement that the person has given, and has not withdrawn, his written consent to being named in this offer information statement as the issue manager or underwriter, as the case may be, to the offer.**

There is no issue manager or underwriter for the Placement.

ZICO Capital Pte. Ltd., named as the Placement Agent in this Offer Information Statement has given and has not, before the lodgement of this Offer Information Statement with the SGX-ST, acting as agent on behalf of the Authority, withdrawn its written consent to the issue of this Offer Information Statement with the inclusion of its name and all references thereto, in the form and context in which they are included and appear in this Offer Information Statement.

OTHER MATTERS

5. **Include particulars of any other matters not disclosed under any other paragraph of this Schedule which could materially affect, directly or indirectly -**

- (a) **the relevant entity's business operations or financial position or results; or**

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- (b) investments by holders of securities or securities-based derivatives contracts in the relevant entity.**

Save as disclosed in this Offer Information Statement and in the announcements made by the Company via SGXNET and to the best of the Directors' knowledge, they are not aware of any other matters which could materially affect, directly or indirectly, the Company's business operations, financial position or results, or investments by holders of securities in the Company.

PART 8 - ADDITIONAL INFORMATION REQUIRED FOR OFFER OF DEBENTURES OR UNITS OF DEBENTURES

Not applicable.

PART 9 - ADDITIONAL INFORMATION REQUIRED FOR CONVERTIBLE DEBENTURES

Not applicable.

PART 10 - ADDITIONAL INFORMATION REQUIRED FOR OFFER OF SECURITIES OR SECURITIES-BASED DERIVATIVES CONTRACTS BY WAY OF RIGHTS ISSUE

Not applicable.

PART 11 - ADDITIONAL INFORMATION REQUIRED FOR OFFER INFORMATION STATEMENT FOR PURPOSES OF SECTION 277(1AC)(A)(I) OF THE ACT

Not applicable.

APPENDIX A – RISK FACTORS

To the best of the Directors' knowledge and belief, all the risk factors that are material to prospective investors in making an informed judgment on the Proposed Placement (save for those which have already been disclosed to the general public) are set out below. Prospective investors should carefully consider and evaluate each of the following considerations and all other information contained in this Offer Information Statement before deciding whether to invest in the Placement Shares.

The risks described below are not intended to be exhaustive. In addition to the risks described below, the Group could be affected by risks relating to the industry and countries in which the Group operates as well as economic, business, market and political risks. In addition, there may be additional risks not presently known to the Group, or that the Group currently deems immaterial, but which could affect its operations. If any of the following considerations and uncertainties develops into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected. In that event, the market price of the Placement Shares could decline, and investors may lose all or part of their investment in the Placement Shares. Before deciding to invest in the Placement Shares, you should seek professional advice from your adviser(s) about your particular circumstances.

RISKS RELATING TO THE GROUP'S BUSINESS AND INDUSTRY

The existing core business of the Group comprises Trading Business and Shipping Services in Indonesia, as well as coal mining with particular focus on coal with total gross as received ("**GAR**") of approximately 4,200 kcal/kg.

The coal mining industry is a high-risk business

Coal exploration and development is subject to numerous risks, many of which are beyond the Company's control. These include, but are not limited to, failure to locate or identify deposits, failure to achieve predicted grades in exploration and mining, cost overruns, risk of access to required level of funding, contracting risk from third parties providing essential services and extended interruptions due to inclement or hazardous adverse weather conditions. Only a small percentage of individual exploration projects result in the discovery of viable economic resources and even in those cases, there are substantial development and operation risks to overcome before a commercial mine can be established. This is especially the case for mining in developing countries where economic, political, regulatory and other risks maybe greater than those in developed countries.

The mining of coal is a capital-intensive industry and the Group's ability to carry out business activities depends on the availability of funding

The availability of adequate financing is critical to the Group's ability to invest in its processing facilities and mining operations. There is no assurance that the Group will have sufficient internal funds for such investments. The Group's ability to arrange for external financing on terms that will allow the Group a commercially acceptable return and the cost of such financing are dependent on numerous factors that are beyond its control, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, success of the Group's businesses, tax and securities laws that may be applicable to our efforts to raise capital, changes in laws and regulations which may affect the terms on which financial institutions are willing to extend credit to the Group, any restrictions imposed by various banking institutions on providing financing to companies operating in the mining sector in the relevant countries and political and economic conditions.

We are exposed to market fluctuations in the demand and supply for coal

Our revenue is highly dependent on the demand and supply for coal. A reduced demand for coal could materially and adversely affect our revenue streams which in turn, affect our business, financial condition, results of operations and prospects. Fluctuations in the demand for coal may be caused by numerous factors

beyond our control, such as consumer preference, competition from alternative energy sources, global economic and political developments or other factors which may have a material adverse effect on our business, financial performance, financial condition and results of operations. Likewise, in the event of a significant increase in the availability of coal and the demand for coal is insufficient to meet such increased supply, our business, financial condition, results of operations and prospects may also be adversely affected by the decrease in prices of coal resulting from an over-supply.

The Group's revenue and earnings are susceptible to significant fluctuations in prices of the coal

The Group's revenue and earnings under the coal mining business will be dependent on the sales of the products mined. The prices agreed between the Group and its customers for such products are dependent on movements in the international benchmark prices of the coal. Such benchmark prices may fluctuate significantly on a daily basis, are cyclical, difficult to forecast and affected by numerous factors beyond the Group's control such as global demand and supply situations which are in turn affected by global economic activities, speculative activities and expectations of other market participants on the forward direction of such prices. Additionally, any changes in the regulations in countries that produce the products that we mine may affect the prices of such products.

A substantial decline in the international benchmark prices of the coal may not only decrease our revenue, but also reduce the economic viability or the production levels of our mine or of projects planned or in development to the extent that production costs exceed anticipated revenue from such production. If the prices of the Group's products are not as favourable as anticipated, the Group may (i) delay the sales of products; (ii) delay exploration and development activities at mine sites; and/or (iii) slow down the production levels and/or place mine sites under care and maintenance.

While the Group studies the historical trends in prices in assessing our business strategy, the Group currently does not have a hedging policy against fluctuations in the prices of its products. Additionally, there can be no assurance that the business strategies based on our predictions of the benchmark prices will be successful. In the event of significant fluctuations in prices of the coal, the Group's business, results of operations and financial condition may be materially and adversely affected.

The Group operates in a competitive environment

The industries in which the Group carries on its business is highly competitive and the Group expects to face intense competition from existing competitors and new entrants. Some of the Group's competitors may have larger financial resources, greater market share, stronger track records, lower costs of operations or greater access to financial, technological and/or other resources than the Group does. In the event the Group is unable to compete successfully against these competitors, the Group's business, operating results and financial condition will be adversely affected.

The Group's evaluation of potential investments in the coal mining business involves reserve and resource estimates, which are subject to change

The Group evaluates the viability of a potential investment on several factors, including the reserve and resource estimates. Such estimates are based on certain assumptions and involve expressions of judgment based on various factors such as knowledge, experience and industry practice, and the accuracy of these estimates may be affected by many factors, including quality of the results of exploration drilling and analysis of samples, as well as the procedures adopted by and the experience of the person making the estimates.

Estimates of the reserves and resources may change significantly when new information becomes available or new factors arise, and interpretations and deductions on which reserves and resources estimates are based may prove to be inaccurate. Following investment into a project, the Group may encounter new factors that are different from that predicted by past drilling, sampling and similar examination, which may in turn result in the resource and/or reserve estimates being adjusted downward. This downward adjustment could materially affect the development and mining plans, which could materially and adversely affect the Group's business, results of operations and financial condition. Furthermore, to the extent that the projected costs of production were based on the earlier results of exploration drilling and sampling, the actual costs

of production may have to be adjusted subsequently, which could also materially and adversely affect the Group's business, results of operations and financial condition.

The Group's coal mining business may be adversely affected in the medium to long-term if it is unable to continue to discover and acquire additional coal resources that are converted into reserves

As the Group's reserves will decline as it mines, and its success and future growth in the medium to long-term will depend, in part, on its ability to discover or acquire additional resources and to convert those resources into reserves. The Group may undertake an extensive exploration program to discover new resources and to convert additional resources and reserves within the mining area. Its current exploration program may not discover significant new resources for conversion into reserves beyond its existing resource and reserve base. In addition, it may not in the future be successful in converting its existing or future resources into significant additional reserves. If the Group is unable to replace its reserves as they are depleted with new reserves, whether through its exploration program or acquisition of new mines, this could have a material adverse effect on its future financial condition, future results of operations and prospects.

Unexpected disruptions and factors beyond the Group's control may adversely and materially affect the business and operations of the Group

The Group will face various operational risks in connection with the coal mining business, including but not limited to:

- production interruptions caused by operational errors, electricity outages, raw material shortages, the failure of equipment and other risks;
- failure to obtain key equipment, materials and supplies;
- operating limitations imposed by environmental or other regulatory requirements;
- social, political and labour unrest;
- environmental or industrial accidents;
- acts of God such as natural disasters or severe environmental pollution;
- catastrophic events such as fires, earthquakes, explosions, floods, collapse of mine or other natural disasters;
- risks related to the complicated geological structure of mines and geological disasters that occur during the mining process; and
- failure of reserve estimates to be proven correct.

Any of the events or conditions above may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

We may be adversely affected by the uncertain global economic outlook and social and political conditions, including but not limited to global efforts to tackle climate change

The demand for coal and our Shipping Services are highly dependent on the performance of the global economy. Uncertainties in global markets and a prolonged economic downturn could potentially present risks to our Group, including but not limited to decrease in prices of coal and ship charter rates, increase in interest expenses on future bank borrowings or restrictions in the amount of banking facilities available to us, thereby materially and adversely affecting our business operations and future financial performance.

In particular, general weak global economic conditions or unfavourable social and political conditions such as political and social unrests and riots, trade sanctions and embargoes may result in a downturn in the shipping industry or affect the price of coal, or weak global economic conditions may affect demand of coal, which in turn may affect our coal mining business, Trading Business and/or Shipping Services.

In addition to the above, there have been initiatives globally to deal with effects of climate change as a result of greenhouse gas emissions. The consumption of coal as a source of energy produces significant amounts of carbon dioxide. As such, there is a possibility that coal may face growing pressure to be phased out as part of the energy mix of any country. Should the demand for coal decrease as a result of these global initiatives, our business activities, particularly that of the coal mining business may be adversely affected.

Given the uncertainties as to the future economic and political outlook, we cannot give any assurance that we will be able to maintain or continue to grow our revenue and profits, or that we will be able to react promptly to any changes in economic and political conditions. In the event that we fail to react promptly and appropriately to the changes in economic and political conditions in the markets we operate in, our prospects and financial performance could be adversely affected.

The Group's performance may be adversely affected by geopolitical risks such as terrorist attacks and other acts of violence

Terrorist attacks, other acts of violence or war around the world may adversely affect the regional and worldwide financial markets. Geopolitical risks have continued to emerge globally in relation to the Russia-Ukraine war and the Israel-Gaza crisis, leading to rising tensions and increased military activity globally. These conflicts have heightened already-increasing polarisation globally, bringing to the fore issues such as energy security concerns, security threats and competition between different trade and economic systems. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and have an adverse effect upon the Group's business, results of operations and financial condition. In addition, any deterioration in international relations may result in increased investors' concern regarding regional stability which may, in turn, adversely affect the price of the Shares. There can be no guarantee that terrorist attacks and international warfare will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect the Group's business, results of operations and financial condition.

We are dependent on our key management personnel for our continued growth

Our continued success is dependent on certain members of our management team, including some who have been with our Group since its inception, to manage our current operations and meet future business challenges. Our Executive Directors and Executive Officers are responsible for formulating and implementing our growth, corporate development and overall business strategies. The growth and success of our Group is also dependent on our ability to retain the services of our key management personnel and to train new employees. Moreover, any of the process of hiring employees with the required attributes may be time consuming and competitive. If our key management personnel is unable or unwilling to continue in their present positions, and we are unable to hire suitable replacements in a timely manner or at all, our business operations, financial position and results of operations may be adversely affected. While the Group's Executive Directors have entered into service agreements with the Company, after the initial term of three (3) years, their employment with the Company may be terminated at any time by either party giving to the other party six (6) months' notice in writing (or such other period as may be mutually agreed), or in lieu of such notice, an amount equivalent to six (6) months' salary based on the Executive Director's last drawn salary.

Future acquisitions, joint ventures or other arrangements may expose us to increased operating risks

Our Group may consider inorganic growth by way of strategic mergers, acquisitions or joint ventures with other parties if we determine that it is in our long-term interest. Acquisitions that we make, along with

potential joint ventures and other investments, expose us to additional business and operating risks and uncertainties, including:

- direct and indirect costs in connection with the transaction;
- the ability to effectively integrate and manage the acquired businesses;
- coordinating internal systems, controls, procedures and policies;
- the ability to realise our investment in the acquired business;
- disruption of our ongoing business and the diversion of management's time and attention from other business concerns;
- the risk of entering markets in which we may have no or limited direct prior experience;
- the potential loss of key employees and customers of the acquired business;
- the risk that an acquisition could reduce our future earnings; and
- exposure to unknown liabilities.

Although our management will evaluate the risks inherent in any particular transaction, there is no assurance that we can completely ascertain all such risks. In addition, prior acquisitions may have resulted, and future acquisitions could result, in the incurrence of substantial additional indebtedness and other expenses. Future acquisitions may also result in potentially dilutive issuances of equity securities. There is no assurance that difficulties encountered with acquisitions will not have a material adverse effect on our business.

RISKS RELATING TO THE OWNERSHIP OF THE SHARES

Investments in shares quoted on Catalist involve a higher degree of risk and can be less liquid than shares quoted on the Main Board of the SGX-ST

The Catalist is a listing platform designed primarily for fast-growing and emerging or smaller companies, to which a higher investment risk tends to be attached, as compared to larger or more established companies listed on the Main Board of the SGX-ST. An investment in shares quoted on Catalist may carry a higher risk than an investment in shares quoted on the Main Board of the SGX-ST and the future success and liquidity in the market of the Shares cannot be guaranteed.

The Company's Share price may be volatile

The market price for the Shares may be highly volatile and can fluctuate significantly and rapidly in response to, *inter alia*, the following factors, some of which are beyond the Group's control, namely:

- (a) variations in the Group's operating results;
- (b) changes in the Group's assets and liabilities;
- (c) announcements made by the Group in relation to significant acquisitions, strategic alliances or joint ventures;
- (d) success or failure of the Company's management team in implementing business and growth strategies;
- (e) gain or loss of an important business relationship or contract;
- (f) additions or departures of key personnel;

- (g) changes in securities analysts' recommendations, perceptions or estimates of the Group's financial performance;
- (h) changes in the share prices of companies with similar business to the Group that are listed in Singapore, or elsewhere;
- (i) changes in conditions affecting the industry, the general economic conditions or stock market sentiments or other events or factors;
- (j) changes in governmental regulations;
- (k) changes in accounting policies;
- (l) fluctuations in stock market prices and volume;
- (m) involvement in litigation;
- (n) negative publicity involving the Group or any Director or executive officer of the Group; and
- (o) general economic, stock and credit market conditions.

Liquidity of the Shares

Active and liquid trading for securities generally result in lower volatilities in price and more efficient execution of buy and sell orders for investors. Generally, the liquidity of the market for a particular share is dependent on, amongst others, the size of the free float, the price of each board lot, institutional interests, and the business prospects of the Group as well as the prevailing market sentiment. There is no assurance that the liquidity of the Shares or the volume of the Shares as traded on Catalist may not change or decline after the Proposed Placement.

Future sale or issuance of Shares could adversely affect the Share price

Any future sale, availability or issuance of a large number of Shares can have a downward pressure on the Group's Share price. The sale of a significant number of Shares in the public market after the Proposed Placement, or the perception that such sales may occur, could materially and adversely affect the market price of the Shares. These factors will also weaken the Group's ability to sell additional equity securities.

The Group may require additional funding for its growth plans and such funding may result in a dilution of Shareholders' investment

We may, in the future, expand our capabilities and business through acquisitions, joint ventures, strategic partnerships and alliances with parties who can add value to our business. We may require additional funding to finance future acquisitions, joint ventures and strategic partnerships and alliances, which may result in a dilution to the equity interests of our Shareholders.

These additional funds may be raised by issuing equity or debt securities or by borrowing from banks or from other resources. The Group cannot ensure that it will be able to obtain any additional financing on terms that are acceptable to it, or at all. If the Group fails to obtain additional financing on terms that are acceptable to it, the Group will not be able to implement such plans fully. Such financing, even if obtained, may be accompanied by conditions that limit the Company's ability to pay dividends or require the Company to seek lenders' consent for the payment of dividends or restrict the Group's freedom to operate its business by requiring lenders' consent for certain corporate actions.

In the event a Shareholder is unable or unwilling to participate in certain additional fund-raising exercises, he may suffer potential dilution in his investment

The Group's working capital requirements, financing plans and capital expenditure needs may vary from those presently expected. If the Group does not meet its goals with respect to revenues, or if costs are higher than anticipated or if there are changes to its current financing plans, substantial additional funds

may be required. To the extent that funds generated from operations have been exhausted, the Group may have to raise additional funds to meet new financial requirements. These additional funds may be raised by way of a placement or by further rights offering (which would be subject to Shareholders' approval if necessary) or through the issuance of new Shares.

In such events, if any Shareholder is unable or unwilling to participate in such fund raising, such Shareholder may suffer a dilution in his investment.

Investors may not be able to participate in future issues of the Company's Shares

In the event that the Company issues new Shares, the Company will be under no obligation to offer those Shares to the existing Shareholders at the time of issue, except where the Company elects to conduct a rights issue. If the Company decides to offer to its Shareholders rights to subscribe for additional Shares or any rights of any other nature or other equity issues, the Company will have the discretion and be subject to the relevant laws, rules and regulations as to the procedures to be followed in making such rights offering available to the Company's existing Shareholders or in disposing of such rights for the benefit of such Shareholders and making the net proceeds available to them.

The Company may choose not to offer the rights or other equity issues to its Shareholders or investors having an address outside Singapore, hence overseas Shareholders or investors may be unable to participate in future offerings of its Shares and may experience dilution of their interests in the Company.

There is a high probability that the Company's Share price will fluctuate widely and may adversely affect your investment

The Company expects trading of the Shares to be volatile and trading of the Shares may respond to announcements relating to technological or competitive developments, mergers or acquisitions by the Group or their competitors, gain or loss of major customers, or estimates of the Group's financial performance by investment analysts.

The Company may not be able to pay dividends in the future

The Company's ability to declare dividends to Shareholders will depend on, inter alia, the future financial performance and distributable reserves of the Group. The Company's future financial performance and distributable reserves depend on several factors such as the successful implementation of the Group's strategies, general economic conditions, demand for the Group's services.

Many of these factors may be beyond the control of the Group. As such, there is no assurance that the Company will be able to pay dividends to Shareholders after the completion of the Proposed Placement. In the event that any entity in the Group enters into any loan agreements in the future, covenants therein may also limit when and how much dividends which the Company can declare and pay.

APPENDIX B – BBD ACQUISITION ANNOUNCEMENT



RESOURCES GLOBAL DEVELOPMENT LIMITED

(Company Registration No. 201841763M)
(Incorporated in the Republic of Singapore)

PROPOSED TRANSACTIONS COMPRISING:

- PROPOSED ACQUISITION OF SHARES IN BATUBARA DEVELOPMENT PTE LTD AS AN INTERESTED PERSON TRANSACTION
- PROPOSED DIVERSIFICATION OF BUSINESS
- PROPOSED CASH COLLATERAL BY PT DELI NIAGA SEJAHTERA AS AN INTERESTED PERSON TRANSACTION

Unless otherwise stated, all currency translations of Singapore dollar (“S\$”) and Indonesian Rupiah (“IDR”) used in this announcement are based on an exchange rate of S\$1.00: IDR 11,528.71 (as extracted from <https://eservices.mas.gov.sg/Statistics/msb/ExchangeRates.aspx>) as at 10 November 2023.

1. INTRODUCTION

- 1.1 The board of directors (the "**Board**" or the "**Directors**") of Resources Global Development Limited (the "**Company**", together with its subsidiaries, the "**Group**") wishes to announce that the Company had, on 17 November 2023, entered into a share purchase agreement ("**SPA**") with Deli International Resources Pte Ltd (the "**Seller**"), an interested person under Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst (the "**Catalist Rules**"), pursuant to which the Company has agreed to purchase all the issued and paid-up shares in the capital of Batubara Development Pte Ltd (the "**Target Company**"), on the terms and subject to the conditions of the SPA (the "**Proposed Acquisition**"). Upon completion of the Proposed Acquisition (the "**Completion of Proposed Acquisition**"), the Company will be the legal and beneficial owner of all the issued shares in the Target Company and the Target Company will become a wholly-owned subsidiary of the Company.
- 1.2 In connection with the Proposed Acquisition, the Board wishes to announce that, subject to the approval of the shareholders of the Company (the "**Shareholders**"), the Company intends to:
- (a) diversify its core business to include the business of mining of coal and minerals, and its related activities (the "**Proposed Diversification**"); and
 - (b) undertake a placement of 10,000,000 new ordinary shares in the capital of the Company at a placement price to be determined ("**Proposed Placement**") to fund the Proposed Acquisition.
- 1.3 Separately, subject to the approval of Shareholders, the Company intends to, through its 99% subsidiary, PT Deli Niaga Sejahtera ("**PT DNS**"), provide a cash collateral sum of up to IDR 150 billion (equivalent to approximately S\$13.0 million) as security for PT Deli Pratama Angkutan Laut ("**PT DPAL**"), a subsidiary of the Company and also an interested person under the Catalyst Rules, to obtain loans from banks in Indonesia ("**Proposed Cash Collateral**").

- 1.4 Based on the above, the Company intends to convene an extraordinary general meeting ("EGM") to seek approval of the Shareholders for the Proposed Acquisition (which constitutes an interested person transaction under Chapter 9 of the Catalist Rules), Proposed Diversification and Proposed Cash Collateral (which constitutes an interested person transaction under Chapter 9 of the Catalist Rules) (collectively to be referred to as "**Proposed Transactions**").

2. THE PROPOSED ACQUISITION

2.1 Information on the Target Group

All information in respect of the Seller and the Target Company is based solely on information and representations made and provided by the Seller and the Target Company to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this announcement in its proper form and context.

(a) Batubara Development Pte Ltd

The Target Company is a private company limited by shares incorporated in Singapore on 18 May 2012. As at the date of this announcement, the Target Company has an issued and paid-up capital of S\$2 comprising two (2) ordinary shares which are solely held by the Seller. The Target Company is a holding company and does not carry out any business activities. The sole director of the Target Company is Mr Irianto Tan, the son of Mr Arifin Tan, a controlling Shareholder of the Company.

The Target Company holds a 31.22% stake in PT Singaraja Putra Tbk, which is a company listed on the Indonesia Stock Exchange.

(b) PT Singaraja Putra Tbk ("PT SINI")

PT SINI is a limited liability company established in Indonesia on 23 November 2005. All of PT SINI's shares have been listed and traded on the Indonesia Stock Exchange since 8 November 2019. As at the date of this announcement, PT SINI holds a 54% stake in PT Interkayu Nusantra and a 75% stake in PT Dwi Daya Swakarya ("**PT DDS**"). PT DDS has an 80% stake each in four (4) coal mining companies, being PT Persada Kapuas Prima, PT Pesona Bara Cakrawala, PT Pasir Bara Prima and PT Cakrawala Bara Persada. As at the date of this announcement, PT SINI has an issued and paid-up share capital of IDR 48,100,000,000 comprising 481,000,000 shares. PT SINI is a holding company. As at the date of this announcement, the directors of PT SINI are Mr Erick Tonny Tjandra, Mr Amir Antolis and Ms Prilli Budi Pasravita Soetantyo, and the commissioners of PT SINI are Mr Ir. Fredyanto Oetomo, Mr Brian Randing and Ms Anist Fahimah, who are all not related to the Company, the Group, the Directors or substantial Shareholders of the Company and their respective associates.

(c) PT Interkayu Nusantra ("PT IKN")

PT IKN, a 54.0% subsidiary of PT SINI, is a limited liability company established in Indonesia on 29 July 1989. The remaining 46% shareholders of PT IKN are Ms Prilli Budi Pasravita Soetantyo, Mr Jacob Willem Ravenhorst, Mr Ir. Fredyanto Oetomo and Mr Hendra Hasan Kustarjo, who are all not related to the Company, the Group, the Directors or substantial Shareholders of the Company and their respective associates.

As at the date of this announcement, PT IKN has an issued and paid-up share capital of IDR 37,100,000,000 comprising 371,000,000 shares. PT IKN is principally engaged in the business of the timber industry for export-oriented components of building materials. As at the date of this announcement, the directors of PT IKN are Ms Prilli Budi Pasravita Soetantyo and Mr Jacob Willem Ravenhorst, and the commissioner of PT IKN is Mr Ir. Fredyanto Oetomo, who are all not related to the Company, the Group, the Directors or substantial Shareholders of the Company and their respective associates.

(d) PT Dwi Daya Swakarya ("PT DDS")

PT DDS, a 75% subsidiary of PT SINI, is a limited liability company established in Indonesia on 21 December 2009. The remaining 25% shareholder of PT DDS is PT Bara Sejahtera Bersama, an unrelated third party of PT SINI and the Company, the Group, the Directors or substantial shareholders of the Company and their respective associates. As at the date of this announcement, PT DDS has an issued and paid-up share capital of IDR 77,279,400,000 comprising 772,794 shares. PT DDS is principally engaged in the business management consulting activities and holding company activities. As at the date of this announcement, the directors of PT DDS are Mr Helyuzar and Mr Amir Antolis, and the commissioner of PT DDS is Mr Brian Randing, who are all not related to the Company, the Group, the Directors or substantial Shareholders of the Company and their respective associates.

(e) PT Persada Kapuas Prima ("PT PKP")

PT PKP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 31 March 2005. As at the date of this announcement, PT PKP has an issued and paid-up share capital of IDR 10,000,000,000 comprising 1,000,000 shares. PT PKP is principally engaged in the business of mining and coal exploration. PT PKP has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated reserves of 58 million tonnes. As at the date of this announcement, the director of PT PKP is Mr Helyuzar, and the commissioner of PT PKP is Mr Brian Randing, who are all not related to the Company, the Group, the Directors or substantial Shareholders of the Company and their respective associates.

(f) PT Pesona Bara Cakrawala ("PT PBC")

PT PBC, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 9 January 2006. As at the date of this announcement, PT PBC has an issued and paid-up share capital of IDR 5,000,000,000 comprising 500,000 shares. PT PBC is principally engaged in the business of mining and coal exploration. PT PBC has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated reserves of 42 million tonnes. As at the date of this announcement, the director of PT PBC is Mr Helyuzar, and the commissioner of PT PBC is Mr Brian Randing.

(g) PT Pasir Bara Prima ("PT PBP")

PT PBP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 23 December 2004. As at the date of this announcement, PT PBP has an issued and paid-up share capital of IDR 5,000,000,000 comprising 20,000 shares. PT

PBP is principally engaged in the business of mining and coal exploration. PT PBP has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated reserves of 44 million tonnes. As at the date of this announcement, the director of PT PBP is Mr Helyuzar, and the commissioner of PT PBP is Mr Brian Randing.

(h) PT Cakrawala Bara Persada ("PT CBP")

PT CBP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 9 January 2006. As at the date of this announcement, PT CBP has an issued and paid-up share capital of IDR 5,000,000,000 comprising 500,000 shares. PT CBP is principally engaged in the business of mining and coal exploration. PT CBP has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated reserves of 18 million tonnes. As at the date of this announcement, the director of PT CBP is Mr Helyuzar, and the commissioner of PT CBP is Mr Brian Randing.

The remaining 20% shareholder of each of PT PKP, PT PBC, PT PBP and PT CBP is PT Bara Sejahtera Bersama, an unrelated third party of PT SINI and the Company, the Group, the Directors or substantial shareholders of the Company and their respective associates. The Target Company, PT SINI, PT IKN, PT DDS, PT PKP, PT PBC, PT PBP and PT CBP are collectively referred to as the "**Target Group**", and PT DDS, PT PKP, PT PBC, PT PBP and PT CBP are collectively referred to as the "**DDS Group**". A copy of the group structure of the Target Group is annexed herein as **Appendix A**.

2.2 Financial Information

Based on the unaudited¹ financial statements of the Target Company for the financial year ended 31 December 2022 ("**FY2022**"), the Target Company recorded a net loss of approximately S\$15,000 for FY2022 and a net asset value of approximately S\$204,000 as at 31 December 2022. Based on the unaudited financial statements of the Target Company for the six months financial period ended 30 June 2023 ("**HY2023**"), the Target Company recorded a net profit of approximately S\$56,000 for HY2023 and a net asset value of approximately S\$260,000 as at 30 June 2023.

PT SINI completed the acquisition of 75% stake in PT DDS (and accordingly, DDS Group) on 26 September 2023.

Based on the audited consolidated financial statements of PT SINI and its then subsidiaries (excluding DDS Group) (the "**SINI Group**") for FY2022, the SINI Group recorded a net profit of approximately IDR 10.7 billion (equivalent to approximately S\$0.9 million) for FY2022 and a net asset value of approximately IDR 52.4 billion (equivalent to approximately S\$4.5 million) as at 31 December 2022. Based on the unaudited consolidated financial statements of the SINI Group for HY2023, the SINI Group recorded a net profit of approximately IDR 541.1 million (equivalent to approximately S\$47,000) for HY2023 and a net asset value of approximately IDR 53.0 billion (equivalent to approximately S\$4.6 million) as at 30 June 2023.

Based on the audited consolidated financial statements of the DDS Group for FY2022, the DDS Group recorded a net loss of approximately IDR 141.5 million (equivalent to approximately

¹ The Target Company is exempted from audit requirements pursuant to Section 205C of the Companies Act 1967 of Singapore.

S\$12,000) for FY2022 and a net asset value of approximately IDR 227.8 billion (equivalent to approximately S\$19.7 million) as at 31 December 2022. Based on the unaudited consolidated financial statements of the DDS Group for HY2023, the DDS Group recorded a net profit of approximately IDR 684.8 million (equivalent to approximately S\$59,000) for HY2023 and a net asset value of approximately IDR 228.5 billion (equivalent to approximately S\$19.8 million) as at 30 June 2023.

As at the date of this announcement, (i) the Group has engaged an independent valuer and still in the midst of conducting an independent valuation on the Target Group, comprising the Target Company, the SINI Group and the DDS Group; and (ii) the market capitalisation of PT SINI is approximately IDR 394.4 billion (equivalent to approximately S\$34.2 million), based on the share price of PT SINI of IDR 820 as at 16 November 2023.

2.3 Principal Terms of the SPA

(a) Sale Shares

Pursuant to the SPA, the Seller shall sell and the Company shall purchase all the issued and paid-up shares in the capital of the Target Company ("**Sale Shares**").

(b) Purchase Consideration

The purchase consideration for the Sale Shares is S\$5,700,000 (the "**Consideration**"). The Consideration was arrived at on a willing-seller, willing-buyer basis after arms' length negotiations between the Company and the Seller, and after taking into account, *inter alia*, the following:

- (i) the value of the Target Company's shareholding in PT SINI, based on the share price of PT SINI, and
- (ii) the shareholder's loan of S\$4,300,000 extended by the Seller to the Target Company ("**Shareholder's Loan**"). The Shareholder's Loan is unsecured, non-interest bearing and has no fixed terms of repayment.

Pursuant to the terms of the SPA, the Company shall pay the Consideration in full in cash to the Seller and the Company shall repay (on behalf of the Target Company) the Shareholder's Loan in full in cash to the Seller. For the avoidance of doubt, upon repayment of the Shareholder's Loan by the Company to the Seller, the Shareholder's Loan shall then be owing by the Target Company to the Company.

The Consideration and the repayment of the Shareholder's Loan will be funded by (i) the net proceeds to be raised from the Proposed Placement; and (ii) the balance (if any) from the Group's internal resources, and shall be satisfied in full in cash within one (1) month after the completion of the Proposed Placement.

If Completion of Proposed Acquisition has taken place in accordance with the terms of the SPA but the Proposed Placement has not been completed by the Longstop Date (as defined in paragraph 2.3(c) below), (i) the Consideration shall become a non-interest-bearing and unsecured loan due from the Company to the Seller and with no fixed terms of repayment; and (ii) the Shareholder's Loan shall continue to remain outstanding on and after the Longstop Date. For the avoidance of doubt, in such event, the Shareholder's Loan shall continue to be unsecured, non-interest bearing and with no fixed terms of repayment.

(c) Conditions

Completion of Proposed Acquisition is subject to and conditional upon, *inter alia*, the satisfaction (or such waiver by the Company in writing) of the following conditions ("**Conditions Precedent**") on or before 16 November 2024 ("**Longstop Date**"):

- (i) each of the warranties made by the Seller under the SPA being true, accurate and not misleading on Completion of Proposed Acquisition by reference to the circumstances then existing;
- (ii) the approval of the Shareholders at the EGM, the Board (as appropriate) and the regulatory authorities (including the Company's sponsor, ZICO Capital Pte. Ltd., and/or SGX-ST, where applicable) in respect of:
 - (A) the Proposed Acquisition as an interested person transaction; and
 - (B) the Proposed Diversification; and
- (iii) the results of the legal and financial due diligence investigations on the Target Group conducted by the Company and its advisors being reasonably satisfactory to the Company.

(d) Completion of Proposed Acquisition

Subject to the fulfilment of the Conditions Precedent on or before the Longstop Date, Completion of Proposed Acquisition shall take place at such place and on such date as the Company and the Seller may agree in writing.

2.4 **Rationale for the Proposed Acquisition and Proposed Diversification**

As the Target Company is one of the largest shareholders of PT SINI, the Proposed Acquisition is primarily for the acquisition of the coal mines held by PT PKP, PT PBC, PT PBP and PT CBP, as the Board is of the view that the Proposed Acquisition and Proposed Diversification (subject to Shareholders' approval at the EGM) will enable the Group to expand and diversify into coal mining, which is complementary to the Group's existing core businesses of trading and the provision of shipping services.

As such, over time, the Group will stand to benefit from the potential commercial, operational and costs synergies, particularly where the Target Group's resources can benefit the Group. Given the potential synergy and efficiencies which will be created by the addition of the Target Group, the Board believes that the Proposed Acquisition and Proposed Diversification will enhance the long-term interests of the Company and Shareholders.

While it is acknowledged that in addition to the coal mining business operated under the DDS Group, PT SINI is also involved in businesses of timber through its share ownership in PT IKN (which was owned by PT SINI before the Target Company became one of the controlling shareholders of PT SINI), the Group wishes to clarify that notwithstanding the Group's indirect shareholding in PT IKN resulting from the Proposed Acquisition, the Group does not intend to diversify into the businesses of PT IKN, and that PT IKN will continue to operate independently without the Group's involvement.

Shareholders should note that the Proposed Diversification is subject to the completion of the Proposed Acquisition, and if and when it occurs, will depend on various factors such as market conditions and response from investors, which are beyond the control of the Company and its Directors.

3. THE PROPOSED ACQUISITION AS A DISCLOSEABLE TRANSACTION

3.1 Relative Figures under Chapter 10 of the Catalist Rules

The relative figures computed on the bases set out under Rule 1006 of the Catalist Rules in relation to the Proposed Acquisition based on the latest unaudited consolidated financial results of the Group for HY2023 are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable ⁽¹⁾
(b)	The net profits ⁽²⁾ attributable to the assets acquired, compared with the Group's net profits.	1.0% ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares, excluding treasury shares.	11.3% ⁽⁴⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserved.	Not applicable ⁽⁶⁾

Notes:

- (1) This basis is not applicable to an acquisition of assets.
- (2) Pursuant to Rule 1002(3)(b) of the Catalist Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the net profits of the Target Group of S\$73,535 for HY2023; and the Group's net profits of S\$7,101,070 for HY2023.
- (4) Computed based on (i) the aggregate of the Consideration and the Shareholder's Loan of S\$10.0 million to be satisfied by the Company for the Proposed Acquisition; and (ii) the Company's market capitalisation of approximately S\$88.2 million as at 15 November 2023. Under Rule 1002(5) of the Catalist Rules, the market capitalisation of the Company is determined by multiplying the number of ordinary shares in the capital of the Company ("Shares") in issue (being 90,000,000 Shares) by the weighted average price of S\$0.98 per Share on 15 November 2023 (being the last market day on which the Shares were traded prior to the date of the SPA).
- (5) This basis is not applicable as there will be no new Shares issued as consideration for purposes of the Proposed Acquisition.
- (6) This basis is not applicable to an acquisition of assets.

As the relative figure computed under Rule 1006(c) of the Catalist Rules for the Proposed Acquisition exceeds 5% but is less than 75%, the Proposed Acquisition therefore constitutes as a discloseable transaction pursuant to Chapter 10 of the Catalist Rules.

3.2 Independent Valuer

Kantor Jasa Penilai Publik Ihot Dollar & Raymond ("**Independent Valuer**") has been appointed as the independent valuer to the Company to perform an independent valuation of the Target Group, comprising the Target Company, the SINI Group and the DDS Group. The Independent Valuer is expected to issue its independent valuation report which will be included in the circular to Shareholders for the EGM ("**Circular**") to be despatched in due course.

3.3 Financial Effects of the Proposed Acquisition

(a) Bases and Assumptions

The *pro forma* financial effects of the Proposed Acquisition, based on the audited consolidated financial statements of the Group for FY2022 are set out below. The *pro forma* financial effects of the Proposed Acquisition on the Group set out below are only presented for illustration purposes, and are therefore not indicative of the actual and/or future results and financial situation of the Company or the Group after Completion of Proposed Acquisition.

The *pro forma* financial effects of the Proposed Acquisition have been prepared based on the FY2022 results, and on the following bases and assumptions:

- (i) the Target Group is consolidated into the financial statements of the Group based on common control method in view of the common controlling shareholders of both the Company and the Target Company, which will result in a merger reserve as the Consideration is higher than the net book value of the Target Group;
- (ii) the financial effects on the consolidated net tangible assets ("**NTA**") per Share is computed based on the assumption that the Proposed Acquisition was completed on 31 December 2022;
- (iii) the financial effects on the consolidated earnings per Share ("**EPS**") is computed based on the assumption that the Proposed Acquisition was completed on 1 January 2022;
- (iv) the expenses to be incurred in connection with the Proposed Acquisition are estimated to be approximately S\$300,000; and
- (v) the Company having completed the Proposed Placement by issuing 10,000,000 new ordinary shares in the capital of the Company based on an illustrative issue price of S\$0.98 per new Share, being the last traded share price of the Shares as at 15 November 2023 prior to the date of the SPA.

(b) NTA per Share

As at 31 December 2022	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ (S\$'000)	51,662	55,666
Number of Shares ('000)	90,000	100,000 ⁽²⁾
NTA per Share (Singapore cents)	57.4	55.7

Notes:

- (1) NTA attributable to equity holders of the Company.
- (2) Number of Shares comprise the additional 10,000,000 new Shares issued from the Proposed Placement based on an illustrative issue price of S\$0.98 per new Share, being the last traded share price of the Shares as at 15 November 2023 prior to the date of the SPA.

(c) EPS

For FY2022	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to equity holders of the Company (S\$'000)	20,116	19,958
Number of Shares ('000)	90,000	100,000 ⁽¹⁾
EPS (Singapore cents)	22.4	20.0

Note:

- (1) Number of Shares comprise the additional 10,000,000 new Shares issued from the Proposed Placement based on an illustrative issue price of S\$0.98 per new Share, being the last traded share price of the Shares as at 15 November 2023 prior to the date of the SPA.

3.4 No Service Contracts

No person is proposed to be appointed as a Director in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

4. THE PROPOSED PLACEMENT

4.1 To fund the Proposed Acquisition, it is the intention of the Company to place out 10,000,000 new ordinary shares in the capital of the Company ("**Placement Shares**"), at a placement price to be determined.

4.2 As set out in paragraph 2.3(b) above, the net proceeds of the Proposed Placement shall be (i) primarily utilised for the payment of the Consideration and the repayment of the Shareholder's Loan; and (ii) the balance net proceeds (if any), for general working capital of the Group.

4.3 As at the date of this announcement, the terms of the Proposed Placement, including the number of Placement Shares, the placement price or the terms of the underwriting (if any), have yet to be finalised pending the entry by the Company in a definitive placement agreement with the underwriter(s) and/or placement agent(s) for the Proposed Placement.

- 4.4 The Placement Shares, when issued, will rank *pari passu* in all respects with the existing issued Shares, save for any rights, benefits and entitlements, the record date for which is on or before the date of allotment and issuance of the Placement Shares.
- 4.5 The Placement Shares will be allotted and issued pursuant to the general mandate granted by the Shareholders at the annual general meeting of the Company held on 28 April 2023. In addition, the Placement Shares will not be issued to transfer a controlling interest in the Company pursuant to Rule 803 of the Catalist Rules and none of the Placement Shares will be placed to any of the persons set out as restricted persons under Rule 812 of the Catalist Rules. Further, the Placement Shares will not be priced at more than 10% discount to the weighted average price for trades done on the SGX-ST for the full market day on which the definitive placement agreement is signed. As such, the Company will not be seeking Shareholders' approval in connection with the Proposed Placement.
- 4.6 Further information as required under Chapter 8 of the Catalist Rules for the Proposed Placement will be announced by the Company in due course when the Company enters into a definitive placement agreement with the underwriter(s) and/or placement agent(s) for the Proposed Placement.

Shareholders should note that the terms and timing of the Proposed Placement is subject to the completion of the Proposed Acquisition, and if and when it occurs, will depend on various factors such as market conditions and response from investors, which are beyond the control of the Company and its Directors.

5. THE PROPOSED CASH COLLATERAL

5.1 Terms of the Proposed Cash Collateral

- (a) PT DPAL, a subsidiary of the Company that is incorporated in Indonesia, is engaged in shipping services. As at the date of this announcement, the shareholders of PT DPAL are the Company (49% Class-A voting shares), PT Deli Indonesia Raya ("**PT DIR**") (48% Class-A voting shares) and PT Karya Niaga Gemilang ("**PT KNG**") (a company owned by two (2) employees of the Group) (3% Class-B non-voting shares). Pursuant to contractual arrangements between the Company, PT DIR and PT KNG, the Company holds an effective interest of 50.5% in PT DPAL, and PT DIR holds the remaining effective interest of 49.5% in PT DPAL.
- (b) Based on the Company's disclosure in its annual report for FY2022, PT DIR had on 12 December 2022 provided a cash collateral of IDR 150 billion (equivalent to approximately S\$13.0 million) to PT Bank Mandiri (Persero) Tbk. ("**PT DIR Bank Mandiri Cash Collateral**"), which has in turn provided short-term interest-bearing loan of IDR 150 billion to PT DPAL ("**Bank Mandiri Loan**"). There was no security provided and no fee paid for the PT DIR Bank Mandiri Cash Collateral.
- (c) The Company intends to, through its 99% subsidiary, PT DNS, contribute its effective interest proportion of the cash collateral for the Bank Mandiri Loan, amounting to IDR 75.8 billion (equivalent to approximately S\$6.6 million) ("**PT DNS Bank Mandiri Cash Collateral**").
- (d) In addition to the cash collateral for the Bank Mandiri Loan, PT DNS and PT DIR intend to set aside a further cash collateral of up to about IDR 74.2 billion (equivalent to approximately S\$6.4 million) ("**PT DNS Additional Cash Collateral**") and IDR 72.8 billion (equivalent to approximately S\$6.3 million) ("**PT DIR Additional Cash**").

Collateral") respectively, in proportion to their respective effective interest in PT DPAL, for PT DPAL's future bank borrowings in Indonesia.

- (e) The total cash collateral provided by PT DNS ("**PT DNS Collateral Sum**") shall comprise the PT DNS Bank Mandiri Cash Collateral and the PT DNS Additional Cash Collateral, and shall not at any time exceed IDR 150 billion (equivalent to approximately S\$13.0 million). When deployed, the PT DNS Collateral Sum shall be placed in an interest-bearing fixed deposit account with the relevant financial institution extending the corresponding loan to PT DPAL.
- (f) There will be no security provided and no fees paid by PT DPAL to PT DNS and/or the Company for the Proposed Cash Collateral.
- (g) For the avoidance of doubt, in the event there is a change in shareholding of PT DPAL, the PT DNS Collateral Sum and the total cash collateral provided by PT DIR (comprising the PT DIR Bank Mandiri Cash Collateral and the PT DIR Additional Cash Collateral) shall be adjusted accordingly in proportion to their percentage equity interest in PT DPAL.
- (h) The PT DNS Collateral Sum will be funded from internal cash resources of the Group and is not expected to have a material impact on the NTA per Share and EPS of the Company and the Group for the financial year ending 31 December 2023.

5.2 **Rationale for the Proposed Cash Collateral**

The Proposed Cash Collateral will allow PT DPAL access to more loan facilities for PT DPAL (i) to acquire new sets of tugboats and barges to expand its existing fleet of vessels; and (ii) for general working capital.

The Proposed Cash Collateral will also provide for equality treatment of the shareholders of PT DPAL as both effective shareholders of PT DPAL will be contributing cash collateral to secure loans for PT DPAL from local banks in Indonesia based on percentage equity interest in PT DPAL.

6. **THE PROPOSED ACQUISITION AND THE PROPOSED CASH COLLATERAL AS INTERESTED PERSON TRANSACTIONS UNDER CHAPTER 9 OF THE CATALIST RULES**

6.1 **Interested Person Transactions under Chapter 9 of the Catalist Rules**

Rule 904(5) of the Catalist Rules provides that an interested person transaction means a transaction between an entity at risk and an interested person. Rule 904(2)(a) of the Catalist Rules provides, *inter alia*, that an entity at risk means the issuer. Rule 904(4) of the Catalist Rules provides, *inter alia*, that an interested person means a director, chief executive officer, controlling shareholder of the issuer or any of their associates. Rule 904(6)(f) of the Catalist Rules provides, *inter alia*, that a transaction includes the acquisition of assets.

6.2 **Shareholder Approval**

Rule 906(1) of the Catalist Rules provides that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:

- (a) 5% of the group's latest audited NTA; or

- (b) 5% of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by the shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 918 of the Catalist Rules provides that if a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Rule 909 of the Catalist Rules provides, *inter alia*, that the value of a transaction is the amount at risk to the issuer.

6.3 The Proposed Acquisition as an Interested Person Transaction

As at the date of this announcement, the Seller is a controlling Shareholder of the Company by virtue of its direct interest in 75,000,000 Shares, comprising 83.33% of the issued and paid-up capital of the Company. The shareholders of the Seller are the controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and their associates. Accordingly, the Seller is an interested person under Chapter 9 of the Catalist Rules and the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

The amount at risk to the Company in respect of the Proposed Acquisition is the aggregate of the Consideration and the Shareholder's Loan of S\$10.0 million to be satisfied by the Company, which represents approximately 19.4% when compared to the Group's latest audited NTA of approximately S\$51.7 million as at 31 December 2022. As the amount at risk exceeds 5% of the Group's latest audited NTA, Shareholders' approval for the Proposed Acquisition is required in accordance with Rule 906(1)(a) of the Catalist Rules.

6.4 The Proposed Cash Collateral as an Interested Person Transaction

As set out in paragraph 5.1(a) above, the shareholders of PT DPAL are the Company, PT DIR and PT KNG.

The ultimate shareholders of PT DIR are the controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and their associates. Accordingly, PT DIR is an associate of the controlling Shareholders of the Company. Similarly, as PT DIR is a 48% shareholder of PT DPAL, PT DPAL is also an associate of the controlling Shareholders of the Company. As associates of the controlling Shareholders of the Company, PT DIR and PT DPAL are therefore interested persons under Chapter 9 of the Catalist Rules and the Proposed Cash Collateral constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

The amount at risk to the Company in respect of the Proposed Cash Collateral is the PT DNS Collateral Sum, which represents approximately 25.9% when compared to the Group's latest audited NTA of approximately S\$51.7 million as at 31 December 2022. As the amount at risk exceeds 5% of the Group's latest audited NTA, Shareholders' approval for the Proposed Cash Collateral is required in accordance with Rule 906(1)(a) of the Catalist Rules.

6.5 EGM

Accordingly, the Company will be convening an EGM to seek Shareholders' approval for the Proposed Acquisition and Proposed Cash Collateral ("**Proposed IPTs**") as interested person transactions.

6.6 Interested Person Transactions since 1 January 2023

Save as disclosed above and as envisaged as part of the Proposed IPTs, the Company has not entered into any other transaction with the Seller or its associates or any transaction with interested persons since the beginning of this financial year ending 31 December 2023.

6.7 Abstention from Voting

Pursuant to Rule 919 of the Catalist Rules, the Seller and the controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) will abstain, and will undertake to ensure that its/their respective associates will abstain from voting on the Proposed IPTs. The Seller, the controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and its/their respective associates will also not accept appointments as proxies at the EGM unless specific instructions as to voting are given.

6.8 Abstention by a Director

Mr Salim Limanto, Executive Director and Chief Operating Officer of the Company, is the son of Mr Djunaidi Hardi (a controlling Shareholder of the Company, who is also a shareholder of the Seller and PT DIR). Accordingly, Mr Salim Limanto has abstained from participating in the deliberations of the Board in respect of the Proposed IPTs, and will abstain from making any recommendations to Shareholders on the Proposed IPTs in his capacity as a Director of the Company.

6.9 Independent Financial Adviser

Xandar Capital Pte Ltd ("**IFA**") has been appointed as the independent financial adviser to advise the Directors who are considered independent for the purposes of the Proposed IPTs to provide an opinion on whether the Proposed IPTs as interested person transactions are on normal commercial terms and are prejudicial to the interests of the Company and its minority Shareholders pursuant to Rule 921(4)(a) of the Catalist Rules. The opinion from the IFA will be set out in the Circular to be despatched in due course.

6.10 Statement of the Audit Committee

The members of the Audit Committee are deemed to be independent for the purposes of the Proposed IPTs as interested person transactions.

The Audit Committee will consider the opinion of the IFA before forming its view as to whether the Proposed IPTs as interested person transactions are on normal commercial terms and are prejudicial to the interests of the Company and its minority Shareholders. The view of the Audit Committee will be set out in the Circular to be despatched in due course.

7. EGM AND CIRCULAR

An EGM will be convened in due course to obtain Shareholders' approval for the Proposed Transactions. A Circular setting out, *inter alia*, further information on the Proposed

Transactions, together with the notice of EGM, the independent valuation report, as well as the opinion and the recommendation of the IFA, will be despatched to Shareholders in due course

The Company will make further announcements relating to the Proposed Transactions and the EGM as and when necessary via SGXNet and the Company's corporate website.

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or controlling Shareholders of the Company or their respective associates have any interest, direct or indirect (other than through their respective shareholdings (if any) in the Company), in the Proposed Transactions.

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 enquires that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Transactions and the Group, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from these sources and/or reproduced in this announcement in its proper form and context.

10. CAUTION IN TRADING

Shareholders and potential investors should note that the Proposed Transactions are subject to the fulfilment of the respective conditions set out above and there is no certainty or assurance as at the date of this announcement that the Proposed Transactions will be completed or that no further changes will be made to the terms thereof. The Company will make the necessary announcements, in compliance with the requirements of the Catalist Rules, as and when there are material developments in respect of the Proposed Transactions. Shareholders and potential investors ought to exercise caution when trading or dealing in the Shares of the Company. Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully, and should seek advice from their stockbrokers, bank managers, solicitors, accountants or other professional advisers if they have any doubts about the actions they should take.

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 144 Robinson Road, #11-02 Robinson Square, Singapore 068908 during normal business hours for a period of three (3) months commencing from the date of this announcement:

- (a) the Constitution of the Company;
- (b) the unaudited financial results announcement of the Company for HY2023;
- (c) the annual report of the Company for FY2022; and
- (d) the SPA.

By Order of the Board

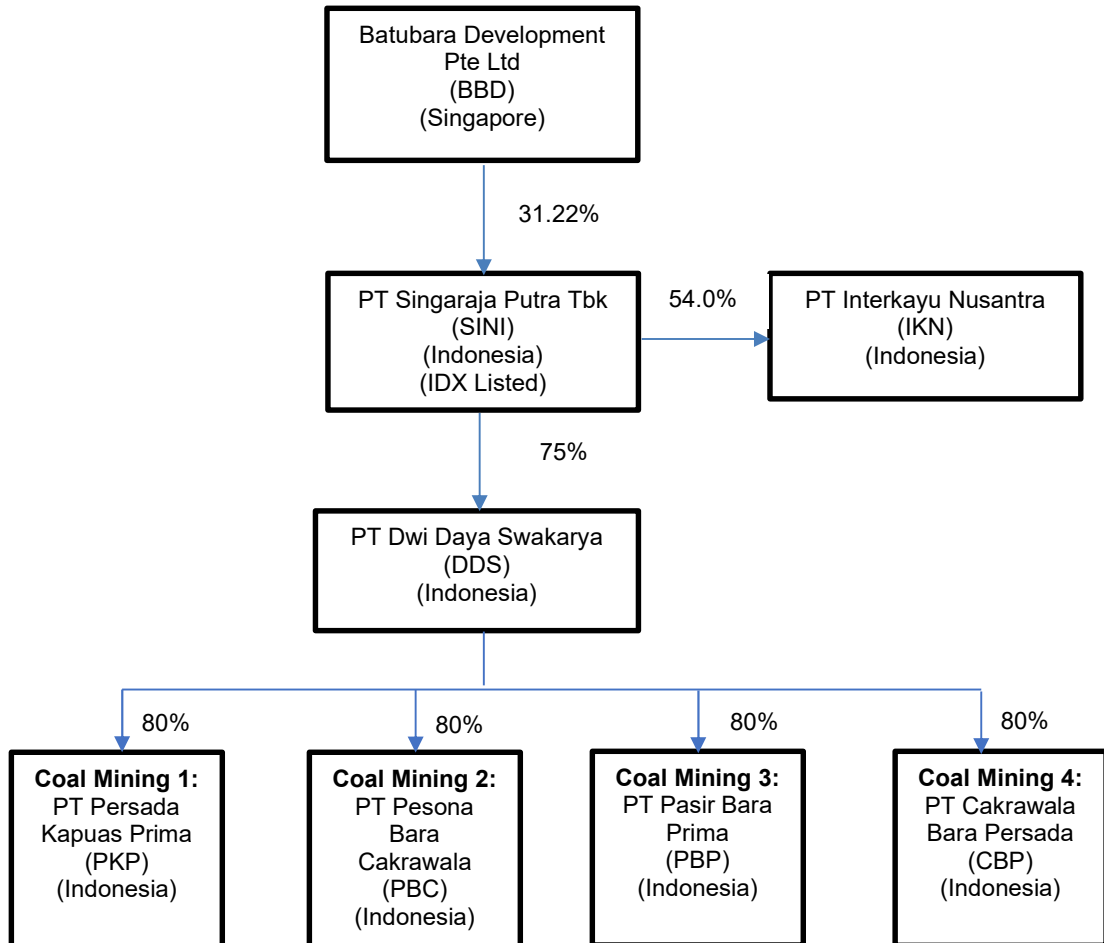
FRANCIS LEE
Executive Director and Chief Executive Officer
17 November 2023

*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the "**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.*

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 contact person for the Sponsor is Ms Karen Soh, Managing Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

APPENDIX A
Target Group Structure



APPENDIX C – BBD ACQUISITION CIRCULAR

CIRCULAR DATED 29 DECEMBER 2023

THIS CIRCULAR IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. PLEASE READ IT CAREFULLY.

If you are in any doubt as to the action you should take, you should consult your stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

Capitalised terms appearing on the cover of this Circular have the same meanings as defined in the Section entitled "DEFINITIONS" of this Circular.

If you have sold or transferred all your Shares, you should immediately forward this Circular, the enclosed Notice of Extraordinary General Meeting and the accompanying proxy form to the purchaser or the transferee, or to the bank, stockbroker or agent through whom the sale or the transfer was effected for onward transmission to the purchaser or the transferee.

This Circular has been prepared by the Company and its contents have been reviewed by the Sponsor in accordance with Rule 226(2)(b) of the Catalist Rules.

This Circular has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this Circular, including the correctness of any of the statements or opinions made, or reports contained in this Circular.

The contact person for the Sponsor is Ms. Karen Soh, Managing Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.



RESOURCES GLOBAL DEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201841763M)

CIRCULAR TO SHAREHOLDERS

IN RELATION TO

- (1) THE PROPOSED ACQUISITION OF ALL THE ISSUED SHARES IN THE CAPITAL OF BATUBARA DEVELOPMENT PTE. LTD. AS AN INTERESTED PERSON TRANSACTION;**
- (2) THE PROPOSED DIVERSIFICATION INTO THE BUSINESS OF COAL MINING; AND**
- (3) THE PROPOSED CASH COLLATERAL AS AN INTERESTED PERSON TRANSACTION.**

**Independent Financial Adviser in respect of the
Proposed Acquisition and the Proposed Cash Collateral as Interested Person Transactions**



XANDAR CAPITAL PTE. LTD.

(Incorporated in the Republic of Singapore)
(Company Registration Number: 200002789M)

IMPORTANT DATES AND TIMES:

Last date and time for lodgement of Proxy Form	:	12 January 2024 at 02:00 p.m.
Date and time of Extraordinary General Meeting	:	15 January 2024 at 02:00 p.m.
Place of Extraordinary General Meeting	:	160 Robinson Road, #06-01, SBF Center, Singapore 068914, Seminar Room No. 2

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DEFINITIONS

In this Circular, the following definitions apply throughout unless the context otherwise requires or is otherwise stated:-

- “associate”** : (a) in relation to any individual, including a Director, Chief Executive Officer, Substantial Shareholder or Controlling Shareholder (being an individual) means:
- (i) his immediate family;
 - (ii) the trustees of any trust of which he or his immediate family is a beneficiary or, in the case of a discretionary trust, is a discretionary object; and
 - (iii) any company in which he and his immediate family together (directly or indirectly) have an interest of 30% or more; and
- (b) in relation to a Substantial Shareholder or a Controlling Shareholder (being a company) means any other company which is its subsidiary or holding company or is a subsidiary of such holding company or one in the equity of which it and/or such other company or companies taken together (directly or indirectly) have an interest of 30% or more
- “Auditors”** : The auditors of the Company for the time being
- “Board”** : The board of Directors of the Company for the time being
- “Catalist”** : The Catalist board of the SGX-ST
- “Catalist Rules”** : The SGX-ST Listing Manual Section B: Rules of Catalist, as amended, modified or supplemented from time to time
- “CDP”** : The Central Depository (Pte) Limited
- “Circular”** : This circular to Shareholders dated 29 December 2023 in relation to the Proposed Transactions
- “Companies Act”** : Companies Act 1967 of Singapore, as amended, modified or supplemented from time to time
- “Company”** : Resources Global Development Limited
- “Completion of the Proposed Acquisition”** : Has the meaning ascribed to it in Section 2.1 of this Circular
- “Consideration”** : Has the meaning ascribed to it in Section 2.2(b) of this Circular
- “Controlling Shareholder”** : A person who:
- (a) holds directly or indirectly 15% or more of the nominal amount of all voting shares in the Company. The SGX-ST may determine that a person who satisfies this paragraph is not a Controlling Shareholder; or
 - (b) in fact exercises control over the Company

DEFINITIONS

“DDS Group”	:	Collectively, (1) PT DDS, (2) PT PKP, (3) PT PBC, (4) PT PBP and (5) PT CBP
“Director”	:	A director of the Company for the time being, and “Directors” shall be construed accordingly
“EGM”	:	The extraordinary general meeting of the Company to be convened on 15 January 2024 for the purposes of considering and, if thought fit, passing the ordinary resolutions set out in the Notice of EGM on pages 69 to 72 of this Circular
“EPS”	:	Earnings per Share
“Existing Business”	:	Has the meaning ascribed to it in Section 3.1 of this Circular
“FY”	:	The financial year ending or ended 31 December, as the case may be
“Group”	:	The Company and its subsidiaries
“HY2023”	:	The half year ended 30 June 2023
“IFA”	:	Xandar Capital Pte. Ltd., the independent financial advisor appointed by the Company to advise the Recommending Directors on the Proposed Acquisition and the Proposed Cash Collateral
“IFA Letter”	:	The letter dated 29 December 2023 from the IFA to the Directors set out in Appendix 1 to this Circular in relation to the Proposed Acquisition and the Proposed Cash Collateral
“Independent Valuer”	:	Kantor Jasa Penilai Publik Ihot Dollar & Raymond, the independent valuer appointed by the Company to perform an independent valuation of the Target Group
“Inter-conditional Resolutions”	:	Ordinary Resolutions 1 and 2
“Latest Practicable Date”	:	18 December 2023, being the latest practicable date prior to the printing of this Circular
“Longstop Date”	:	Has the meaning ascribed to it in Section 2.2(c) of this Circular
“Market Day”	:	A day on which the SGX-ST is open for trading in securities
“Notice of EGM”	:	The notice of the EGM set out on pages 69 to 72 of this Circular
“NTA”	:	Net tangible assets
“Placement Shares”	:	Has the meaning ascribed to it in Section 1.2(b) of this Circular
“Proposed Acquisition”	:	Has the meaning ascribed to it in Section 1.1 of this Circular
“Proposed Cash Collateral”	:	Has the meaning ascribed to it in Section 1.3 of this Circular

DEFINITIONS

“Proposed Diversification”	:	Has the meaning ascribed to it in Section 1.2(a) of this Circular
“Proposed IPTs”	:	Collectively, the Proposed Acquisition and the Proposed Cash Collateral
“Proposed New Business”	:	Has the meaning ascribed to it in Section 3.2 of this Circular
“Proposed Placement”	:	Has the meaning ascribed to it in Section 1.2(b) of this Circular
“Proposed Transactions”	:	Collectively, (i) the Proposed Acquisition, (ii) the Proposed Diversification, and (iii) Proposed Cash Collateral
“PT CBP”	:	PT Cakrawala Bara Persada
“PT DDS”	:	PT Dwi Daya Swakarya
“PT DIR”	:	PT Deli Indonesia Raya
“PT DNS”	:	PT Deli Niaga Sejahtera, a 99% subsidiary of the Company
“PT DPAL”	:	PT Deli Pratama Angkutan Laut, a 50.5% effective interest subsidiary of the Company
“PT IKN”	:	PT Interkayu Nusantra
“PT KNG”	:	PT Karya Niaga Gemilang
“PT PBC”	:	PT Pesona Bara Cakrawala
“PT PKP”	:	PT Persada Kapuas Prima
“PT PBP”	:	PT Pasir Bara Prima
“PT SINI”	:	PT Singaraja Putra Tbk
“PT TRI”	:	PT The Room Indonesia, previously a subsidiary of PT SINI, prior to its disposal by PT SINI in October 2023
“Recommending Directors”	:	Directors who are deemed to be independent for the purposes of making a recommendation on the Proposed IPTs, namely, Alice Yan, Francis Lee, Hew Koon Chan and Cheong Hock Wee
“Sale Shares”	:	Has the meaning ascribed to it in Section 2.2(a) of this Circular
“Seller”	:	Deli International Resources Pte. Ltd.
“SFA”	:	Securities and Futures Act 2001 of Singapore, as amended, modified or supplemented from time to time
“SGX-ST”	:	Singapore Exchange Securities Trading Limited

DEFINITIONS

“Shareholder(s)”	:	The registered holders of the Shares in the Register of Members of the Company, except that where the registered holder is CDP, the term “ Shareholders ” shall, in relation to such Shares and where the context admits, mean the persons named as Depositors in the Depository Register maintained by CDP whose securities accounts are credited with those Shares. Any reference to Shares held by or shareholdings of Shareholders shall include Shares standing to the credit of their respective securities accounts in the Depository Register maintained by CDP
“Shareholder’s Loan”	:	The loan of S\$4,300,000 extended by the Seller to the Target Company as further detailed in Section 2.2(b) of this Circular
“Shares”	:	Ordinary shares in the capital of the Company
“SINI Group”	:	PT SINI and its subsidiaries
“SPA”	:	The sale and purchase agreement entered into between the Company and the Seller on 17 November 2023 in relation to the Proposed Acquisition
“Sponsor”	:	ZICO Capital Pte. Ltd.
“SRS”	:	Supplementary Retirement Scheme
“Substantial Shareholder”	:	A person who has an interest or interests in one or more voting Shares (excluding treasury shares) in the Company, and the total votes attached to that Shares, or those Shares, is not less than 5.0% of the total votes attached to all the voting Shares (excluding treasury shares) in the Company
“Target Company”	:	Batubara Development Pte. Ltd.
“Target Group”	:	Collectively, (i) the Target Company, (ii) PT SINI, (iii) PT IKN, (iv) PT DDS, (v) PT PKP, (vi) PT PBC, (vii) PT PBP and (viii) PT CBP
“Total Consideration”	:	The total consideration for the Proposed Acquisition, being S\$10,000,000, comprising the Consideration and the Shareholder’s Loan
“Valuation Report”	:	The valuation report dated 18 December 2023, issued by the Independent Valuer in respect of the independent valuation of the Target Group, a copy of the executive summary of the valuation report is set out in Appendix 2 of this Circular
<u>Currencies, Units and Others</u>		
“IDR”	:	Indonesian rupiah, the lawful currency of Indonesia
“kcal/kg”	:	Kilocalories per kilogram
“S\$” or “cents”	:	Singapore dollar or cents, the lawful currency of Singapore
“%” or “per cent”	:	Per centum or percentage

DEFINITIONS

The terms “**Depositor**”, “**Depository Agent**” and “**Depository Register**” shall have the meanings ascribed to them respectively in Section 81SF of the SFA.

The terms “**subsidiaries**” and “**related corporations**” shall have the meanings ascribed to them in Section 5 and Section 6 respectively of the Companies Act.

The term “**treasury shares**” shall have the meaning ascribed to it in Section 76H of the Companies Act.

Any reference to a time of day in this Circular shall be a reference to Singapore time, unless otherwise stated.

Words importing the singular shall, where applicable, include the plural and *vice versa*. Words importing the masculine gender shall, where applicable, include the feminine and neuter genders and *vice versa*. References to persons shall, where applicable, include corporations.

Any reference in this Circular to any enactment is a reference to that enactment as for the time being amended or re-enacted. Any term defined under the Companies Act, the SFA, the Catalist Rules or such statutory modification thereof and used in this Circular shall, where applicable, have the meaning ascribed to it under the Companies Act, the SFA, the Catalist Rules or such statutory modification thereof, as the case may be, unless otherwise provided.

The headings in this Circular are inserted for convenience only and shall be ignored in construing this Circular.

Unless otherwise stated, all amounts converted from IDR to S\$ in this Circular shall be based on an indicative exchange rate of S\$1.00 : IDR11,633.32 (the “**Exchange Rate**”), being the mid-day exchange rate as at the Latest Practicable Date as published on the website of the Monetary Authority of Singapore.

Any discrepancy in figures included in this Circular between the listed amounts and the totals thereof are due to rounding. Accordingly, figures shown as totals in certain tables in this Circular may not be an arithmetic aggregation of the figures that precede them.

CAUTIONARY NOTE ON FORWARD-LOOKING STATEMENTS

All statements other than statements of historical facts included in this Circular are or may be forward-looking statements. Forward-looking statements include but are not limited to those using words such as “aim”, “seek”, “expect”, “anticipate”, “estimate”, “believe”, “intend”, “project”, “plan”, “strategy”, “forecast” and similar expressions or future or conditional verbs such as “will”, “would”, “should”, “could”, “may” and “might”. These statements reflect the Company’s current expectations, beliefs, hopes, intentions or strategies regarding the future and assumptions in light of currently available information. Such forward-looking statements are not guarantees of future performance or events and involve known and unknown risks and uncertainties. Accordingly, actual results may differ materially from those described in such forward-looking statements. Shareholders of the Company should not place undue reliance on such forward-looking statements, and the Company does not guarantee any future performance or event or assumes any obligation to update publicly or revise any forward-looking statement.

LETTER TO SHAREHOLDERS

RESOURCES GLOBAL DEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201841763M)

Board of Directors:

Alice Yan (Independent Non-Executive Chairwoman)
Francis Lee (Executive Director and Chief Executive Officer)
Salim Limanto (Executive Director and Chief Operating Officer)
Hew Koon Chan (Independent Non-Executive Director)
Cheong Hock Wee (Independent Non-Executive Director)

Registered Office:

144 Robinson Road
#11-02 Robinson Square
Singapore 068908

29 December 2023

To: The Shareholders of Resources Global Development Limited

Dear Sir / Madam

1. INTRODUCTION

- 1.1 On 17 November 2023, the Company announced that it had on 17 November 2023, entered into the SPA with the Seller, an interested person under Chapter 9 of the Catalist Rules, pursuant to which the Company agreed to purchase all the issued and paid-up shares in the capital of Batubara Development Pte. Ltd., on the terms and subject to the conditions of the SPA (the “**Proposed Acquisition**”). Upon completion of the Proposed Acquisition (“**Completion of the Proposed Acquisition**”), the Company will be the legal and beneficial owner of all the issued shares in the Target Company and the Target Company will become a wholly-owned subsidiary of the Company.
- 1.2 In connection with the Proposed Acquisition, the Company also announced that, subject to the approval of the Shareholders, the Company intends to:
- (a) diversify its core business to include the business of coal mining, with particular focus on coal with total average gross as received (“**GAR**”) of approximately 4,200 kcal/kg (“**Proposed Diversification**”); and
 - (b) undertake a placement of 10,000,000 new ordinary shares in the capital of the Company (“**Placement Shares**”) at a placement price to be determined (“**Proposed Placement**”) to fund the Proposed Acquisition.
- 1.3 Separately, subject to the approval of the Shareholders, the Company intends to, through its 99% subsidiary, PT DNS, provide a cash collateral sum of up to IDR 150 billion (equivalent to approximately S\$12.9 million based on the Exchange Rate) as security for PT DPAL, a 50.5% effective interest subsidiary of the Company and also an interested person under Chapter 9 of the Catalist Rules, to obtain loans from banks in Indonesia (“**Proposed Cash Collateral**”).
- 1.4 **EGM and Circular**
- The purpose of this Circular is to provide Shareholders with the rationale for, and information relating to, the Proposed Transactions, and to seek Shareholders’ approval in respect of the same at the EGM to be held at 02:00 p.m. on 15 January 2024 at 160 Robinson Road, #06-01, SBF Center, Singapore 068914. Seminar Room No. 2. The Notice of EGM is set out on pages 69 to 72 of this Circular.

The SGX-ST assumes no responsibility for contents of this Circular, including the accuracy, completeness or correctness of any of the statements made, reports contained or opinions expressed in this Circular.

LETTER TO SHAREHOLDERS

1.5 Legal Adviser

Withers KhattarWong LLP has been appointed as the legal adviser to the Company in relation to the matters stated in this Circular.

2. THE PROPOSED ACQUISITION

2.1 Information on the Target Group

All information in respect of the Seller and the Target Company is based solely on information and representations made and provided by the Seller and the Target Company to the Company. In respect of such information, the Company has not independently verified the accuracy and correctness of the same and the Company's responsibility is limited to ensuring that such information has been accurately and correctly extracted and reproduced in this Circular in its proper form and context.

(a) Target Company

The Target Company is a private company limited by shares incorporated in Singapore on 18 May 2012. As at the Latest Practicable Date, the Target Company has an issued and paid-up capital of S\$2 comprising two (2) ordinary shares which are solely held by the Seller. The Target Company is a holding company and does not carry out any business activities. The sole director of the Target Company is Mr Irianto Tan, the son of Mr Arifin Tan, who is a Controlling Shareholder of the Company.

The Target Company holds a 31.22% stake in PT SINI, which is a company listed on the Indonesia Stock Exchange ("**IDX**").

(b) PT SINI

PT SINI is a limited liability company established in Indonesia on 23 November 2005. All of PT SINI's shares ("**PT SINI Shares**") have been listed and traded on the IDX since 8 November 2019. PT SINI is a holding company. As at the Latest Practicable Date:

- (i) PT SINI holds a 54% stake in PT IKN and a 75% stake in PT DDS. PT DDS has an 80% stake each in four (4) coal mining companies, being PT PKP, PT PBC, PT PBP and PT CBP;
- (ii) PT SINI has an issued and paid-up share capital of IDR 48,100,000,000 comprising 481,000,000 PT SINI Shares. Based on the closing price of IDR 840 for each PT SINI Share as at the Latest Practicable Date, PT SINI has a market capitalisation of IDR 404.0 billion (equivalent to S\$34.7 million based on the Exchange Rate);
- (iii) the directors of PT SINI are Mr Erick Tonny Tjandra, Mr Amir Antolis and Ms Prilli Budi Pasravita Soetantyo, and the commissioners of PT SINI are Mr Ir. Fredyanto Oetomo, Mr Brian Randing and Ms Anist Fahimah, who are all not related to the Company, the Group, the Directors, the Substantial Shareholders, or their respective associates; and
- (iv) the remaining substantial shareholders of PT SINI are PT Autum Prima Indonesia and PT Basis Energi Prima which are unrelated to the Company, the Group, the Directors, the Substantial Shareholders or their respective associates. As at the Latest Practicable Date, the shareholdings of PT Autum Prima Indonesia and PT Basis Energi Prima are approximately 30% and 12% respectively.

(c) PT IKN

PT IKN, a 54% subsidiary of PT SINI, is a limited liability company established in Indonesia on 29 July 1989. The remaining 46% shareholders of PT IKN are Ms Prilli Budi Pasravita Soetantyo, Mr Jacob Willem Ravenhorst, Mr Ir. Fredyanto Oetomo, Mr Hendra Hasan Kustarjo, who are all not related to the Company, the Group, the Directors, the Substantial

LETTER TO SHAREHOLDERS

Shareholders, or their respective associates. PT IKN is principally engaged in the business of the timber industry for export-oriented components of building materials. As at the Latest Practicable Date:

- (i) PT IKN has an issued and paid-up share capital of IDR 37,100,000,000 comprising 371,000,000 shares; and
- (ii) the directors of PT IKN are Ms Prilli Budi Pasravita Soetantyo and Mr Jacob Willem Ravenhorst, and the commissioner of PT IKN is Mr Ir. Fredyanto Oetomo, who are all not related to the Company, the Group, the Directors, the Substantial Shareholders, or their respective associates.

(d) PT DDS

PT DDS, a 75% subsidiary of PT SINI, is a limited liability company established in Indonesia on 21 December 2009. The remaining 25% shareholder of PT DDS is PT Bara Sejahtera Bersama, an unrelated third party of PT SINI and the Company, the Group, the Directors, the Substantial Shareholders, or their respective associates. PT DDS is principally engaged in the business management consulting activities and holding company activities. As at the Latest Practicable Date:

- (i) PT DDS has an issued and paid-up share capital of IDR 77,279,400,000 comprising 772,794 shares; and
- (ii) the directors of PT DDS are Mr Helyuzar and Mr Amir Antolis, and the commissioner of PT DDS is Mr Brian Randing, who are all not related to the Company, the Group, the Directors, the Substantial Shareholders, or their respective associates.

PT SINI completed the acquisition of 75% stake in PT DDS (and accordingly, the DDS Group) on 26 September 2023.

(e) PT PKP

PT PKP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 31 March 2005. The remaining 20% shareholder of PT PKP is PT Bara Sejahtera Bersama, an unrelated third party of the Company, the Group, the Directors, the Substantial Shareholders, or their respective associates. PT PKP is principally engaged in the business of mining and coal exploration. PT PKP has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated proved and probable reserves of 58 million tonnes as at the Latest Practicable Date. As at the Latest Practicable Date:

- (i) PT PKP has an issued and paid-up share capital of IDR 10,000,000,000 comprising 1,000,000 shares; and
- (ii) the director of PT PKP is Mr Helyuzar, and the commissioner of PT PKP is Mr Brian Randing, who are all not related to the Company, the Group, the Directors, the Substantial Shareholders, or their respective associates.

(f) PT PBC

PT PBC, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 9 January 2006. The remaining 20% shareholder of PT PBC is PT Bara Sejahtera Bersama. PT PBC is principally engaged in the business of mining and coal exploration. PT PBC has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated proved and probable reserves of 42 million tonnes as at the Latest Practicable Date. As at the Latest Practicable Date:

- (i) PT PBC has an issued and paid-up share capital of IDR 5,000,000,000 comprising 500,000 shares; and
- (ii) the director of PT PBC is Mr Helyuzar, and the commissioner of PT PBC is Mr Brian Randing.

LETTER TO SHAREHOLDERS

(g) PT PBP

PT PBP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 23 December 2004. The remaining 20% shareholder of PT PBP is PT Bara Sejahtera Bersama. PT PBP is principally engaged in the business of mining and coal exploration. PT PBP has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated proved and probable reserves of 44 million tonnes as at the Latest Practicable Date. As at the Latest Practicable Date:

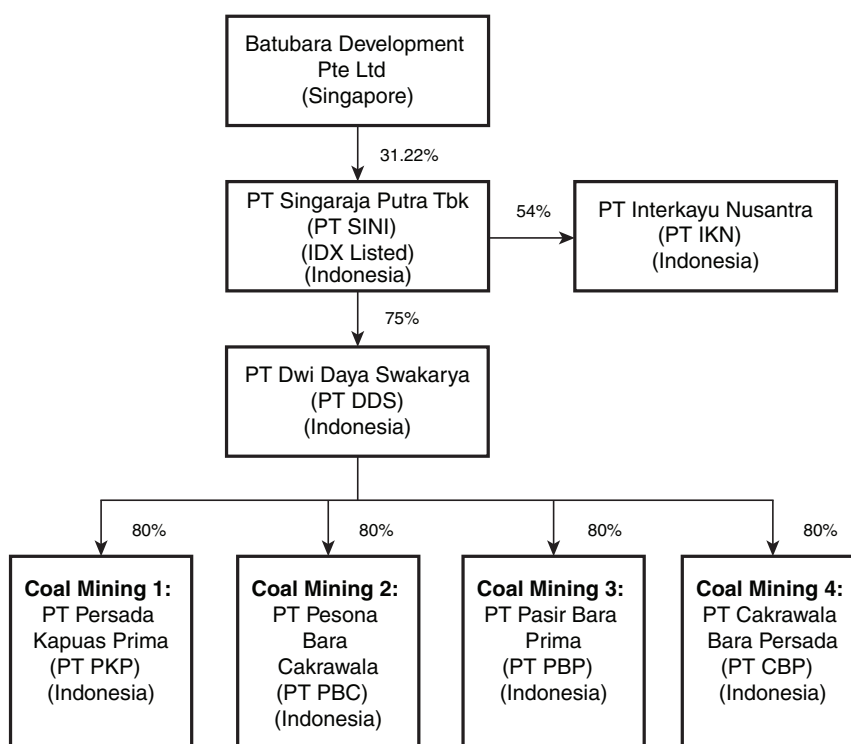
- (i) PT PBP has an issued and paid-up share capital of IDR 5,000,000,000 comprising 20,000 shares; and
- (ii) the director of PT PBP is Mr Helyuzar, and the commissioner of PT PBP is Mr Brian Randing.

(h) PT CBP

PT CBP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 9 January 2006. The remaining 20% shareholder of PT CBP is PT Bara Sejahtera Bersama. PT CBP is principally engaged in the business of mining and coal exploration. PT CBP has a mining business permit with production operation period until 18 June 2032 over a coal mine located in Central Kalimantan, Indonesia with total estimated proved and probable reserves of 18 million tonnes as at the Latest Practicable Date. As at the Latest Practicable Date:

- (i) PT CBP has an issued and paid-up share capital of IDR 5,000,000,000 comprising 500,000 shares; and
- (ii) the director of PT CBP is Mr Helyuzar and the commissioner of PT CBP is Mr Brian Randing.

The corporate structure of the Target Group as at the Latest Practicable is illustrated as follows:



LETTER TO SHAREHOLDERS

For more information on the Target Group and its relationship with the Company, please refer to Section 5.3 of this Circular entitled “The Proposed Acquisition as an Interested Person Transaction”.

2.2 Principal Terms of the SPA

(a) Sale Shares

Pursuant to the SPA, the Seller shall sell and the Company shall purchase two (2) ordinary shares, representing all the issued and paid-up shares in the capital of the Target Company (“**Sale Shares**”).

(b) Purchase Consideration

The purchase consideration for the Sale Shares is S\$5,700,000 (the “**Consideration**”). The Consideration was arrived at on a willing-seller, willing-buyer basis after arms’ length negotiations between the Company and the Seller, and after taking into account, *inter alia*, the following:

- (i) the value of the Target Company’s shareholding in PT SINI, based on the share price of PT SINI; and
- (ii) the Shareholder’s Loan. The Shareholder’s Loan is unsecured, non-interest bearing and has no fixed terms of repayment.

Pursuant to the terms of the SPA, the Company shall pay the Consideration in full in cash to the Seller and the Company shall repay (on behalf of the Target Company) the Shareholder’s Loan in full in cash to the Seller. For the avoidance of doubt, upon repayment of the Shareholder’s Loan by the Company to the Seller, the Shareholder’s Loan shall then be owing by the Target Company to the Company.

The Consideration and the repayment of the Shareholder’s Loan will be funded by (i) the net proceeds to be raised from the Proposed Placement; and (ii) the balance (if any) from the Group’s internal resources, and shall be satisfied in full in cash within one (1) month after the completion of the Proposed Placement.

If Completion of the Proposed Acquisition has taken place in accordance with the terms of the SPA but the Proposed Placement has not been completed by the Longstop Date (as set out in Section 2.2(c) below), (i) the Consideration shall become a non-interest-bearing and unsecured loan due from the Company to the Seller and with no fixed terms of repayment; and (ii) the Shareholder’s Loan shall continue to remain outstanding on and after the Longstop Date. For the avoidance of doubt, in such event, the Shareholder’s Loan shall continue to be unsecured, non-interest-bearing and with no fixed terms of repayment.

(c) Conditions Precedent

Completion of the Proposed Acquisition is subject to and conditional upon, *inter alia*, the satisfaction (or such waiver by the Company in writing) of the following conditions (“**Conditions Precedent**”) on or before 16 November 2024 (“**Longstop Date**”):

- (i) each of the warranties made by the Seller under the SPA being true, accurate and not misleading on Completion of the Proposed Acquisition by reference to the circumstances then existing;
- (ii) the approval of the Shareholders at the EGM, the Board (as appropriate) and the regulatory authorities (including the Sponsor, and/or SGX-ST, where applicable) in respect of:
 - (A) the Proposed Acquisition as an interested person transaction; and
 - (B) the Proposed Diversification; and

LETTER TO SHAREHOLDERS

(iii) the results of the legal and financial due diligence investigations on the Target Group conducted by the Company and its advisors being reasonably satisfactory to the Company.

(d) Completion of the Proposed Acquisition

Subject to the fulfilment of the Conditions Precedent on or before the Longstop Date, Completion of the Proposed Acquisition shall take place at such place and on such date as the Company and the Seller may agree in writing.

2.3 Financial Information

Based on the unaudited¹ financial statements of the Target Company for FY2022, the Target Company recorded a net loss of approximately S\$15,000 for FY2022 and had a net asset value of approximately S\$204,000 as at 31 December 2022. Based on the unaudited financial statements of the Target Company for HY2023, the Target Company recorded a net profit of approximately S\$56,000 for HY2023 and had a net asset value of approximately S\$260,000 as at 30 June 2023. As set out in Section 2.1(a) of this Circular, the Target Company is a holding company and does not carry out any business activities.

The Target Company holds a 31.22% stake in PT SINI. Based on the audited consolidated financial statements of PT SINI and its then subsidiaries (excluding the DDS Group but including PT TRI as it was prior to its disposal in October 2023) for FY2022, the SINI Group recorded a net profit of approximately IDR 10.7 billion (equivalent to approximately S\$0.9 million based on the Exchange Rate) for FY2022 and had a net asset value of approximately IDR 52.4 billion (equivalent to approximately S\$4.5 million based on the Exchange Rate) as at 31 December 2022. Based on the unaudited consolidated financial statements of the SINI Group (then including the DDS Group since 26 September 2023 as PT SINI completed the acquisition of 75% stake in PT DDS on 26 September 2023, and PT TRI as it was prior to its disposal in October 2023) for the nine months ended 30 September 2023 (“9M2023”), the SINI Group recorded a net profit of approximately IDR 1.3 billion (equivalent to approximately S\$112,000 based on the Exchange Rate) for 9M2023 and had a net liability value of approximately IDR 616.7 billion (equivalent to approximately S\$53.0 million based on the Exchange Rate) as at 30 September 2023. The net liability value of the SINI Group as at 30 September 2023 was due to the acquisition of PT DDS in September 2023 as PT SINI has not taken into account the fair value of the coal mining assets of the DDS Group as at 30 September 2023.

Based on the audited consolidated financial statements of the DDS Group for FY2022, the DDS Group recorded a net loss of approximately IDR 141.5 million (equivalent to approximately S\$12,000 based on the Exchange Rate) for FY2022 and a net asset value of approximately IDR 227.8 billion (equivalent to approximately S\$19.6 million based on the Exchange Rate) as at 31 December 2022. Based on the unaudited consolidated financial statements of the DDS Group for HY2023, the DDS Group recorded a net profit of approximately IDR 684.8 million (equivalent to approximately S\$59,000 based on the Exchange Rate) for HY2023 and a net asset value of approximately IDR 228.5 billion (equivalent to approximately S\$19.6 million based on the Exchange Rate) as at 30 June 2023.

2.4 Independent Valuer

The Company has appointed Kantor Jasa Penilai Publik Ihot Dollar & Raymond as the Independent Valuer to perform an independent valuation of the Target Group. Based on the Valuation Report, the market value of the Target Group is S\$15.3 million. The basis of the valuation adopted by the Independent Valuer is mainly the income approach with discounted economic income method or discounted cash flow valuation method, supported by the guideline publicly traded company method and net adjusted book value method.

Please refer to Appendix 2 to this Circular for the executive summary of the Valuation Report issued by the Independent Valuer. **Shareholders are advised to read the executive summary of the Valuation Report carefully in its entirety.**

None of the Seller, the Directors, the Controlling Shareholders, or their respective associates have any interest, direct or indirect, in the Independent Valuer.

¹ The Target Company is exempted from audit requirements pursuant to Section 205C of the Companies Act.

LETTER TO SHAREHOLDERS

2.5 Rationale for the Proposed Acquisition

As the Target Company is one of the largest shareholders of PT SINI, the Proposed Acquisition is primarily for the acquisition of the coal mines held by PT PKP, PT PBC, PT PBP and PT CBP, as the Board is of the view that the Proposed Acquisition (together with the Proposed Diversification) will enable the Group to expand and diversify into coal mining, which is complementary to the Group's existing core businesses of trading and the provision of shipping services, whereby the coal mines, when in production, may provide a source of coal of which quality and specifications are within the Group's control.

As such, over time, the Group will stand to benefit from the potential commercial, operational and costs synergies, particularly where the Target Group's resources can benefit the Group. Given the potential synergy and efficiencies which will be created by the addition of the Target Group, the Board believes that the Proposed Acquisition will enhance the long-term interests of the Company and Shareholders.

2.6 Risks factors associated with the Proposed Acquisition

As the Proposed Acquisition will be the means by which the Company diversifies into the Proposed New Business, the risk factors associated with the Proposed Acquisition are the same as those associated with the Proposed Diversification. Please refer to Section 3.8 of this Circular for further details on the risk factors associated with the Proposed Diversification.

2.7 The Proposed Acquisition as a Discloseable Transaction

The relative figures computed on the bases set out in Rule 1006 of the Catalyst Rules in relation to the Proposed Acquisition based on the latest unaudited consolidated financial results of the Group for HY2023 are as follows:

Rule 1006	Bases	Relative Figures (%)
(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value. This basis is not applicable to an acquisition of assets.	Not applicable ⁽¹⁾
(b)	The net profits ⁽²⁾ attributable to the assets acquired, compared with the Group's net profits.	1.0% ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the Company's market capitalisation based on the total number of issued shares, excluding treasury shares.	11.3% ⁽⁴⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue.	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group's proved and probable reserved.	Not applicable ⁽⁶⁾

Notes:

- (1) This basis is not applicable to an acquisition of assets.
- (2) Pursuant to Rule 1002(3)(b) of the Catalyst Rules, "net profits" means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Computed based on the net profits of the Target Group of approximately S\$73,535 for HY2023; and the Group's net profits of S\$7,101,070 for HY2023.
- (4) Computed based on (i) S\$10,000,000 being the aggregate of the Consideration of S\$5,700,000 and the Shareholder's Loan of S\$4,300,000 to be repaid by the Company on behalf of the Target Company; and (ii) the Company's market capitalisation of approximately S\$88.2 million as at 15 November 2023. Under Rule 1002(5) of the Catalyst Rules, the market capitalisation of the Company is determined by multiplying the number of ordinary Shares in issue (being 90,000,000 Shares) by the weighted average price of S\$0.98 per Placement Share on 15 November 2023 (being the last market day on which the Shares were traded prior to the date of the SPA).

LETTER TO SHAREHOLDERS

- (5) This basis is not applicable as there will be no new Shares issued as consideration for purposes of the Proposed Acquisition.
- (6) This basis is not applicable to an acquisition of assets.

As the relative figure computed under Rule 1006(c) of the Catalist Rules for the Proposed Acquisition exceeds 5% but is less than 75%, the Proposed Acquisition therefore constitutes a discloseable transaction pursuant to Chapter 10 of the Catalist Rules. Notwithstanding the foregoing, the Proposed Acquisition is subject to the approval of Shareholders as it is an interested person transaction pursuant to Chapter 9 of the Listing Manual. Please refer to Section 5.3 of this Circular for further information.

2.8 Financial Effects of the Proposed Acquisition

(a) Bases and Assumptions

The *pro forma* financial effects of the Proposed Acquisition, based on the audited consolidated financial statements of the Group for FY2022 are set out below. The *pro forma* financial effects of the Proposed Acquisition on the Group set out below are only presented for illustration purposes, and are therefore not indicative of the actual and/or future results and financial situation of the Company or the Group after Completion of the Proposed Acquisition.

The *pro forma* financial effects of the Proposed Acquisition have been prepared based on the audited consolidated financial statements of the Group for FY2022, and on the following basis and assumptions:

- (i) the Target Group is consolidated into the financial statements of the Group based on common control method in view of the common controlling shareholders of both the Company and the Target Company, which will result in a merger reserve as the Consideration is higher than the net book value of the Target Group;
- (ii) the financial effects on the consolidated NTA per Share is computed based on the assumption that the Proposed Acquisition was completed on 31 December 2022;
- (iii) the financial effects on the consolidated EPS is computed based on the assumption that the Proposed Acquisition was completed on 1 January 2022;
- (iv) the expenses to be incurred in connection with the Proposed Acquisition are estimated to be approximately S\$300,000; and
- (v) the Company having completed the Proposed Placement by issuing 10,000,000 new Shares based on an illustrative issue price of S\$0.98 per new Placement Share, being the last traded share price of the Shares as at 15 November 2023 prior to the date of the SPA.
- (b) NTA per Share

As at 31 December 2022	Before the Proposed Acquisition	After the Proposed Acquisition
NTA ⁽¹⁾ (S\$'000)	51,662	55,666
Number of Shares ('000)	90,000	100,000 ⁽²⁾
NTA per Share (Singapore cents)	57.4	55.7

Notes:

- (1) NTA attributable to equity holders of the Company.
- (2) Number of Shares comprise the additional 10,000,000 new Shares to be issued pursuant to the Proposed Placement based on an illustrative issue price of S\$0.98 per new Placement Share, being the last traded share price of the Shares as at 15 November 2023 prior to the date of the SPA.

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(c) EPS

For FY2022	Before the Proposed Acquisition	After the Proposed Acquisition
Profit attributable to equity holders of the Company (S\$'000)	20,116	19,958
Number of Shares ('000)	90,000	100,000 ⁽¹⁾
EPS (Singapore cents)	22.4	20.0

Note:

- (1) Number of Shares comprise the additional 10,000,000 new Shares to be issued pursuant to the Proposed Placement based on an illustrative issue price of S\$0.98 per new Placement Share, (being the last traded share price of the Shares as at 15 November 2023 prior to the date of the SPA).

2.9 No Service Contracts

No person is proposed to be appointed as a director of the Company in connection with the Proposed Acquisition. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

3. THE PROPOSED DIVERSIFICATION

3.1 Existing Business of the Group

The Group is principally engaged in the business of trading and shipping in Indonesia ("**Existing Business**"). The Group's main trading products is currently thermal coal procured from coal mines located in South Kalimantan for domestic and export sales. The Group's shipping services comprise chartering services and trans-shipment services mainly within the Indonesian territories for commodity traders.

Further information can be found in the Company's offer document dated 14 January 2020 and the Company's annual report for FY2022.

3.2 Proposed Diversification

In view of the current opportunity presented by the Proposed Acquisition (as disclosed in Section 2 of this Circular) and with the overall goal of enhancing shareholder value and providing Shareholders with diversified returns and long-term growth, subject to Shareholders' approval being obtained at the EGM, the Group intends to diversify its core business to include the business of coal mining, with particular focus on coal with total average GAR of approximately 4,200 kcal/kg (the "**Proposed New Business**").

The Board wishes to clarify that in its announcement of the Proposed Acquisition dated 17 November 2023, it was announced that the Company had intended to diversify its core business to include "*the business of mining of coal and minerals, and its related activities*". However, after further consideration, the Board is of the view that:

- (a) the Existing Business of the Group at this juncture is primarily focused on coal trading and shipping and accordingly the expertise of the management team is in coal;
- (b) the average quality of coal traded by the Group is approximately GAR 4,200 kcal/kg;
- (c) as described in the Section 2.5 above, the Proposed Acquisition relates to the acquisition of the coal mines held by PT PKP, PT PBC, PT PBP and PT CBP;
- (d) save for (c) above, the Group has no immediate plans of expanding into mining or trading of other commodities; and
- (e) in light of (a) to (d) above, it would be prudent for the proposed diversification of the Group to be refined to the Proposed New Business.

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The extension of the Existing Business will change the existing business scope and risk profile of the Company and/or the Group. Accordingly, the Company is seeking Shareholders' approval for the proposed diversification of the Existing Business to include the Proposed New Business.

The Group does not plan to restrict the Proposed New Business to any specific geographical market as each investment will be evaluated and assessed by the Board on its merits. Nevertheless, as at the Latest Practicable Date, the Group's plans in relation to the Proposed New Business are primarily within Indonesia.

As at the Latest Practicable Date, save for the Proposed Acquisition, the Group has not identified or committed to any specific business opportunity or investment under the Proposed New Business. However, the Group may, as part of the Proposed New Business, invest in or dispose of shares or interests in any entity that is in the Proposed New Business. The Group may also explore joint ventures, partnerships, co-operation and/or strategic alliances with third parties who have the relevant expertise and resources to carry out the Proposed New Business as and when the opportunity arises.

The decision on whether an investment should be undertaken by the Group on its own or in collaboration with third parties will be made by the Board after taking into consideration various factors, such as the value of the proposed investment or acquisition, the location of the mine, the geological information of the mine based on the independent geological and/or valuation reports prepared by the geologists and valuers (where applicable), the growth potential, the projected rate of return, the potential costs involved, the risks associated with the investment, the funding requirements and the prevailing market conditions, the possession of the relevant licenses, permits, consents and approvals by the target entity and the conditions and limitations attached thereto, research report(s) on, amongst others, the projected demand and supply of the coal, and the findings from the legal and financial due diligence exercises.

3.3 Rationale for the Proposed Diversification

The Proposed Diversification is also part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. It may provide the Group with additional revenue, which can be channelled towards the enhancement of shareholder value over the long-term.

While it is acknowledged that in addition to the coal mining business operated under the DDS Group, PT SINI is also involved in businesses of timber through its share ownership in PT IKN (which was owned by PT SINI before the Target Company became one of the controlling shareholders of PT SINI), the Group wishes to clarify that notwithstanding the Group's indirect shareholding in PT IKN resulting from the Proposed Acquisition, the Group does not intend to diversify into the businesses of PT IKN, and that PT IKN will continue to operate independently without the Group's involvement.

The Directors believe that the Proposed Diversification will enhance and strengthen the Existing Business, offer new business opportunities, provide the Group with new revenue streams and improve its prospects, so as to enhance Shareholders' value for the Company.

Accordingly, the Board is of the opinion that the Proposed Diversification is in the best interests of the Group.

Shareholders should note that the Proposed Diversification is subject to the Completion of the Proposed Acquisition.

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3.4 Application of Chapter 10 of the Catalist Rules

As the Proposed New Business is substantially different from the Existing Business, it is envisaged that the Proposed Diversification will change the existing risk profile of the Group. Accordingly, the EGM will be convened by the Company to seek Shareholders' approval for the Proposed Diversification.

Upon the approval by Shareholders of the Proposed Diversification, any acquisition or disposal which is in or in connection with, the Proposed New Business, may be deemed to be in the Group's ordinary course of business and therefore not fall under the definition of a "transaction" under Chapter 10 of the Catalist Rules. Accordingly, the Group may, in its ordinary course of business, enter into transactions relating to the Proposed New Business which will not change the risk profile of the Group, in an efficient and timely manner without the need to convene separate general meetings from time to time to seek for Shareholders' approval as and when such potential transactions arise. This will reduce substantially the administrative time, inconvenience and expenses associated with the convening of such meetings, without compromising the Group's corporate objectives and adversely affecting the business opportunities available to the Group.

Pursuant to Rule 1014 of the Catalist Rules, a "major transaction" is a transaction where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 75% but is less than 100% (for an acquisition) or exceeds 50% (for a disposal or the provision of financial assistance) and must be made conditional upon approval by shareholders at a general meeting.

For the avoidance of doubt, notwithstanding that Shareholders' approval of the Proposed Diversification has been obtained, in respect of transactions relating to the Proposed New Business:

- (a) Rule 1015 of the Catalist Rules will apply to acquisitions of assets (including options to acquire assets) whether or not in the Company's ordinary course of business (which will include the Proposed New Business) where any of the relative figures as computed on the bases set out in Rule 1006 of the Catalist Rules exceeds 100% or results in a change in control of the Company. Such acquisitions must therefore be, amongst others, made conditional upon approval by Shareholders at a general meeting;
- (b) an acquisition of assets (including an option to acquire assets) which will change the risk profile of the Company (other than as detailed in this Circular), such as where the proposed acquisition will result in an expansion into a new jurisdiction that will expose the Company to significant new risks, will be subject to the approval of Shareholders at a general meeting; and
- (c) Chapter 9 of the Catalist Rules will apply to a transaction which constitutes an "interested person transaction" as defined under the Catalist Rules and the Company will comply with the provisions of Chapter 9 of the Catalist Rules.

Pursuant to Rule 1005 of the Catalist Rules, separate transactions completed within the last 12 months may also be aggregated and treated as if they were one transaction in determining whether a transaction falls into category (a), (b), (c) or (d) of Rule 1004 of the Catalist Rules.

The Company will be required to comply with any applicable and prevailing Catalist Rules as amended or modified from time to time.

3.5 Management of the Proposed New Business

It is currently envisaged that the Proposed New Business will be initially spearheaded by Mr Salim Limanto, the Group's Executive Director and Chief Operating Officer, and he will be responsible for overseeing the entire operations of the Proposed New Business.

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Mr Limanto has over 11 years of management and business development experience in coal mining, transportation and trading industries, and has been involved in the Group's business since the inception of PT DPAL and PT DNS. Mr Limanto will continue with his current responsibilities as Chief Operating Officer, and further exercise oversight over the new strategic direction of the Group for the Proposed New Business.

The Group will carefully monitor developments and progress in the Proposed New Business. Where necessary, it will strengthen the management and execution team in relation to the Proposed New Business with additional candidates with the credentials and experience relevant to the Proposed New Business. The Group will also continually evaluate the manpower and expertise required for the Proposed New Business and will, as and when required, engage suitably qualified external personnel, consultants, industry experts and professionals for the Proposed New Business. In making decisions, the Board and senior management will seek the advice of these reputable external consultants and experts where necessary and appropriate. Where necessary, work may be outsourced to these third parties who have expertise in the relevant area.

3.6 Funding for the Proposed New Business

Save in respect of the Proposed Acquisition which will be funded by the net proceeds of the Proposed Placement, the proposed diversification into the Proposed New Business will be funded primarily through internal funds and/or borrowings from financial institutions. As and when necessary and deemed appropriate, the Group may explore secondary fund-raising exercises by tapping the capital markets including but not limited to rights issues, share placements and/or issuance of debt instruments.

The Group will remain prudent and take into account the financial condition of the Group in deciding the types of projects and related investments it undertakes, and the amounts thereof.

3.7 Risk Management Procedures

The Board does not have a separate Board Risk Committee as the Board is currently assisted by the Audit Committee, internal auditors and external auditors in carrying out its responsibility of overseeing the Group's risk management framework and policies. To address the risks presented by the Proposed Diversification, the members of the Audit Committee will be tasked with the responsibility of overseeing the risk management activities of the Company in relation to the Proposed New Business following the Proposed Diversification. The Audit Committee will be required to approve appropriate risk management procedures and measurement methodologies, and be involved in identifying and managing the various business risks for the Proposed New Business.

The Company will endeavour to ensure that the risk management systems implemented commensurate with the risk and business profile, nature, size and complexity of operations and business activities of the Proposed New Business, and will review such risk management systems periodically to assess adequacy.

The Board and the Audit Committee will adopt internal policies and procedures for the management of the Proposed New Business to consider before tabling proposals for any new projects or investments under the Proposed New Business. In addition, the Board and the Audit Committee, who review the risk exposure of the Proposed New Business of the Company at regular intervals, will review the risk exposure of the Proposed New Business at intervals of not less than annually.

The risk management and internal control systems, no matter how sophisticated in design, still contain inherent limitations caused by misjudgement or fault. Accordingly, there is no assurance that the adopted risk management and internal control systems are adequate or effective notwithstanding the Group's efforts, and any failure to address any internal control matters and other deficiencies may result in investigations and/or disciplinary actions, or even prosecution being taken against the Company and/or its employees, disruption to the risk management system, and an adverse effect on the Group's financial condition and results of operations.

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3.8 Risk factors associated with the Proposed New Business

The Group could be affected by a number of risks that may relate to the Proposed Diversification. Risks may arise from, *inter alia*, economic, business, market and political factors. To the best of the Directors' knowledge and belief, all the risk factors that are material to the Shareholders in making an informed decision on the Proposed Diversification are set out below.

The risks described below are not intended to be exhaustive. There may be additional risks not presently known to the Company or are currently not deemed to be material. New risk factors may emerge from time to time and it is not possible for the management to predict all risk factors, nor can the Company assess the impact of all factors on the Proposed New Business or the extent to which any factor or combination of factors may affect the Proposed New Business. If any of the considerations and uncertainties described below develop into actual events, the business, results of operations, financial condition and prospects of the Group could be materially and adversely affected.

Shareholders should carefully consider and evaluate each of the following risk factors and all other information contained in this Circular before deciding on whether to vote in favour of the Proposed Diversification.

Shareholders should consider the risk factors in light of their own investment objectives and financial circumstances. If a Shareholder is in any doubt as to the action he/she should take, he/she should consult his/her stockbroker, bank manager, solicitor, accountant or other professional adviser immediately.

(a) *The Group does not have a proven track record in carrying out the Proposed New Business*

The Group does not have a proven track record in carrying out the Proposed New Business and as such will face the usual risks, uncertainties and problems associated with the entry into any new business which it has limited prior experience or track record in. For example, mining for coal may involve the use of different types of equipment that the Group has no experience with, and would have to learn and set up new facilities to process the resources extracted from the mine. These risks, uncertainties and problems include the inability to manage the operations and costs, the failure to attract customers, the failure to provide the results, level of revenue and margins the Group is expecting, the failure to identify, attract, retain and motivate qualified personnel, and the inability to find the suitable joint venture, strategic or other business partners.

There is no assurance that the Proposed New Business will be commercially successful and that the Group will be able to derive sufficient revenue to offset the investment or operating costs arising from the Proposed New Business. If the Group does not derive sufficient revenue from or does not manage the costs of the Proposed New Business effectively, the business, results of operations and financial condition of the Group may be materially and adversely affected.

(b) *The Group may not have the ability or sufficient expertise to execute the Proposed New Business*

The Group's ability to successfully venture into the Proposed New Business is dependent upon its ability to acquire the knowledge and expertise relevant to the industry and to understand and navigate the Proposed New Business. There is no assurance that the Group's existing employees may be able to implement and manage the Proposed New Business by acquiring the relevant skills and knowledge in a timely manner. The Group may also appoint third party professionals, third party contractors and/ or foster partnerships with various third parties to assist it in undertaking the Proposed New Business more effectively and efficiently. However, there is no assurance that these third party professionals and/or contractors will be able to execute the business plans and/or that these partnerships will be successful. As such, the Group may not be able to successfully implement the Proposed New Business and this may adversely affect the Group's financial performance and profitability.

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(c) *The Proposed New Business will be dependent on key personnel*

The future performance of the Proposed New Business will depend on the ability of the Group to attract and retain key personnel to identify new opportunities and to actively add value to the projects in the Proposed New Business.

In particular, for newly acquired investee companies under the Proposed New Business, their successful operation depends on the Group's or the respective investee's ability to retain key management and qualified employees for technical, operations, marketing and managerial positions.

The competition for qualified personnel in the Proposed New Business may be intense, and the failure to attract or retain key personnel at a reasonable cost and/or loss of any one or more of such individuals without adequate replacement could have a material adverse effect on the Group's business, financial condition, results of operations and prospects.

(d) *The coal mining industry is a high-risk business*

Coal exploration and development is subject to numerous risks, many of which are beyond the Company's control. These include, but are not limited to, failure to locate or identify deposits, failure to achieve predicted grades in exploration and mining, cost overruns, risk of access to required level of funding, contracting risk from third parties providing essential services and extended interruptions due to inclement or hazardous adverse weather conditions. Only a small percentage of individual exploration projects result in the discovery of viable economic resources and even in those cases, there are substantial development and operation risks to overcome before a commercial mine can be established. This is especially the case for mining in developing countries where economic, political, regulatory and other risks may be greater than those in developed countries.

(e) *The mining of coal is a capital-intensive industry and the Group's ability to carry out business activities depends on the availability of funding*

The availability of adequate financing is critical to the Group's ability to invest in its the processing facilities and mining operations. There is no assurance that the Group will have sufficient internal funds for such investments. The Group's ability to arrange for external financing on terms that will allow the Group a commercially acceptable return and the cost of such financing are dependent on numerous factors that are beyond its control, including general economic and capital market conditions, interest rates, credit availability from banks or other lenders, investor confidence in the Group, success of the Group's businesses, tax and securities laws that may be applicable to our efforts to raise capital, changes in laws and regulations which may affect the terms on which financial institutions are willing to extend credit to the Group, any restrictions imposed by various banking institutions on providing financing to companies operating in the mining sector in the relevant countries and political and economic conditions.

(f) *To finance the Group's extension into the Proposed New Business, the Group may need to obtain additional equity or debt financing*

Additional equity fundraising may result in a dilution to our Shareholders. If such additional equity fundraising activities do not generate a commensurate increase in earnings, the Company's EPS may be diluted, and may result in a decline in share price.

Additional debt financing may limit the Company's ability to pay dividends, increase vulnerability to general adverse economic and industry conditions, require the Company to dedicate a substantial portion of its cash flows to fund capital expenditure, working capital and other requirements, as well as limit its flexibility in planning for or reacting to changes in its business and its industry.

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In addition, there is no assurance that the Company will be able to continue to secure financing on commercially viable terms or at all. The cost of external financing is subject to uncertainties beyond the Company's control, including (i) the Group's future results of operations, financial condition and cash flows; (ii) the condition of the international and domestic financial markets and financing availability from the markets; (iii) changes in the monetary policies of the relevant government with respect to bank interest rates and lending practices; and (iv) changes in policies regarding regulation and control of the mining industry. Any inability to secure adequate equity or debt financing may adversely affect the Group's business, results of operations and financial condition.

(g) *The Group may face intense competition from existing competitors and new market entrants in the Proposed New Business*

The coal resources industry is competitive. There may be a limited supply of suitable quality coal available for acquisition or leasing in the areas where the Group contemplates to expand its operations and conduct exploration and mining activities. The Group's competitors could have greater financial resources available to them, longer operating histories, more advanced technologies and The Group may face strong competition from established industry participants who may have larger financial resources, more advanced technologies, command greater market share and/or stronger track records. There is no assurance that the Group will be able to compete effectively or respond more quickly to market trends than potential or existing competitors. If so, the business, results of operations and financial condition of the Group may be materially and adversely affected.

(h) *The Group's revenue and earnings are susceptible to significant fluctuations in prices of the coal*

The Group's revenue and earnings under the Proposed New Business will be dependent on the sales of the products mined. The prices agreed between the Group and its customers for such products are dependent on movements in the international benchmark prices of the coal. Such benchmark prices may fluctuate significantly on a daily basis, are cyclical, difficult to forecast and affected by numerous factors beyond the Group's control such as global demand and supply situations which are in turn affected by global economic activities, speculative activities and expectations of other market participants on the forward direction of such prices. Additionally, any changes in the regulations in countries that produce the products that we mine may affect the prices of such products.

A substantial decline in the international benchmark prices of the coal may not only decrease our revenue, but also reduce the economic viability or the production levels of our mine or of projects planned or in development to the extent that production costs exceed anticipated revenue from such production. If the prices of the Group's products are not as favourable as anticipated, the Group may (i) delay the sales of products; (ii) delay exploration and development activities at mine sites; and/or (iii) slow down the production levels and/or place mine sites under care and maintenance.

While the Group studies the historical trends in prices in assessing our business strategy, the Group currently does not have a hedging policy against fluctuations in the prices of its products. Additionally, there can be no assurance that the business strategies based on our predictions of the benchmark prices will be successful. In the event of significant fluctuations in prices of the coal, the Group's business, results of operations and financial condition may be materially and adversely affected.

(i) *The Group may be unable to identify and secure new projects to grow the Proposed New Business*

The performance and success of the Proposed New Business depends on the Group's ability to identify profitable projects and following such identification, to successfully implement and complete such projects. The project may take the form of securing a new site for exploration or investing in or acquiring and operating existing mines, among others. This ability may be negatively affected by various factors, including competition for new sites from

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other competitors, changes to the general economic conditions in countries where the Group intends to operate its Proposed New Business or the acquisition price of these projects may be very high due to high demand from other investors. There is thus no guarantee that the Group will always be successful in identifying suitable projects or completing such projects profitably. The Group's inability to identify and secure projects at commercially acceptable prices could impair its ability to compete with other competitors and materially and adversely affect the Group's ability to grow the Proposed New Business.

(j) *The Group's Proposed New Business are subject to operational risks, hazards and unexpected disruptions*

The Proposed New Business is subject to a number of operational risks and hazards which could delay the production and delivery of products, increase the cost of mining or result in accidents at the mine sites. Risks and hazards, some of which are beyond the Group's control, include unexpected maintenance or technical problems, periodic interruptions due to steep topography, inclement or hazardous weather conditions, natural disasters, tropical rainstorms, industrial accidents, power or fuel supply interruptions, critical equipment failure, and unusual or unexpected variations in geological or mining conditions.

These risks and hazards may result in personal injury, damage to or destruction of properties or production facilities, environmental damage, business interruption, possible legal liability, damage to the Group's business reputation and corporate image and, in severe cases, casualties. Any disruption for a sustained period to the operations of the Group's mine sites may materially and adversely affect the Group's business, financial condition, results of operations and prospects. In addition, there is also no assurance that any future accidents will not materially and adversely affect the Group's business, results of operations and financial condition.

(k) *The Group may not be able to generate positive cash flows from the operations of the Proposed New Business until after commercial production and the Group may suffer a loss if the Group is unable to generate sufficient profits from the Existing Business and the Proposed New Business*

As at the Latest Practicable Date, all the coal mines operated under the DDS Group have not commenced commercial production. The exploration, development, exploitation and production of coal generally require substantial capital expenditure and investment costs before they reach a revenue producing stage. Hence, in the event that the Group engages in such activities pursuant to the Proposed New Business, the Group may not be able to generate any positive cash flows from the operations of the Proposed New Business until after the commercial production. Such cash flow deficit may have a negative impact on the working capital and the financial position of the Group. Furthermore, as such business activities may need time to generate profits, to the extent that the Group is unable to generate sufficient profits from the Existing Business and the Proposed New Business to cover its operating costs, the Group will suffer a loss.

(l) *The Group is exposed to risks associated with acquisitions, joint ventures or strategic alliances*

Depending on available opportunities, feasibility and market conditions, the Group's expansion into the Proposed New Business may involve acquisitions, joint ventures or strategic alliances with third parties in overseas markets that the Group intends to focus on. There is no assurance that such joint ventures or strategic alliances or the joint management of such enterprises will be successful. Participation in joint ventures, strategic alliances, acquisitions or other investment opportunities involves numerous risks, including loss of capital or other investments deployed in such ventures, alliances, acquisitions or opportunities, or inability to reach an agreement on key business decisions among the key personnel within the joint venture or strategic alliance.

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Furthermore, the Group may be expected to rely on its joint venture partners at the initial stage of its foray into the Proposed New Business and there is a risk that any of the joint venture partners may fail to perform by not possessing the adequate experience or skill sets expected of them or experience financial or other difficulties which may affect their ability to carry out their contractual obligations, thus delaying the Group's progress in the Proposed New Business and/or resulting in additional costs to the Group. In such events, the Group's financial performance may be adversely affected.

(m) *The Group's evaluation of potential investments in the Proposed New Business involves reserve and resource estimates, which are subject to change*

The Group evaluates the viability of a potential investment on several factors, including the reserve and resource estimates. Such estimates are based on certain assumptions and involve expressions of judgment based on various factors such as knowledge, experience and industry practice, and the accuracy of these estimates may be affected by many factors, including quality of the results of exploration drilling and analysis of samples, as well as the procedures adopted by and the experience of the person making the estimates.

Estimates of the reserves and resources may change significantly when new information becomes available or new factors arise, and interpretations and deductions on which reserves and resources estimates are based may prove to be inaccurate. Following investment into a project, the Group may encounter new factors that are different from that predicted by past drilling, sampling and similar examination, which may in turn result in the resource and/or reserve estimates being adjusted downward. This downward adjustment could materially affect the development and mining plans, which could materially and adversely affect the Group's business, results of operations and financial condition. Furthermore, to the extent that the projected costs of production were based on the earlier results of exploration drilling and sampling, the actual costs of production may have to be adjusted subsequently, which could also materially and adversely affect the Group's business, results of operations and financial condition.

(n) *The Group's Proposed New Business may be adversely affected in the medium to long-term if it is unable to continue to discover and acquire additional coal resources that are converted into reserves*

As the Group's reserves will decline as it mines, its future growth and success and growth in the medium to long-term will depend, in part, on its ability to discover or acquire additional resources and to convert those resources into reserves. The Group may undertake an extensive exploration program to discover new resources and to convert additional resources and reserves within the mining area. Its current exploration program may not discover significant new resources for conversion into reserves beyond its existing resource and reserve base. In addition, it may not in the future be successful in converting its existing or future resources into significant additional reserves. If the Group is unable to replace its reserves as they are depleted with new reserves, whether through its exploration program or acquisition of new mines, this could have a material adverse effect on its future financial condition, future results of operations and prospects.

(o) *The Group is subject to various government regulations in the Proposed New Business*

The Proposed New Business is exposed to the risks posed by current and potential future regulations and legislation that apply to the country or industry in which the Group or its joint venture partners operate and the countries or industries its clients operate. The Proposed New Business may require certain statutory and regulatory licences, permits, consents and approvals to operate. These licences, permits, consents and approvals may be granted for fixed periods of time and may need to be renewed after expiry from time to time.

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The Group may not be able to apply for and obtain the relevant licences, permits, consents and approvals required for its projects or otherwise within the statutory time limits, and there can be no assurance that the relevant authorities will issue any such licences, permits, consents or approvals in time or at all. Failure by the Group to renew, maintain or obtain the required licences, permits, consents or approvals, or cancellation, suspension or revocation of any of its licences, permits, consents or approvals may result in the Group being unable to undertake the relevant segment of the New Business and/or in the interruption of its operations and may have a material adverse effect on its business. In particular, as at the Latest Practicable Date, the coal mining business in Indonesia operated under the DDS Group is regulated by legislation at the national, provincial and regional levels, as well as various governmental agencies. The production operation periods for the mining business permits obtained by these entities are only until 18 June 2032. There is no assurance that the relevant government authorities will not revoke these existing licences and approvals for whatever reason, or will issue or renew the licences and approvals required for these entities to continue carrying on the Proposed New Business within the timeframe it anticipates or at all.

The Group must also comply with the applicable laws and regulations in the Proposed New Business, failing which the Group may be subject to penalties, have its licences or approvals revoked, or lose its right to own or manage its properties which may have a material and adverse impact on the Group's business, financial condition, results of operations and prospects. Further, any changes in applicable laws and regulations could result in higher compliance costs and materially and adversely affect the Group's business, results of operations and financial condition.

(p) *Unexpected disruptions and factors beyond the Group's control may adversely and materially affect the business and operations of the Group*

The Group will face various operational risks in connection with the Proposed New Business, including but not limited to:

- production interruptions caused by operational errors, electricity outages, raw material shortages, the failure of equipment and other risks;
- failure to obtain key equipment, materials and supplies;
- operating limitations imposed by environmental or other regulatory requirements;
- social, political and labour unrest;
- environmental or industrial accidents;
- acts of God such as natural disasters or severe environmental pollution;
- catastrophic events such as fires, earthquakes, explosions, floods, collapse of mine or other natural disasters;
- risks related to the complicated geological structure of mines and geological disasters that occur during the mining process; and
- failure of reserve estimates to be proven correct.

Any of the events or conditions above may materially and adversely affect the Group's business, financial condition, results of operations and prospects.

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(q) *The Group's performance may be adversely affected by geopolitical risks such as terrorist attacks and other acts of violence*

Terrorist attacks, other acts of violence or war around the world may adversely affect the regional and worldwide financial markets. Geopolitical risks have continued to emerge globally in relation to the Russia-Ukraine war and the Israel-Gaza crisis, leading to rising tensions and increased military activity globally. These conflicts have heightened already-increasing polarisation globally, bringing to the fore issues such as energy security concerns, security threats and competition between different trade and economic systems. The occurrence of any of these events may result in a loss of business confidence, which could potentially lead to economic recession and have an adverse effect upon the Group's business, results of operations and financial condition. In addition, any deterioration in international relations may result in increased investors' concern regarding regional stability which may, in turn, adversely affect the price of the Shares. There can be no guarantee that terrorist attacks and international warfare will not occur in the future and on a wider scale, or that any such disturbances will not, directly or indirectly, materially and adversely affect the Group's business, results of operations and financial condition.

(r) *It may be expensive and logistically burdensome to discontinue operations should economic, physical or other conditions subsequently deteriorate*

Once the Group has established an interest in the Proposed New Business, it may be expensive and logistically burdensome to discontinue such operation should economic, physical or other conditions subsequently deteriorate. This is due to, among other reasons, the significant capital investments required in connection with the Proposed New Business, the nature of the contractual arrangements with government authorities in the relevant jurisdictions, and significant decommissioning costs.

Additionally, because assets used in the Proposed New Business in general are relatively illiquid, and would be even more so should the circumstances in the relevant jurisdiction deteriorate, the Group's ability to promptly sell its assets or businesses in the event it was to discontinue operations in a particular jurisdiction may be limited. No assurance can be given that the Group will be able to sell any asset for the price or on terms it sets, or whether any price or other terms offered by a prospective purchaser would be acceptable to it. It is also not possible to predict with certainty the length of time that could be needed to find purchasers for its assets, if at all, and to complete the disposal of its assets in times of political, economic, financial or investment certainty.

3.9 Future Plans and Prospects

The Group will continue with its Existing Business and remains committed in the continuance of the Existing Business for so long as it remains viable. The entry into the Proposed New Business is intended to be a diversification of the Group's Existing Business as part of the corporate strategy of the Group to provide Shareholders with diversified returns and long-term growth. The Proposed Diversification will offer new business opportunities and provide the Group with new revenue streams so as to enhance shareholder value for the Company.

4. THE PROPOSED CASH COLLATERAL

4.1 Details of the Proposed Cash Collateral

- (a) PT DPAL, a 50.5% effective interest subsidiary of the Company that is incorporated in Indonesia, is engaged in shipping services. As at the Latest Practicable Date, the shareholders of PT DPAL are the Company (49% Class-A voting shares), PT DIR (48% Class-A voting shares) and PT KNG (a company owned by two (2) employees of the Group) (3% Class-B non-voting shares). Pursuant to contractual arrangements between the Company, PT DIR and PT KNG, the Company holds an effective interest of 50.5% in PT DPAL, and PT DIR holds the remaining effective interest of 49.5% in PT DPAL.

LETTER TO SHAREHOLDERS

- (b) Based on the Company's disclosure in its annual report for FY2022, PT DIR had, in December 2022, provided a cash collateral of IDR 150 billion (equivalent to approximately S\$12.9 million based on the Exchange Rate) to PT Bank Mandiri (Persero) Tbk. ("**PT DIR Bank Mandiri Cash Collateral**"), which has in turn provided a short-term interest-bearing loan of IDR 150 billion to PT DPAL ("**Bank Mandiri Loan**"). There was no security provided and no fee paid for the PT DIR Bank Mandiri Cash Collateral.
- (c) The Company intends to, through its 99% subsidiary, PT DNS, contribute its effective interest proportion of the cash collateral for the Bank Mandiri Loan, amounting to IDR 75.8 billion (equivalent to approximately S\$6.5 million based on the Exchange Rate) ("**PT DNS Bank Mandiri Cash Collateral**").
- (d) In addition to the cash collateral for the Bank Mandiri Loan, PT DNS and PT DIR intend to set aside a further cash collateral of up to about IDR 74.2 billion (equivalent to approximately S\$6.4 million based on the Exchange Rate) ("**PT DNS Additional Cash Collateral**") and IDR 72.8 billion (equivalent to approximately S\$6.3 million based on the Exchange Rate) ("**PT DIR Additional Cash Collateral**") respectively, in proportion to their respective effective interest in PT DPAL, for PT DPAL's future bank borrowings in Indonesia.
- (e) The total cash collateral provided by PT DNS ("**PT DNS Collateral Sum**") shall comprise the PT DNS Bank Mandiri Cash Collateral and the PT DNS Additional Cash Collateral, and shall not at any time exceed IDR 150 billion (equivalent to approximately S\$12.9 million based on the Exchange Rate). When deployed, the PT DNS Collateral Sum shall be placed in an interest-bearing fixed deposit account with the relevant financial institution extending the corresponding loan to PT DPAL.
- (f) There will be no security provided and no fees paid by PT DPAL to PT DNS and/or the Company for the Proposed Cash Collateral.
- (g) For the avoidance of doubt, in the event there is a change in shareholding of PT DPAL, the PT DNS Collateral Sum provided by PT DNS and the total cash collateral provided by PT DIR (comprising the PT DIR Bank Mandiri Cash Collateral and the PT DIR Additional Cash Collateral) shall be adjusted accordingly in proportion to their respective effective percentage equity interest in PT DPAL.
- (h) The PT DNS Collateral Sum will be funded from internal cash resources of the Group and is not expected to have a material impact on the NTA per Share and EPS of the Company and the Group for the financial year ending 31 December 2023.

4.2 Rationale for the Proposed Cash Collateral

The Proposed Cash Collateral will allow PT DPAL access to more loan facilities for PT DPAL (i) to acquire new sets of tugboats and barges to expand its existing fleet of vessels; and (ii) for general working capital.

The Proposed Cash Collateral will also provide for equal treatment of the shareholders of PT DPAL as both shareholders of PT DPAL will be contributing cash collateral to secure loans for PT DPAL from local banks in Indonesia based on their respective effective percentage equity interest in PT DPAL.

5. THE PROPOSED ACQUISITION AND THE PROPOSED CASH COLLATERAL AS INTERESTED PERSON TRANSACTIONS

5.1 Interested Person Transactions under Chapter 9 of the Catalist Rules

Rule 904(5) of the Catalist Rules provides that an interested person transaction means a transaction between an entity at risk and an interested person. Rule 904(2)(a) of the Catalist Rules provides that an entity at risk means the issuer. Rule 904(4) of the Catalist Rules provides that an interested person means a director, chief executive officer, controlling shareholder of the issuer or any of their associates. Rule 904(6)(b) of the Catalist Rules provides, *inter alia*, that a transaction includes the acquisition of assets.

LETTER TO SHAREHOLDERS

5.2 Shareholders' Approval

Rule 906(1) of the Catalist Rules provides that an issuer must obtain shareholder approval for any interested person transaction of a value equal to, or more than:

- (a) 5% of the group's latest audited NTA; or
- (b) 5% of the group's latest audited NTA, when aggregated with other transactions entered into with the same interested person during the same financial year. However, a transaction which has been approved by the shareholders, or is the subject of aggregation with another transaction that has been approved by shareholders, need not be included in any subsequent aggregation.

Rule 918 of the Catalist Rules provides that if a transaction requires shareholder approval, it must be obtained either prior to the transaction being entered into, or if the transaction is expressed to be conditional on such approval, prior to the completion of the transaction.

Rule 909 of the Catalist Rules provides, *inter alia*, that the value of a transaction is the amount at risk to the issuer.

The Company proposes to seek the approval of the Shareholders for each of the Proposed IPTs as an interested person transaction under Rule 906 of the Catalist Rules at the EGM.

5.3 The Proposed Acquisition as an Interested Person Transaction

As at the Latest Practicable Date, the Seller is a Controlling Shareholder of the Company by virtue of its direct interest in 75,000,000 Shares, comprising 83.33% of the issued and paid-up capital of the Company. The shareholders of the Seller are the Controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and their associates. Accordingly, the Seller is an interested person under Chapter 9 of the Catalist Rules and the Proposed Acquisition constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

The amount at risk to the Company in respect of the Proposed Acquisition is the aggregate of the Consideration and the Shareholder's Loan of S\$10.0 million to be satisfied by the Company, which represents approximately 19.4% of the Group's latest audited NTA of approximately S\$51.7 million as at 31 December 2022. As the amount at risk exceeds 5% of the Group's latest audited NTA, Shareholders' approval for the Proposed Acquisition is required in accordance with Rule 906(1)(a) of the Catalist Rules.

5.4 The Proposed Cash Collateral as an Interested Person Transaction

As set out in Section 4.1 of this Circular, the shareholders of PT DPAL are the Company, PT DIR and PT KNG.

The ultimate controlling shareholders of PT DIR are the Controlling Shareholders of the Company (namely, Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and their associates. Accordingly, PT DIR is an associate of the Controlling Shareholders of the Company. Similarly, as PT DIR is a 48% shareholder of PT DPAL, PT DPAL is also an associate of the Controlling Shareholders of the Company. As associates of the Controlling Shareholders of the Company, PT DIR and PT DPAL are therefore interested persons under Chapter 9 of the Catalist Rules and the Proposed Cash Collateral constitutes an interested person transaction under Chapter 9 of the Catalist Rules.

The amount at risk to the Company in respect of the Proposed Cash Collateral is the PT DNS Collateral Sum, which represents approximately 25.9% of the Group's latest audited NTA of approximately S\$51.7 million as at 31 December 2022. As the amount at risk exceeds 5% of the Group's latest audited NTA, Shareholders' approval for the Proposed Cash Collateral is required in accordance with Rule 906(1)(a) of the Catalist Rules.

LETTER TO SHAREHOLDERS

5.5 Interested Person Transactions since 1 January 2023

Save as disclosed above and as envisaged as part of the Proposed IPTs, the Company has not entered into any other transaction with the Seller, PT DPAL or its associates or any transaction with interested persons since the beginning of this financial year ending 31 December 2023.

5.6 Abstention from Voting

Pursuant to Rule 919 of the Catalist Rules:

- (a) in respect of the Proposed Acquisition, the Seller will abstain, and will undertake to ensure that its associates will abstain from voting on the Proposed Acquisition. The Seller and its associates will also decline to accept appointment as proxy(ies) for any Shareholder to vote in respect of the Proposed Acquisition, unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his vote is to be cast; and
- (b) in respect of the Proposed Cash Collateral, the Controlling Shareholders of the Company (namely, Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) will abstain, and will undertake to ensure that their respective associates will abstain from voting on the Proposed Cash Collateral. The Controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and their respective associates will also decline to accept appointment as proxy(ies) for any Shareholder to vote in respect of the Proposed Cash Collateral, unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his vote is to be cast.

The Company will disregard any votes cast on a resolution by the person required to abstain from voting by the Catalist Rules or pursuant to a court order where such court order is served on the Company.

5.7 Abstention by a Director

Mr Salim Limanto, Executive Director and Chief Operating Officer of the Company, is the son of Mr Djunaidi Hardi (a Controlling Shareholder of the Company, who is also a shareholder of the Seller and PT DIR). Accordingly, Mr Salim Limanto has abstained from participating in the deliberations of the Board in respect of the Proposed IPTs, and will abstain from making any recommendations to Shareholders on the Proposed IPTs in his capacity as a Director of the Company.

5.8 Advice of the Independent Financial Adviser

Xandar Capital Pte. Ltd. has been appointed as the IFA to advise the Recommending Directors for the purposes of the Proposed IPTs to provide an opinion on whether the Proposed IPTs are interested person transactions on normal commercial terms and are prejudicial to the interests of the Company and its minority Shareholders pursuant to Rule 921(4)(a) of the Catalist Rules.

Information relating to the advice of the IFA to the Recommending Directors and the key factors it has taken into consideration have been extracted from the IFA Letter (and reproduced below in italics), and all terms and expressions used in the extract below shall bear the same meanings as attributed to them in the IFA Letter unless otherwise stated.

7. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Acquisition and the Proposed Cash Collateral. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

LETTER TO SHAREHOLDERS

7.1 THE PROPOSED ACQUISITION

We set out below a summary of the key factors we have taken into our consideration when assessing the Proposed Acquisition:

- (a) the Total Consideration of S\$10,000,000 represents a discount of S\$5,320,379 (or a discount of 34.73%) to the market value of the Sale Shares as opined by the Independent Valuer;
- (b) based on the Total Consideration of S\$10,000,000 and the Exchange Rate, we calculate that the Implied Price for each PT SINI Share to be IDR 775. Saved for the closing prices of between IDR 710 and IDR 760 for the period between 19 December 2022 and 30 December 2022 (both dates inclusive) and the closing prices of between IDR 590 and IDR 750 for the period between 5 October 2023 and 11 October 2023 (both dates inclusive), as well as, the closing price of IDR 765 and IDR 770 for each PT SINI Share on 20 November 2023 and 27 November 2023 respectively, the Implied Price is lower than the closing prices of PT SINI Shares for the period between 29 November 2022 and the Latest Practicable Date (both dates inclusive) and also below the VWAP of PT SINI Shares during the Reference Period;
- (c) the Implied Price represents a premium approximately 210% to the purchase price for each PT SINI Share paid by the Target Company in November 2022 and a discount approximately 22.5% to the purchase price for each PT SINI Share paid by the Target Company in June 2023;
- (d) the EV/Resources per ton of PT SINI based on the Implied Price is at the lower end of the range and lower than the mean and median EV/Resources per ton of the Selected Comparable Companies; and
- (e) other considerations set out in paragraph 5.5 of this IFA Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

7.2 THE PROPOSED CASH COLLATERAL

We set out below a summary of the key factors we have taken into our consideration when assessing the Proposed Cash Collateral:

- (a) both PT DNS and PT DIR will be contributing cash collaterals in proportion to their effective voting interests in PT DPAL upon the completion of the Proposed Cash Collateral;
- (b) PT DIR had already provided the PT DIR Bank Mandiri Cash Collateral in December 2022 without any charges;
- (c) no fee will also be payable by PT DPAL to PT DNS for the Proposed Cash Collateral; and
- (d) other considerations set out in paragraph 6.6 of this IFA Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Cash Collateral is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

LETTER TO SHAREHOLDERS

Shareholders are advised to read the above extracts in conjunction with, and in the context of, the full text of the IFA Letter, a copy of which is reproduced in Appendix 1 to this Circular. Shareholders are advised to read the IFA Letter carefully and in its entirety, and consider carefully the recommendations of the Recommending Directors in respect of the Proposed IPTs as set out in Sections 8.1 and 8.3 of this Circular.

6. STATEMENT OF THE AUDIT COMMITTEE

The members of the Audit Committee, Mr Hew Koon Chan, Ms Alice Yan and Mr Cheong Hock Wee, are deemed to be independent for the purposes of the Proposed IPTs as interested person transactions.

The Audit Committee, having considered and reviewed, *inter alia*, the terms of, rationale for and benefits of each of the Proposed IPTs and the financial effects thereof, as well as the advice and recommendations of the IFA as set out in the IFA Letter, concurs with the opinion of the IFA and is of the view that each of the Proposed IPTs is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

7. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As at the Latest Practicable Date, the interests of the Directors and Substantial Shareholders in the Shares, as recorded in the Register of Directors' shareholdings and Register of Substantial Shareholders' shareholdings maintained pursuant to Section 164 and Section 88 of the Companies Act respectively, are set out below:

	Number of Shares		Total ⁽³⁾ (%)
	Direct Interest	Deemed Interest	
Directors			
Alice Yan	–	–	–
Francis Lee	100,000	–	0.11
Salim Limanto	–	–	–
Hew Koon Chan	–	–	–
Cheong Hock Wee	–	–	–
Substantial Shareholders (other than Directors)			
The Seller ⁽¹⁾	75,000,000	–	83.33
Juhadi ^{(1) (2)}	–	75,000,000	83.33
Arifin Tan ⁽¹⁾	–	75,000,000	83.33
Djunaidi Hardi ^{(1) (2)}	–	75,000,000	83.33

Notes:

- (1) The Seller is the Controlling Shareholder of the Company. The Seller is a private limited company incorporated in Singapore on 5 September 2006. The shareholders of the Seller are Mr Arifin Tan (25.0%), Mr Djunaidi Hardi (25.0%), Mr Juhadi (20.0%), Mr Limas Ananto (15.0%) and Mr Arifin Ang (15.0%). Mr Juhadi, Mr Arifin Tan and Mr Djunaidi Hardi are deemed to be interested in the Shares owned by the Seller by virtue of Section 4 of the SFA.
- (2) Mr Juhadi and Mr Djunaidi Hardi are siblings.
- (3) Based on the number of issued Shares in the capital of the Company of 90,000,000 Shares as at the Latest Practicable Date. The Company has no treasury shares or subsidiary holdings.

Save as disclosed above and in this Circular, none of the Directors, Controlling Shareholders or their respective associates have any interest, direct or indirect (other than through their respective shareholdings (if any) in the Company), in the Proposed Transactions.

LETTER TO SHAREHOLDERS

8. DIRECTORS' RECOMMENDATIONS

The Directors recommend the Shareholders to exercise caution in their decision in voting in favour for or against any of the Proposed Transactions. Any individual Shareholder who may require specific advice is to consult his/her stockbroker, bank manager, solicitor, accountant or other professional advisers. The Directors recommend that Shareholders should read this Circular, including but not limited to the IFA Letter and the executive summary of the Valuation Report, in its entirety carefully.

8.1 Proposed Acquisition

Having considered, *inter alia*, the terms and rationale of the Proposed Acquisition, the financial effects thereof, as well as the advice and recommendation of the IFA, the Recommending Directors are of the opinion that the Proposed Acquisition is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution approving the Proposed Acquisition as set out in the Notice of EGM.

8.2 Proposed Diversification

Having considered, *inter alia*, the rationale for and the risk factors associated with the Proposed New Business, the Directors are of the opinion that the Proposed Diversification is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution approving the Proposed Diversification as set out in the Notice of EGM.

8.3 Proposed Cash Collateral

Having considered, *inter alia*, the terms and rationale of the Proposed Cash Collateral, as well as the advice and recommendation of the IFA, the Recommending Directors are of the opinion that the Proposed Cash Collateral is in the best interests of the Company. Accordingly, they recommend that Shareholders vote in favour of the ordinary resolution approving the Proposed Cash Collateral as set out in the Notice of EGM.

9. INTER-CONDITIONALITY OF RESOLUTIONS TO BE PASSED

Shareholders should note that:

- (a) Ordinary Resolutions 1 and 2 are inter-conditional upon each other ("**Inter-conditional Resolutions**"). Accordingly, in the event that any of Ordinary Resolution 1 or 2 is not approved, the other Ordinary Resolution would not be passed; and
- (b) Ordinary Resolution 3 is independent of Ordinary Resolutions 1 and 2.

10. DIRECTORS' RESPONSIBILITY STATEMENT

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

11. CONSENTS

11.1 IFA Consent

Xandar Capital Pte. Ltd., the IFA in respect of the Proposed IPTs, has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, the IFA Letter and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

LETTER TO SHAREHOLDERS

11.2 Independent Valuer Consent

Kantor Jasa Penilai Publik Ihot Dollar & Raymond, the Independent Valuer in respect of the Proposed Acquisition, has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name, the Valuation Report and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

11.3 Legal Adviser Consent

Withers KhattarWong LLP, the legal adviser to the Company in respect of the Proposed Transactions, has given and has not before the date of this Circular withdrawn its written consent to the issue of this Circular with the inclusion of its name and all references thereto, in the form and context in which they appear in this Circular and to act in such capacity in relation to this Circular.

12. EXTRAORDINARY GENERAL MEETING

The EGM, notice of which is set out on pages 69 to 72 of this Circular, will be held at 02:00 p.m. on 15 January 2024 at 160 Robinson Road, #06-01, SBF Center, Singapore 068914, Seminar Room No. 2 for the purpose of considering and, if thought fit, passing with or without modifications, the ordinary resolutions set out in the Notice of the EGM.

13. ACTION TO BE TAKEN BY SHAREHOLDERS

Appointment of Proxies

- 13.1 A Shareholder who is unable to attend the EGM and wishes to appoint a proxy to attend and vote on his behalf should complete, sign and return the attached proxy form in accordance with the instructions printed thereon as soon as possible and, in any event so as to arrive at the office of the Share Registrar of the Company, B.A.C.S Private Limited, at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, not less than 72 hours before the time fixed for the EGM.
- 13.2 The sending of a proxy form by a Shareholder does not preclude him from attending and voting in person at the EGM if he finds that he is able to do so. In such an event, the relevant proxy forms will be deemed to be revoked.
- 13.3 The Depositor shall not be regarded as a Shareholder of the Company entitled to attend the EGM and to speak and vote thereat unless his name appears on the Depository Register at least 72 hours before the time fixed for the EGM, as certified by CDP to the Company.

Submission of Questions in Advance

- 13.4 Shareholders may submit substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM, in advance of the EGM, in the following manner, in each case, by 02:00 p.m. on 8 January 2024 (“**Cut-Off Time**”):
- (i) by post, to be deposited at the office of the Company’s Share Registrar, B.A.C.S Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or
 - (ii) by email to info@rgd.sg.
- 13.5 When submitting substantial and relevant questions electronically via email or by post, Shareholders must provide the Company with the following details to enable the Company to verify their status as Shareholders: (a) status: individual shareholder or corporate representative; (b) full name/full company name (as per CDP/Scrip-based records); (c) NRIC/FIN/Passport No./UEN; (d) email address; and (e) contact number (optional).

LETTER TO SHAREHOLDERS

- 13.6 Persons who hold Shares through relevant intermediaries (as defined under Section 181(6) of the Companies Act 1967 of Singapore) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions relating to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.
- 13.7 The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM, before or during the EGM. The responses to substantial and relevant questions received from Shareholders by the Cut-Off Time will be posted on the SGXNET and the Company's corporate website at the URL <https://rgd.sg/sgxnet-announcements/> before 02:00 p.m. on 10 January 2024, being at least 48 hours prior to the closing date and time for the lodgement of the proxy form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the resolutions to be tabled for approval at the EGM) received after the Cut-Off Time which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received at the EGM, during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

14. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company during normal business hours for a period of three (3) months commencing from the date of this Circular:

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2022;
- (c) the latest unaudited consolidated financial statements of the Group for HY2023;
- (d) the SPA;
- (e) the IFA Letter;
- (f) the Valuation Report and its executive Summary;
- (g) the letter of consent from the IFA;
- (h) the letter of consent from the Independent Valuer; and
- (i) the letter of consent from Withers KhattarWong LLP, the legal adviser to the Company.

Yours faithfully

For and on behalf of the Board of Directors of
RESOURCES GLOBAL DEVELOPMENT LIMITED

FRANCIS LEE
Executive Director and Chief Executive Officer

APPENDIX 1 – IFA LETTER



29 December 2023

RESOURCES GLOBAL DEVELOPMENT LIMITED

144 Robinson Road
#11-02 Robinson Square
Singapore 068908

Attention: The Recommending Directors (as defined herein)

Dear Recommending Directors

LETTER FROM XANDAR CAPITAL PTE. LTD. TO THE RECOMMENDING DIRECTORS OF RESOURCES GLOBAL DEVELOPMENT LIMITED (THE “COMPANY”) IN RELATION TO:

- (1) THE PROPOSED ACQUISITION OF ALL THE ISSUED SHARES IN THE CAPITAL OF BATUBARA DEVELOPMENT PTE. LTD. BY THE COMPANY FROM DELI INTERNATIONAL RESOURCES PTE. LTD. (THE “SELLER”); AND
- (2) THE PROPOSED PROVISION OF CASH COLLATERAL OF UP TO IDR 150 BILLION BY PT DELI NIAGA SEJAHTERA (“PT DNS”) AS SECURITY FOR PT DELI PRATAMA ANGKUTAN (“PT DPAL”) TO OBTAIN LOANS FROM LOCAL BANKS IN INDONESIA,

AS INTERESTED PERSON TRANSACTIONS UNDER THE LISTING MANUAL SECTION B: RULES OF CATALIST OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (THE “SGX-ST”)

*Unless otherwise defined or the context otherwise requires, all terms applied in this letter (this “**IFA Letter**”) shall have the same meaning as defined in the Company’s circular to its shareholders (“**Shareholders**”) dated 29 December 2023 (the “**Circular**”).*

*Unless otherwise stated, the Singapore dollar (“**S\$**”) equivalent for all Indonesian Rupiah (“**IDR**”) amounts stated in this IFA Letter have been converted based on the midday average interbank exchange rate of S\$1.00 to IDR 11,633.32 (the “**Exchange Rate**”) as at 18 December 2023 (the “**Latest Practicable Date**”) extracted from the website of the Monetary Authority of Singapore.*

1. INTRODUCTION

- 1.1 On 17 November 2023 (the “**Announcement Date**”), the Company announced that it has entered into a share purchase agreement dated 17 November 2023 (the “**SPA**”) with the Seller, pursuant to which the Company has agreed to purchase all the issued shares in the capital of Batubara Development Pte Ltd (the “**Target Company**”), at a cash consideration of S\$5.7 million (the “**Purchase Consideration**”), on the terms and subject to the conditions of the SPA (the “**Proposed Acquisition**”). Upon completion of the Proposed Acquisition (the “**Completion**”), the Company will be the legal and beneficial owner of all the issued shares in the Target Company and the Target Company will become a wholly-owned subsidiary of the Company. As at the Latest Practicable Date, the Target Company has outstanding amount of S\$4,300,000 due to the Seller arising from an unsecured and non-interest bearing loan extended by the Seller to the

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APPENDIX 1 – IFA LETTER



- Target Company (the “**Shareholder’s Loan**”). The Shareholder’s Loan has no fixed terms of repayment. Consequently, as the Target Company will become a wholly-owned subsidiary of the Company, the Company will repay the Shareholder’s Loan to the Seller and assume the Shareholder’s Loan upon Completion. Accordingly, the total consideration payable by the Company for the Proposed Acquisition is S\$10 million (the “**Total Consideration**”).
- 1.2 In the same announcement, the Company announced that it intends to, through its 99.0%-owned subsidiary, PT DNS, provide a cash collateral sum of up to IDR 150 billion (the “**PT DNS Collateral Sum**”) (equivalent to approximately S\$12.89 million based on the Exchange Rate) as security for PT DPAL, a 50.5%-owned subsidiary of the Company, to obtain loans from local banks in Indonesia (the “**Proposed Cash Collateral**”).
- 1.3 As at the date of the SPA and the Latest Practicable Date, the Seller holds 75,000,000 shares in the capital of the Company (“**Shares**”) directly, representing approximately 83.33% interest in the issued and paid-up capital of the Company. As the Seller holds more than 15% interest in the issued and paid-up capital of the Company, it is deemed as a ‘controlling shareholder’ of the Company under the Listing Manual Section B: Rules of Catalist of the SGX-ST (the “**Catalist Rules**”) and is an ‘interested person’ of the Company under Chapter 9 of the Catalist Rules.
- 1.4 As at the Latest Practicable Date, the shareholders of PT DPAL are the Company, PT Deli Indonesia Raya (“**PT DIR**”) and PT Karya Niaga Gemilang (“**PT KNG**”) which respectively hold 6,125 Class-A voting shares, 6,000 Class-A voting shares and 375 Class-B non-voting shares in PT DPAL. Accordingly, the Company and PT DIR are deemed to hold effective interest of 50.5% and 49.5% in PT DPAL respectively. The shareholders of PT DIR include Mr Juhadi, Mr Arifin Tan and Mr Djunaidi Hardi who individually holds more than 20% interest in the Seller are thus deemed to be interested in the Shares owned by the Seller by virtue of Section 4 of the Securities and Future Act 2001 of Singapore, and are deemed ‘controlling shareholders’ of the Company under the Catalist Rules. As Mr Juhadi, Mr Arifin Tan and Mr Djunaidi Hardi collectively hold more than 30% interest in PT DIR, PT DIR is deemed an ‘associate’ of the ‘controlling shareholders’ of the Company under the Catalist Rules. As a result of PT DIR’s interest in PT DPAL, PT DPAL is also deemed as an ‘associate’ of the ‘controlling shareholders’ of the Company under the Catalist Rules and an ‘interested person’ of the Company under Chapter 9 of the Catalist Rules.
- 1.5 Accordingly, the Proposed Acquisition and the Proposed Cash Collateral both constitute ‘interested person transactions’ under Chapter 9 of the Catalist Rules.
- 1.6 The amount at risk in respect of the Proposed Acquisition is the Total Consideration which represents approximately 19.4% of the latest audited net tangible assets (“**NTA**”) of the Company and its subsidiaries (the “**Group**”) approximately S\$51.7 million as at 31 December 2022. As the amount at risk exceeds 5% of the Group’s latest audited NTA as at 31 December 2022, the Proposed Acquisition is an ‘interested person transaction’ is subject to the approval of the Shareholders who have no interest, direct or indirect, in the Proposed Acquisition and the Proposed Cash Collateral (the “**Independent Shareholders**”) pursuant to Rule 906(1)(a) of the Catalist Rules.
- 1.7 The amount at risk in respect of the Proposed Cash Collateral is the PT DNS Collateral Sum which is equivalent to approximately S\$12.89 million based on the Exchange Rate and represents approximately 25.0% of the Group’s latest audited NTA as at 31 December 2022. As the amount at risk for the Proposed Cash Collateral also exceeds 5% of the Group’s latest audited NTA as at 31 December 2022, the Proposed Cash Collateral is also an ‘interested person



transaction' is subject to the approval of the Independent Shareholders pursuant to Rule 906(1)(a) of the Catalist Rules.

- 1.8 Xandar Capital Pte. Ltd. ("**Xandar Capital**") has been appointed by the Company pursuant to Rule 921(4)(a) of the Catalist Rules (which requires an opinion in a separate letter from an independent financial adviser who is acceptable to the SGX-ST stating whether the transaction (and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules): (i) is on normal commercial terms, and (ii) is prejudicial to the interests of the issuer and its minority shareholders), as well as to advise the directors of the Company (the "**Directors**") who have no interest, direct or indirect, in the Proposed Acquisition and Proposed Cash Collateral, namely Ms Alice Yan (the Independent Non-Executive Chairwoman), Mr Hew Koon Chan (the Independent Non-Executive Director and Chairman of the Company's Audit Committee), Mr Francis Lee (the Executive Director and Chief Executive Officer) and Mr Cheong Hock Wee (the Independent Non-Executive Director) (collectively, the "**Recommending Directors**") as to whether the Proposed Acquisition; the Proposed Cash Collateral; and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules, are on normal commercial terms and are not prejudicial to the interest of the Company and its minority Shareholders.
- 1.9 This IFA Letter, which is prepared pursuant to Rule 921(4)(a) of the Catalist Rules, as well as addressed to the Recommending Directors sets out our evaluation of, and our opinion to, the Proposed Acquisition and the Proposed Cash Collateral, and forms part of the Circular.

2. TERMS OF REFERENCE

Xandar Capital has been appointed pursuant to Rule 921(4)(a) of the Catalist Rules, as well as to advise the Recommending Directors on whether the Proposed Acquisition; the Proposed Cash Collateral; and all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules, are on normal commercial terms and whether they are prejudicial to the interest of the Company and its minority Shareholders.

We are not and were not involved in any aspect of the negotiations pertaining to the Proposed Acquisition and the Proposed Cash Collateral, nor were we involved in the deliberations leading up to the decisions on the part of the Directors to agree on the terms of the Proposed Acquisition and the Proposed Cash Collateral. Our evaluation is limited to the terms of the Proposed Acquisition and the Proposed Cash Collateral and has not taken into account the legal risks, strategic or commercial risks or merits, financial risks or merits of the Proposed Acquisition and the Proposed Cash Collateral. As with other business transactions of the Company, such merits and/or risks, whether legal, strategic, commercial, financial or otherwise, of the Proposed Acquisition and the Proposed Cash Collateral, are solely the responsibility of the Board of Directors of the Company (the "**Board**"). Accordingly, we do not express, evaluate or comment on such merits and/or risks of the Proposed Acquisition and the Proposed Cash Collateral.

We are also not expressing any opinion herein as to the future financial or other performance of the Company or the Group, whether with or without the Proposed Acquisition and the Proposed Cash Collateral. Likewise, we are not expressing herein as to the prices at which the Shares may trade upon with the receipt of Independent Shareholders' approvals for the Proposed Acquisition and the Proposed Cash Collateral. We are also not addressing the relative merits of the Proposed Acquisition and the Proposed Cash Collateral, as compared to any alternative transaction previously considered by the Company or that otherwise may become available to the Group in

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the future. Such evaluations or comments remain the responsibility of the Board and the management of the Company.

We have not made any independent evaluation and appraisal on the assets and liabilities of the Target Company. The Group has appointed Kantor Jasa Penilai Publik Ihot Dollar & Raymond (“ID&R”) as the independent valuer (the “Independent Valuer”) to determine the market value of 100% equity of the Target Company as at 30 June 2023 and issue a valuation report of the same (the “Valuation Report”). A summary of the Valuation Report (the “Executive Summary”) is reproduced as Appendix 2 to the Circular and both the Valuation Report and the Executive Summary are documents available for inspection at the Company’s registered office for a period of three (3) months from the date of the Circular. Save for the Valuation Report and the Executive Summary, we have not been furnished with any other evaluation or appraisal of the Target Company. With respect to the Valuation Report, we are not experts in the evaluation or appraisal of the subject concerned and we have placed sole reliance on the Valuation Report for such appraisal.

In the course of our evaluation and for the purpose of our opinion in relation to the Proposed Acquisition and the Proposed Cash Collateral, we have held discussions with certain Directors and management of the Company and have examined information provided by the Company and other publicly available information collated by us, upon which our view is based. We have not independently verified such information, whether written or verbal, and accordingly cannot and do not make any representation or warranty in respect of, and do not accept any responsibility for, the accuracy, completeness or adequacy of such information. We have nevertheless made reasonable enquiries and exercised our judgment as we deemed necessary or appropriate on the reasonable use of such information and found no reason to doubt the accuracy or reliability of the information.

We have relied upon the assurance of the Directors that the Directors collectively and individually accept full responsibility for the accuracy of the information given in the Circular and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, the Circular constitutes full and true disclosure of all material facts about the Proposed Acquisition and the Proposed Cash Collateral as well as the Group, and the Directors are not aware of any facts the omission of which would make any statement in the Circular misleading. Where information in the Circular has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has 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. In relation to this IFA Letter, the Directors have confirmed that the facts stated, with respect to the Proposed Acquisition and the Proposed Cash Collateral and the Group, are to the best of their knowledge and belief, fair and accurate in all material aspects.

In respect of the Target Company and its associated companies (collectively, the “Target Group”), we note that all information in respect of the Target Company disclosed in the Circular is based solely on information and representations made and provided by the Seller and the Target Company to the Company. The Company has not independently verified the accuracy and correctness of the same and the Company’s responsibility on such information is limited to ensuring that such information has been accurately and correctly extracted and reproduced in the Circular in its proper form and context. We understand that information relating to the associated companies of the Target Company, namely PT Singaraja Putra Tbk (“PT SINI”); PT Interkayu Nusantra (“PT IKN”); PT Dwi Daya Swakarya (“PT DDS”); PT Persada Kapuas Prima (“PT PKP”); PT Pesona Bara Cakrawala (“PT PBC”); PT Pasir Bara Prima (“PT PBP”); and PT

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Cakrawala Bara Persada (“PT CBP”) are based on legal due diligence reports commissioned by the Company.

Our opinion is based upon prevailing market, economic, industry, monetary and other conditions (where applicable) and the information made available to us in the Circular as at the Latest Practicable Date. We assume no responsibility to update, revise or reaffirm our view in light of any subsequent development after the Latest Practicable Date that may affect our opinion contained therein. Shareholders should take note of any announcements relevant to their consideration of the Proposed Acquisition and the Proposed Cash Collateral, which may be released by the Company after the Latest Practicable Date.

In arriving at our opinion, we did not consider the specific investment objectives, financial situation, tax consequences, risk profile or unique needs and constraints of any Shareholder or any specific group of Shareholders. We recommend that any individual Shareholder or group of Shareholders who may require specific advice in relation to his or their investment objectives or portfolios should consult his or their legal, financial, tax or other professional advisers immediately.

This IFA Letter has been prepared pursuant to Rule 921(4)(a) of the Catalyst Rules as well as for the use and benefit of the Recommending Directors in their deliberation of the Proposed Acquisition and the Proposed Cash Collateral, and the recommendation made by the Recommending Directors shall remain the responsibility of the Recommending Directors.

The Company has been separately advised by its own advisers in the preparation of the Circular (other than this IFA Letter). We have no role or involvement and have not provided any advice, financial or otherwise, whatsoever in the preparation, review and verification of the Circular (other than this IFA Letter). Accordingly, we take no responsibility for and express no views, express or implied, on the contents of the Circular (other than this IFA Letter).

Our opinion in relation to the Proposed Acquisition and the Proposed Cash Collateral should be considered in the context of the entirety of this IFA Letter and the Circular.

We recommend that the Recommending Directors advise Shareholders to read these pages carefully.

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3. THE PROPOSED ACQUISITION

Details of the Proposed Acquisition are set out in Section 2 of the Circular.

3.1 KEY TERMS OF THE PROPOSED ACQUISITION

The principal terms of the Proposed Acquisition are set out in Section 2.2 of the Circular. We highlight the following:

Date of SPA	17 November 2023
Subject of Proposed Acquisition	Two (2) issued and paid-up shares representing 100% equity in the capital of the Target Company (the “ Sale Shares ”)
Purchase Consideration	S\$5,700,000
Method of settlement	The Company intends to fund the Proposed Acquisition with (i) the net proceeds to be raised from the placement of 10,000,000 new ordinary shares in the capital of the Company (the “ Proposed Placement ”); and (ii) the balance (if any) from the Group’s internal resources, and shall be satisfied in full in cash within one (1) month after the completion of the Proposed Placement.
Basis of Purchase Consideration	Arrived at on a willing-seller, willing-buyer basis after arms’ length negotiations between the Company and the Seller, and after taking into account, <i>inter alia</i> , the following: (i) the share price of PT SINI, which represents the value of the Target Company’s shareholding in PT SINI; and (ii) the Shareholder’s Loan of S\$4,300,000.
Conditions precedent	As set out in Section 2.2(c) of the Circular, including the approval of the Independent Shareholders at an extraordinary general meeting to be convened (the “ EGM ”) in respect of the Proposed Acquisition as an interested person transaction under Chapter 9 of the Catalist Rules.
Longstop date	16 November 2024
Assumption of Shareholder’s Loan	In connection with the Proposed Acquisition, the Company intends to assume the Shareholder’s Loan from the Seller. Accordingly, the Company will be paying the Seller S\$4,300,000 to take over the Shareholder’s Loan such that the Target Company will be owing the Company, instead of the Seller, the Shareholder’s Loan of S\$4,300,000 upon Completion.

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Total Consideration	Accordingly, the total amount payable by the Company for the Proposed Acquisition shall be S\$10,000,000 , comprising the Purchase Consideration of S\$5,700,000 and the Shareholder's Loan of S\$4,300,000.
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3.2 INFORMATION ON THE TARGET GROUP

The corporate structure, corporate information and financial information of the Target Group can be found in Sections 2.1 and 2.3 of the Circular. We highlight information relating to each of the companies in the Target Group as follows:

(1) The Target Company

The Target Company is a holding company and does not carry out any business activities.

The Target Company holds a 31.22% stake in PT SINI, which is a company listed on the Indonesian Stock Exchange (“IDX”).

The key historical financial information of the Target Company as follows:

	Financial year ended 31 December (“FY”) 2022	Six months financial period ended 30 June (“HY”) 2023
Revenue	NIL	NIL
Net (loss)/profit attributable to equity holders of the Sale Shares	S\$(15,000)	S\$56,000

As at 31 December 2022 and 30 June 2023, the Target Company had net asset value (“NAV”) of approximately S\$204,000 and approximately S\$260,000, respectively.

(2) PT SINI

As at the Latest Practicable Date, PT SINI has an issued and paid-up share capital of IDR 48,100,000,000 comprising 481,000,000 shares (“PT SINI Shares”). PT SINI Shares have been listed and traded on IDX since 8 November 2019. As at the Latest Practicable Date, the closing price of each share of PT SINI was IDR 840. Accordingly, based on the 481,000,000 PT SINI Shares, PT SINI had a market capitalisation of approximately IDR 404.04 billion (equivalent to approximately S\$34.73 million based on the Exchange Rate) as at the Latest Practicable Date.

As at the Latest Practicable Date, PT SINI holds a 54% stake in PT IKN and a 75% stake in PT DDS.

The following information relating to the Target Company and/or PT SINI are extracted from the public documents published by PT SINI on the website of IDX:



- (a) the Target Company purchased 134,680,000 PT SINI Shares at a market price of IDR 250 for each PT SINI Share in November 2022, becoming a 28.0%-shareholder of PT SINI;
 - (b) the Target Company purchased another 15,500,000 PT SINI Shares at a market price of IDR 1,000 for each PT SINI Share in June 2023, increasing its shareholdings in PT SINI to 31.22%;
 - (c) PT SINI completed the acquisition of PT DDS for IDR 900 billion on 26 September 2023;
 - (d) the latest published results of PT SINI was for the nine months period ended 30 September 2023 ("**9M2023**"). We summarise as follows:
 - (i) PT SINI reported revenue of IDR 224,958,645,232 (equivalent to approximately S\$20.04 million based on the average month-end exchange rate of S\$1.00 to IDR 11,227.83 for 9M2023 ("**9M Exchange Rate**")), income before income tax of IDR 4,369,779,285 (equivalent to approximately S\$389,000 based on 9M Exchange Rate) and net loss attributable to equity holders of IDR 3,141,492,199 (equivalent to approximately S\$280,000 based on 9M Exchange Rate) for 9M2023;
 - (ii) PT SINI had total assets of IDR 600,577,872,604 (equivalent to approximately S\$52.89 million based on the midday average interbank exchange rate of S\$1.00 to IDR 11,355.89 as at 30 September 2023 ("**30 Sep Exchange Rate**")) and total liabilities of IDR 1,217,258,773,171 (equivalent to approximately S\$107.19 million based on 30 Sep Exchange Rate), resulting in net liabilities of IDR 616,680,900,567 (equivalent to approximately S\$54.30 million based on 30 Sep Exchange Rate) as at 30 September 2023.
 - (e) PT SINI sold PT The Room Indonesia (its 99.09%-owned subsidiary engaged in digital platform) for IDR 300 million (equivalent to approximately S\$26,000 based on the Exchange Rate) on 5 October 2023.
- (3) PT IKN**

PT IKN, a 54% subsidiary of PT SINI, is a limited liability company established in Indonesia on 29 July 1989. As at the Latest Practicable Date, PT IKN has an issued and paid-up share capital of IDR 37,100,000,000 comprising 371,000,000 shares. PT IKN is principally engaged in the business of the timber industry for export-oriented components of building materials. As at the Latest Practicable Date, the directors of PT IKN are Ms Prilli Budi Pasravita Soetantyo and Mr Jacob Willem Ravenhorst, and the commissioner of PT IKN is Mr Ir. Fredyanto Oetomo.

(4) PT DDS

PT DDS is a newly acquired 75%-subsidiary of PT SINI. PT SINI completed the acquisition of PT DDS for IDR 900 billion on 26 September 2023. PT DDS is principally engaged in the business management consulting activities and holding company activities. PT DDS holds 80% interest in four (4) coal mining Indonesia companies (collectively, the "**DDS Group**").

Based on the consolidated audited financial statements of the DDS Group for FY2022, the DDS Group recorded a net loss of approximately IDR 141.5 million (equivalent to approximately



S\$13,000 based on the average month-end exchange rate of S\$1.00 to IDR 10,803.02 for FY2022) for FY2022 and a net asset of approximately IDR227.8 billion (equivalent to approximately S\$19.66 million based on the midday average interbank exchange rate of S\$1.00 to IDR 11,584.80 as at 31 December 2022) as at 31 December 2022.

(5) PT PKP

PT PKP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 31 March 2005. As at the Latest Practicable Date, PT PKP has an issued and paid-up share capital of IDR 10,000,000,000 comprising 1,000,000 shares. PT PKP is principally engaged in the business of mining and coal exploration. PT PKP has a mining concession over a coal mine located in Central Kalimantan with total estimated proved and probable reserves of 58 million tons as the Latest Practicable Date. As at the Latest Practicable Date, the director of PT PKP is Mr Helyuzar, and the commissioner of PT PKP is Mr Brian Randing.

(6) PT PBC

PT PBC, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 9 January 2006. As at the Latest Practicable Date, PT PBC has an issued and paid-up share capital of IDR 5,000,000,000 comprising 500,000 shares. PT PBC is principally engaged in the business of mining and coal exploration. PT PBC has a mining concession over a coal mine located in Central Kalimantan with total estimated proved and probable reserves of 42 million tons as the Latest Practicable Date. As at the Latest Practicable Date, the director of PT PBC is Mr Helyuzar, and the commissioner of PT PBC is Mr Brian Randing.

(7) PT PBP

PT PBP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 23 December 2004. As at the Latest Practicable Date, PT PBP has an issued and paid-up share capital of IDR 5,000,000,000 comprising 20,000 shares. PT PBP is principally engaged in the business of mining and coal exploration. PT PBP has a mining concession over a coal mine located in Central Kalimantan with total estimated proved and probable reserves of 44 million tons as the Latest Practicable Date. As at the Latest Practicable Date, the director of PT PBP is Mr Helyuzar and the commissioner of PT PBP is Mr Brian Randing.

(8) PT CBP

PT CBP, an 80% subsidiary of PT DDS, is a limited liability company established in Indonesia on 9 January 2006. As at the Latest Practicable Date, PT CBP has an issued and paid-up share capital of IDR 5,000,000,000 comprising 500,000 shares. PT CBP is principally engaged in the business of mining and coal exploration. PT CBP has a mining concession over a coal mine located in Central Kalimantan with total estimated proved and probable reserves of 18 million tons as the Latest Practicable Date. As at the Latest Practicable Date, the director of PT CBP is Mr Helyuzar and the commissioner of PT CBP is Mr Brian Randing.

3.3 VALUATION OF THE TARGET GROUP

The Company has appointed the Independent Valuer to perform a valuation of 100% equity of the Target Company. As disclosed in the Executive Summary appended as Appendix 2 to the Circular, the market value of 100% equity of the Target Company is S\$15,320,379.



Please also refer to paragraph 5.1 of this IFA Letter for our review and observations on the valuation performed by the Independent Valuer.

3.4 RATIONALE FOR THE PROPOSED ACQUISITION

The rationale for the Proposed Acquisition can be found in Section 2.5 of the Circular. We note that the Board is of the view that the Proposed Acquisition (together with the Proposed Diversification) will enable the Group to expand and diversify into coal mining, which is complementary to the Group's existing core businesses of trading and the provision of shipping services, whereby the coal mines, when in production, may provide a source of coal of which quality and specifications are within the Group's control.

As such, over time, the Group will stand to benefit from the potential commercial, operational and costs synergies, particularly where the Target Group's resources can benefit the Group. Given the potential synergy and efficiencies which will be created by the addition of the Target Group, the Board believes that the Proposed Acquisition will enhance the long-term interests of the Company and Shareholders.

3.5 AGGREGATE VALUE OF INTERESTED PERSON TRANSACTIONS WITH THE SELLER

Pursuant to Rule 921(4)(a) of the Catalist Rules, the IFA needs to opine on whether the Proposed Acquisition as well as all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules are on normal commercial terms, and are not prejudicial to the interest of the Company and its minority shareholders.

We understand that there is no such transaction between the Group and the Seller which is the subject of aggregation pursuant to Rule 906 of the Catalist Rules.

4. THE PROPOSED CASH COLLATERAL

As set out in Section 4.1 of the Circular and paragraphs 1.2 and 1.4 of this IFA Letter, PT DPAL is a 50.5%-owned subsidiary of the Company and an 'interested person' of the Company by virtue of PT DPAL being an 'associate' of the 'controlling shareholders' of the Company under the Catalist Rules.

The Company intends to, through its 99%-owned subsidiary, PT DNS, provide the PT DNS Collateral Sum of up to IDR 150 billion (equivalent to approximately S\$12.89 million based on the Exchange Rate) as security for PT DPAL to obtain loans from local banks in Indonesia.

As disclosed in Section 4.1(b) of the Circular, PT DIR had provided a cash collateral of IDR 150 billion to PT Bank Mandiri (Persero) Tbk. ("**PT DIR Bank Mandiri Cash Collateral**"), which had in turn provided a short-term (one year) interest-bearing loan of IDR 150 billion to PT DPAL (the "**Bank Mandiri Loan**"). The Bank Mandiri Loan is repayable on 11 December 2023. PT DPAL did not pay any fee to PT DIR for the paid for the PT DIR Bank Mandiri Cash Collateral.

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With the PT DNS Collateral Sum, PT DPAL will be restructuring the collaterals for its bank loans in proportion to the effective shareholdings of PT DNS and PT DIR in PT DPAL as follows:

In IDR	Bank Mandiri Loan	New bank loans to be obtained by PT DPAL	Total
Cash collaterals from PT DNS	75,750,000,000	74,250,000,000	150,000,000,000 (representing the entire PT DNS Collateral Sum)
Cash collaterals from PT DIR	74,250,000,000	72,779,702,970	147,029,702,970
Total cash collaterals	<u>150,000,000,000</u>	<u>147,029,702,970</u>	<u>297,029,702,970</u>

As disclosed in Section 4.1(e) of the Circular, when deployed, the PT DNS Collateral Sum shall be placed in an interest-bearing fixed deposit account with the relevant financial institution extending the corresponding loan to PT DPAL.

There will be no security provided and no fee will be paid by PT DPAL to PT DNS and/or the Company for the Proposed Cash Collateral.

As disclosed in Section 4.1(h) of the Circular, the PT DNS Collateral Sum will be funded from internal cash resources and is not expected to have a material impact on the net tangible assets and earnings per Share of the Company for FY2023.

In the event that there is a change in shareholding of PT DPAL, the cash collaterals provided by the shareholders of PT DPAL (including PT DNS and PT DIR) shall be adjusted accordingly in proportion to their percentage equity interest in PT DPAL.

Rationale for the Proposed Cash Collateral

The Proposed Cash Collateral will allow PT DPAL access to more loan facilities for PT DPAL (i) to acquire new sets of tugboats and barges to expand its existing fleet of vessels; and (ii) for general working capital.

The Proposed Cash Collateral will also provide for equal treatment of the shareholders of PT DPAL as both effective shareholders of PT DPAL will be contributing cash collateral to secure loans for PT DPAL from local banks in Indonesia based on their respective percentage equity interest in PT DPAL.

Aggregate value of interested person transactions with PT DPAL

Similarly, pursuant to Rule 921(4)(a) of the Catalist Rules, the IFA needs to opine on whether the Proposed Cash Collateral as well as all other transactions which are the subject of aggregation pursuant to Rule 906 of the Catalist Rules are on normal commercial terms, and are not prejudicial to the interest of the Company and its minority shareholders.



We understand that there is no such transaction between the Group and PT DPAL which is the subject of aggregation pursuant to Rule 906 of the Catalist Rules.

5. EVALUATION OF THE PROPOSED ACQUISITION

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Proposed Acquisition:

- (a) the Valuation Report;
- (b) the implied price for PT SINI Shares as compared to the historical market prices of PT SINI Shares;
- (c) the valuation statistics represented by the implied price for PT SINI Shares as compared to the coal mining companies listed on the IDX;
- (c) the *pro forma* financial effects of the Proposed Acquisition; and
- (e) other considerations.

These factors are discussed in greater detail in the ensuing paragraphs.

5.1 THE VALUATION REPORT

The Group commissioned the Independent Valuer to determine the market value of 100% equity interest of the Target Company as at 30 June 2023. The Executive Summary relating to the Valuation Report is reproduced as Appendix 2 to the Circular and both the Valuation Report and the Executive Summary are documents available for inspection at the Company’s registered office for a period of three months from the date of the Circular.

We extract the key information in the Valuation Report and set out in *italics* as follows:

Date of valuation	30 June 2023
Standards of valuation	<i>This valuation is based on the Indonesian Valuation Standards (KEPI & SPI Edition VII – 2018) established by the Indonesian Appraisal Society (“MAPPI”) and International Valuation Standards (IVS 2022).</i>
Definition of market value	<i>The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in arm’s length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.</i>

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<p>Valuation approach and method</p>	<p><i>We have applied the Asset/Cost approach with Net Adjusted Book Value (NABV) method as a single method to calculate the business value of BBD and DDS. Based on NABV method, the value of all assets and liabilities must be adjusted to their market value, except for accounts that are already reflecting market value.</i></p> <p><i>The Income approach with Discounted Economic Income method or Discounted Cash Flows (DCF) Valuation method as the main method to calculate business value of SINI, IKN and TRI and as a single method to calculate the business value of DDS's subsidiaries, namely PKP, PBC, PBP and CBP. The DCF method takes into account SINI and its subsidiaries' projected business development scenario. Future income, cash flow that is generated based on the projection will be discounted at a certain rate which takes into account relevant risk factors. Indication value represents total present value of projected future income under going concern assumption, whereby SINI, IKN and TRI will keep on operating regardless of any future change in ownership and the business operations of each of DDS's subsidiaries operate until the Mining Business Licence for Production Operation (IUP-OP) period ends in June 2032.</i></p> <p><i>The second approach applied to calculate business value of SINI, IKN and TRI is the method of comparison of companies listed on a stock exchange or Guideline Publicly Traded Company (GCM) method. Comparison method of companies listed on the stock exchanges used because the existing public companies data on the stock exchange is expected to be used as comparative data on share valuation of SINI, IKN and TRI.</i></p> <p><i>Based on the information given by the management of BBD according to the information stated above and based on assumptions used in compiling the financial projections, therefore this valuation is based on Market Value standard. To obtain such value, the valuation of the BBD's business was based on the business plan that was prepared by SINI and its subsidiaries since BBD is an Investment Holding Company and adjusted by us.</i></p>
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Key information on the underlying assets	<p><u>PT SINI</u></p> <p>➤ Currently, SINI carries out business activities as an accommodation provider collaborates with property owners to provide accommodation services. Customers can make reservations directly (walk in) or via online media (online travel agent). Based on the Property Management Cooperation Agreements, Mr. Wahid Ramlie agreed to hand over the management of rooms property and SINI will finance all renovation consists of 51 rooms and 75 rooms in Pesona Bekasi Hotel and Pesona Hotel Cikarang, respectively. As of June 30, 2023, total managed rooms are 126 unit with valid period is 7 years for each agreement.</p> <p><u>DDS Group</u></p> <p>➤ The mining assets of the four (4) 80%-owned subsidiaries of PT DDS as follows:</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th rowspan="2"></th> <th rowspan="2">Mining area (hectares)</th> <th colspan="3">Reserves (ton)</th> <th rowspan="2">Gross kilocalories per kilogram</th> </tr> <tr> <th>Probable</th> <th>Proven</th> <th>Total</th> </tr> </thead> <tbody> <tr> <td>PT PKP</td> <td style="text-align: center;">4,944</td> <td style="text-align: right;">33,900,000</td> <td style="text-align: right;">23,700,000</td> <td style="text-align: right;">57,600,000</td> <td style="text-align: center;">4,040</td> </tr> <tr> <td>PT PBC</td> <td style="text-align: center;">3,482</td> <td style="text-align: right;">34,900,000</td> <td style="text-align: right;">6,600,000</td> <td style="text-align: right;">41,500,000</td> <td style="text-align: center;">3,920</td> </tr> <tr> <td>PT PBP</td> <td style="text-align: center;">3,089</td> <td style="text-align: right;">27,300,000</td> <td style="text-align: right;">16,500,000</td> <td style="text-align: right;">43,800,000</td> <td style="text-align: center;">4,940</td> </tr> <tr> <td>PT CBP</td> <td style="text-align: center;">4,828</td> <td style="text-align: right;">10,000,000</td> <td style="text-align: right;">8,000,000</td> <td style="text-align: right;">18,000,000</td> <td style="text-align: center;">4,210</td> </tr> </tbody> </table> <p>➤ All mining licenses of PT DDS's subsidiaries have a period of 20 years until 18 June 2032</p> <p>➤ We note that all of the mines owned by PT DDS's subsidiaries are open pit mines and the Independent Valuer did not provide for capital expenditure in the Valuation Report.</p>		Mining area (hectares)	Reserves (ton)			Gross kilocalories per kilogram	Probable	Proven	Total	PT PKP	4,944	33,900,000	23,700,000	57,600,000	4,040	PT PBC	3,482	34,900,000	6,600,000	41,500,000	3,920	PT PBP	3,089	27,300,000	16,500,000	43,800,000	4,940	PT CBP	4,828	10,000,000	8,000,000	18,000,000	4,210
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Key assumptions applied for the valuation	<p><u>PT SINI</u></p> <p>➤ No change to PT SINI hotel portfolio of 126 rooms during the forecast period from FY2024 to FY2027 with occupancy rate ranging from 40% to 55% during the projection period and a 5% annual increment in average daily rate over the projection period</p> <p><u>PT PKP</u></p> <p>➤ For projection purposes, total reserves are assumed to be 38,280,000 tons, based on the assumption of 50% probable reserves and 90% proven reserves amounting to 16,950,000 tons and 21,330,000 tons, respectively</p>																																	



	<ul style="list-style-type: none"> ➤ Average selling price applied is US\$35 per ton for the projection period from FY2024 to FY2032 ➤ Sales volume to increase from 1,500,000 tons in FY2024 to 6,000,000 tons in FY2031 then decrease to 5,280,000 tons in FY2032 <p><u>PT PBC</u></p> <ul style="list-style-type: none"> ➤ <i>For projection purposes, total reserves are assumed to be 23,390,000 tons, based on the assumption of 50% probable reserves and 90% proven reserves amounting to 17,450,000 and 5,940,000 tons, respectively</i> ➤ Average selling price applied is US\$31 per ton for the projection period from FY2024 to FY2032 ➤ Sales volume to increase from 250,000 tons in FY2024 to 4,500,000 tons in FY2031, then decrease to 2,140,000 tons in FY2032 <p><u>PT PBP</u></p> <ul style="list-style-type: none"> ➤ <i>For projection purposes, total reserves are assumed to be 28,500,000 tons, based on the assumption of 50% probable reserves and 90% proven reserves amounting to 13,650,000 tons and 14,850,000 tons, respectively</i> ➤ Average selling price applied is US\$49 per ton for the projection period from FY2024 to FY2032 ➤ Sales volume to increase from 250,000 tons in FY2024 to 4,000,000 tons in FY2031, then decrease to 2,250,000 tons in FY2032 <p><u>PT CBP</u></p> <ul style="list-style-type: none"> ➤ <i>For projection purposes, total reserves are assumed to be 12,200,000 tons, based on the assumption of 50% probable reserves and 90% proven reserves amounting to 5,000,000 tons and 7,200,000 tons, respectively</i> ➤ Average selling price applied is US\$43 per ton for the projection period from FY2025 to FY2032 ➤ Sales volume to increase from 500,000 tons in FY2025 to 2,000,000 tons in FY2031, then decrease to 700,000 tons in FY2032
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Valuation adjustments	<p>As the date of valuation is 30 June 2023, the Independent Valuer highlighted the following adjustments to the valuation of the Target Company as at 30 June 2023:</p> <p>a) <i>BBD has paid amount due to International Resources Investment Ltd. amounting to SGD 4,300,000 in August 2023;</i></p> <p>b) <i>SINI has obtained a new bank loan amounting to IDR 899 billion; completed the acquisition of 75% equity/shares DDS in September 2023; and the disposal of 99.09% equity/shares TRI (one of subsidiaries) in October 2023</i></p> <p>We also note the following adjustments in the Valuation Report:</p> <p>(i) the Independent Valuer had recognised an incremental adjustment of the book value and the market value of investment in stock (namely the coal assets amounting to IDR 1,933,162,033,076) for PT DDS. As a result, the 75% interest in PT DDS held by PT SINI was reflected as having market value of IDR 1,020,268,309,567 (equivalent to approximately S\$92.25 million based on the midday average interbank exchange rate of S\$1.00 to IDR 11,059.50 as at 30 June 2023) as at 30 June 2023; and</p> <p>(ii) the Independent Valuer has also applied discount for lack of marketability of between 20% and 40% for PT SINI, PT IKN and DDS Group when performing equity valuation for PT SINI, PT IKN, PT PKP, PT PBC, PT PBP and PT CBP using discounted cash flow methods and equity valuation for PT DDS using net adjusted book value methods. No discount was applied to PT The Room Indonesia which was determined to have a negative value by the Independent Valuer.</p>
Market value	<p><i>Considering the above subsequent events and based on our review and analysis on all related aspects to determine equity/share value of BBD amounts to SGD 15,320,379 with market value per share SGD 7,660,190 as Market Value for 100% of BBD's Equity/Share as of June 30, 2023.</i></p>

With respect to the average selling prices for each kilogram of coal for the 80%-owned subsidiaries of DDS Group, we have compared them to the Indonesian Coal Benchmark Price (“HBA”) disclosed the Valuation Report as follows:

The Ministry of Energy and Mineral Resources (ESDM) has set the Indonesian Coal Benchmark Price (HBA) for the period of October 2023. This HBA is contained in the ESDM Ministerial Decree Number 335.K/MB.01/MEM.B/2023 concerning Mineral Prices Reference Metals and Reference Coal Prices for October 2023 dated October 11, 2023. Based on the Ministerial Decree, for HBA with an equivalent calorific value (CV) of 6,322 kcal/kg GAR, total moisture 12.26%, sulfur 0.66% and ash 7.94% is at a price of USD 123.96 per ton. Then for HBA I with an equivalent CV of 5,300 kcal/kg GAR, total moisture 21.32%, sulfur 0.75% and ash 6.04% is at a



price of USD 81.38 per ton. HBA II with an equivalent CV of 4,100 kcal/kg GAR, total moisture 35.73%, sulfur 0.23% and ash 3.90% is priced at USD 50.41 per ton. Last, HBA III with an equivalent CV of 3,400 kcal/kg GAR, total moisture 44.30%, sulfur 0.24% and ash 3.88% is priced at USD 25.50 per ton.

We note that the average selling prices applied by the Independent Valuer are lower than the HBA for October 2023. We have enquired and the Independent Valuer has advised that the average selling prices applied for the valuation were determined based on a 2023 study dated 10 May 2023 prepared by a professional geological investigation, exploration and mining service company in Indonesia.

Based on the market value of S\$15,320,379 for the Sale Shares as opined by the Independent Valuer, the Total Consideration of S\$10,000,000 represents a discount of S\$5,320,379 (or a discount of 34.73%) to the market value of the Sale Shares as opined by the Independent Valuer.

5.2 THE IMPLIED PRICE FOR PT SINI SHARES AS COMPARED TO THE HISTORICAL MARKET PRICES OF PT SINI SHARES

As set out in Section 2.1 of the Circular and paragraph 3.2(1) of this IFA Letter, the Target Company is a holding company and does not carry out any business activities.

As at 30 June 2023, the Target Company had unaudited NAV of approximately S\$260,000 comprising mainly the PT SINI Shares held by the Target Company as its main asset and the Shareholder's Loan as its main liability.

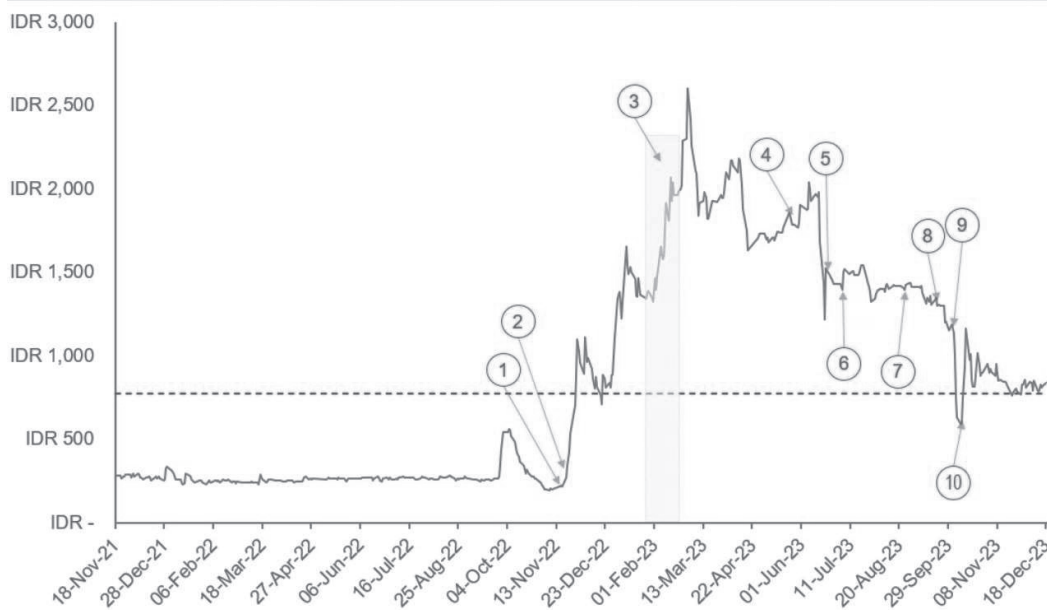
Based on the Total Consideration of S\$10,000,000 and the Exchange Rate, we calculate that the implied price paid by the Company for each PT SINI Share held by the Target Company is approximately IDR 775 (the "Implied Price").



5.2.1 The Implied Price as compared to the closing prices of PT SINI Shares

As set out in Section 2.1(b) of the Circular and paragraph 3.2(2) of this IFA Letter, PT SINI Shares have been listed and traded on IDX since 8 November 2019.

We compare the Implied Price with the daily closing prices of the PT SINI Shares for the 24 months period prior to the Announcement Date up to the Latest Practicable Date (the “Reference Period”) as follows:



Source: Bloomberg L.P.

We set out the following events which may have a bearing on the closing and trading prices of PT SINI Shares during the above-mentioned period:

Date / Corresponding label in the chart	Event
17 November 2022 / 1	PT Autum Prima Indonesia acquired 144,300,000 PT SINI Shares (representing 30.0% interest in PT SINI) at IDR 250 for each PT SINI Share
22 November 2022 / 2	The Target Company acquired 134,680,000 PT SINI Shares (representing 28.0% in PT SINI at IDR 250 for each PT SINI Share) and PT Basis Energi Prima acquired 57,720,000 PT SINI Shares (representing 12.0% interest in PT SINI) at IDR 250 for each PT SINI Share

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Date / Corresponding label in the chart

Event

26 January 2023 to 24 February 2023 / 3	As a result of the PT SINI Shares acquired in November 2022, PT Autum Prima Indonesia, the Target Company and PT Basis Energi Prima were collectively required to undertake a mandatory tender offer (the “Offer”) for PT SINI Shares. The period of the Offer was from 26 January 2023 to 24 February 2023. The offer price for the PT SINI Shares under the Offer was IDR 316. We are unable to find the results of the Offer on the IDX website or the website of Otoritas Jasa Keuangan (the Financial Services Authority of Indonesia). However, we note that there is no change to the shareholding of PT Autum Prima Indonesia, the Target Company and PT Basis Energi Prima in PT SINI in the monthly shareholding updates published by PT SINI subsequent to the close of Offer.
22 May 2023 / 4	PT SINI announced the proposed acquisition of 579,596 shares, representing 75.0% interest in the capital of PT DDS
21 June 2023 / 5	The Target Company acquired another 15,500,000 PT SINI Shares (representing 3.22% interest in PT SINI) at IDR 1,000 for each PT SINI Share
3 July 2023 / 6	PT SINI announced the results of the extraordinary general meeting held on 28 June 2023, that its shareholders approved the proposed acquisition of PT DDS
22 August 2023 / 7	PT SINI announced the completion of the acquisition of 193,199 shares, representing 25.0% interest in the capital of PT DDS
18 September 2023 / 8	PT SINI announced the completion of the acquisition of another 193,199 shares, representing 25.0% interest in the capital of PT DDS
27 September 2023 / 9	PT SINI announced the completion of the acquisition of another 193,198 shares, representing 25.0% interest in the capital of PT DDS. With this acquisition, PT SINI completed the entire acquisition of 75% interest in PT DDS
6 October 2023 / 10	PT SINI announced the disposal of its interest in PT The Room Indonesia

We note the following with respect to the Implied Price for each PT SINI Share and the closing prices of PT SINI Shares during the Reference Period:

- (a) saved for the closing prices of between IDR 710 and IDR 760 for the period between 19 December 2022 and 30 December 2022 (both dates inclusive) and the closing prices of between IDR 590 and IDR 750 for the period between 5 October 2023 and 11 October 2023 (both dates inclusive), as well as, the closing price of IDR 765 and IDR 770 for each PT SINI Share on 20 November 2023 and 27 November 2023 respectively, the Implied

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Price is lower than the closing prices of PT SINI Shares for the period between 29 November 2022 and the Latest Practicable Date (both dates inclusive);

- (b) the closing prices of PT SINI Shares trended upwards since the acquisition of PT SINI Shares by its current substantial shareholders in November 2022;
- (c) the highest closing price of PT SINI Shares during the Reference Period was IDR 2,600 and the Implied Price represents a discount of approximately 70.2% to this highest closing price while the lowest closing price of PT SINI Shares during the Reference Period was IDR 197 and the Implied Price represents a premium of approximately 293.4% to this lowest closing price; and
- (d) the closing price trended downwards to IDR 590 for each PT SINI Share on 9 October 2023 after the announcement of the disposal of PT The Room Indonesia by PT SINI but trended back above the Implied Price for the period from 12 October 2023 to the Latest Practicable Date (both dates inclusive).

5.2.2 The Implied Price as compared to the trading prices of PT SINI Shares

We tabulate below selected statistical information on the trading prices and liquidity of PT SINI Shares during the Reference Period:

	VWAP ⁽¹⁾ (IDR)	Premium/ (Discount) of Implied Price to VWAP (%)	Highest trading price (IDR)	Lowest trading price (IDR)	Average daily traded volume ⁽²⁾	Average daily traded volume as percentage of free float ⁽³⁾ (%)
<u>Periods prior to and including the Announcement Date</u>						
Last 24 months	1,256	(38.30)	2,600	188	942,974	0.73
Last 12 months	1,361	(43.06)	2,600	216	1,697,776	1.32
Last six (6) months	1,402	(44.72)	2,070	565	800,535	0.62
Last three (3) months	1,067	(27.37)	1,450	565	548,408	0.43
Last one (1) month	951	(18.51)	1,205	775	618,700	0.48
The Announcement Date	811	(4.44)	820	805	16,800	0.01
<u>Period after the Announcement Date</u>						
From 20 November 2023 to the Latest Practicable Date	783	(1.02)	865	690	83,495	0.06
The Latest Practicable Date	820	(5.49)	840	780	83,700	0.06

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Source: Bloomberg L.P.

Notes:

- (1) “**VWAP**” means volume weighted average price, and is rounded to the nearest whole number.
- (2) The average daily traded volumes of the PT SINI Shares are calculated based on the total number of PT SINI Shares traded (excluding PT SINI Shares transacted under married deals) and the total days where the PT SINI Shares were traded (“**Trading Days**”) during those periods.
- (3) Free float is calculated based on the difference between (i) the total number of 481,000,000 issued PT SINI Shares; and (ii) the 352,200,000 PT SINI Shares held by the substantial shareholders of PT SINI as at the Latest Practicable Date.

We note the following with respect to the Implied Price and the trading prices of PT SINI Shares:

- (a) the Implied Price is at a discount to the VWAP of the PT SINI Shares for the periods prior to the Announcement Date as set out in the table above;
- (b) the Implied Price represents a discount of approximately 70.2% to the highest trading price of PT SINI Share and a premium of approximately 312.2% to the lowest trading price of PT SINI Share for the 24-month period prior to the Announcement Date; and
- (c) the Implied Price continues to represent a discount to the VWAP of the PT SINI Shares for the period after the Announcement Date up to the Latest Practicable Date as set out in the table above.

We note the following with respect to the trading liquidity of PT SINI Shares:

- (i) save for the 12-month period prior to the Announcement Date, the PT SINI Shares traded during the periods prior to the Announcement Date represented less than 1% of the free float of PT SINI;
- (ii) while the trading volumes of PT SINI Shares were generally below 1% of the free float of PT SINI, we note that PT SINI Shares were traded on more than 90% of the market days where the IDX was open for trading during the aforesaid periods; and
- (iii) the trading volumes of PT SINI Shares remained low for the period after the Announcement Date up to the Latest Practicable Date although the PT SINI Shares were traded on 100% of the market days where the IDX was open for trading during the aforesaid period.

Had the Company acquired PT SINI Shares directly from the Target Company, the Company would probably have to purchase the PT SINI Shares at the recent trading prices which were generally higher than the Implied Price.

Shareholders should note that the above analysis is not an indicative of the trading prices and liquidity of PT SINI Shares.

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Shareholders are also advised that the past trading performance of the PT SINI Shares should not, in any way, be relied upon as an indication or promise of its future trading performance.

5.2.3 The Implied Price as compared to the purchase prices for PT SINI Shares paid by the Target Company

As set out above, the Target Company purchased PT SINI Shares in two tranches.

The first tranche of 134,680,000 PT SINI Shares, representing 28.0% interest in PT SINI, was acquired by the Target Company in November 2022. The purchase price paid by the Target Company was IDR 250 for each PT SINI Share. The Implied Price represents a premium approximately 210.00% to the purchase price for each PT SINI Share paid by the Target Company in November 2022. However, we note that:

- (a) the purchase price paid by the Target Company for PT SINI Shares was the same as the purchase price paid by PT Autum Prima Indonesia and PT Basis Energi Prima for PT SINI Shares on 17 November 2022 and 22 November 2022, respectively;
- (b) PT SINI announced the proposed acquisition of 75% interest in PT DDS in May 2023 and completed the acquisition of 75% interest in PT DDS in September 2023; and
- (c) PT SINI completed the disposal of 99.09% interest in PT The Room Indonesia in October 2023.

The second tranche of 15,500,000 PT SINI Shares, representing 3.22% interest in PT SINI, was acquired by the Target Company in June 2023. The purchase price paid by the Target Company was IDR 1,000 for each PT SINI Share. The Implied Price represents a discount approximately 22.5% to the purchase price for each PT SINI Share paid by the Target Company in June 2023.

5.3 THE VALUATION STATISTICS REPRESENTED BY THE IMPLIED PRICE FOR PT SINI SHARES AS COMPARED TO THE COAL MINING COMPANIES LISTED ON THE IDX

On similar basis as paragraph 5.2 of this IFA Letter, we have compared the valuation statistics represented by the Implied Price for PT Sini Shares with coal mining companies listed on the IDX (the "**Selected Comparable Companies**"). For better comparison, we have only companies with market capitalisation of between S\$10 million and S\$150 million as at the Latest Practicable Date.

We recognise that that the list of Selected Comparable Companies is not exhaustive and there is no listed company that is directly comparable to PT SINI in terms of, *inter alia*, business

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activities, size and scale of operations, risk profile, operating and financial position, track record and future prospects. We have used the following valuation ratio in our analysis:

Valuation ratio	General description
EV/Reserves	<p>“EV” or “Enterprise Value” is defined as the sum of a company’s market capitalisation, preferred equity, minority interests, short term and long term debts less its cash and cash equivalents. Reserves refers to the total probable and proven reserves of the respective Selected Comparable Companies.</p> <p>EV/Reserve ratio is an industry specific valuation measure. It indicates the enterprise value per ton of proven and probable reserve owned by the respective Selected Comparable Companies.</p>

We have not considered the earnings ratios (such as price-earnings ratio and enterprise value to earnings before interest, tax, depreciation and amortisation ratio) as the historical earnings performance of PT SINI for FY2022 and the nine-month ended 30 September 2023 are not relevant to our analysis after the acquisition of PT DDS by PT SINI in September 2023 and the disposal of PT The Room Indonesia by PT SINI in October 2023.

We set out in the table below the list of Selected Comparable Companies, together with brief information on these companies and the Singapore dollar equivalent market capitalisation of these companies based on the Exchange Rate as at the Latest Practicable Date:

Selected Comparable Companies	Description	Market Capitalisation (\$’million)
PT Alfa Energi Investama Tbk	PT Alfa Energi Investama Tbk offers mining services. The Company provides exploration, extraction, production, and trading of coal, as well as develops coal fired power plant for electricity. Alfa Energi Investama serves customers in Indonesia.	14.84
PT Atlas Resources Tbk	PT Atlas Resources Tbk explores for and produces coal. The Company operates in East Kalimantan and South Sumatra in Indonesia and Papua New Guinea.	66.65
PT Black Diamond Resources Tbk	PT Black Diamond Resources Tbk operates as a holding company. The Company, through its subsidiaries, focuses on coal mining and other mining activities. Black Diamond Resources serves customers in Indonesia.	26.86



- (2) Based on the market capitalisation as at the Latest Practicable Date and the latest available balance sheet of the respective Selected Comparable Companies, and converted to US\$ based on the exchange rate of US\$1:00 to IDR 15,500.23 calculated based on the mid-day exchange rates published on the website of the Monetary Authority of Singapore as at the Latest Practicable Date.

As set out in the above table, the EV/Resources per ton of PT SINI based on the Implied Price is at the lower end of the range and lower than the mean and median EV/Resources per ton of the Selected Comparable Companies.

5.4 PRO FORMA FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

The full text of the *pro forma* financial effects of the Proposed Acquisition is set out in Section 2.8 of the Circular and Shareholders are advised to read them carefully.

Shareholders may wish to note that the *pro forma* financial effects also include the Proposed Placement.

In summary, we note the following:

- (a) had the Proposed Acquisition been completed on 31 December 2022, the NTA per Share as at 31 December 2022 will decrease by approximately 3.0% from 57.4 Singapore cents to 55.7 Singapore cents; and
- (b) had the Proposed Acquisition been completed on 1 January 2022, the earnings per Share for FY2022 will decrease by approximately 10.7% from 22.4 Singapore cents to 20.0 Singapore cents.

5.5 OTHER CONSIDERATIONS

In determining whether the Proposed Acquisition is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders, we have also considered the following:

5.5.1 Rationale for the Proposed Acquisition

We note that there are potential synergy and efficiencies which will be created by the addition of the Target Group to the Group and that the Board believes that the Proposed Acquisition will enhance the long-term interests of the Company and Shareholders.

5.5.2 Risk factors

Shareholders are also advised to refer to Section 3.8 of the Circular for risk factors relating to the coal mining business of the DDS Group.

5.5.3 Abstention from recommendation and voting

As set out in Sections 5.6 and 5.7 of the Circular, Mr Salim Limanto, the Executive Director and Chief Operating Officer of the Company, is the son of Mr Djunaidi Hardi (a controlling Shareholder of the Company, who is also a shareholder of the Seller and PT DIR). Accordingly, Mr Salim Limanto has abstained from participating in the deliberations of the Board in respect of the Proposed Acquisition, and will abstain from making any recommendations to Shareholders on the Proposed Acquisition in his capacity as a Director of the Company.



The Seller will abstain, and will undertake to ensure that its associates will abstain from voting on the Proposed Acquisition. The Seller and its associates will also decline to accept appointment as proxy(ies) for any Shareholder to vote in respect of the Proposed Acquisition, unless the Shareholder concerned has given specific instructions in his proxy form as to the manner in which his vote is to be cast.

6. EVALUATION OF THE PROPOSED CASH COLLATERAL

The following are factors which we consider to be pertinent and to have a significant bearing on our evaluation of the Cash Collateral:

- (a) the proportion of PT DNS Collateral Sum as compared to the effective interests of PT DNS in PT DPAL;
- (b) PT DIR Bank Mandiri Cash Collateral;
- (c) no fee paid by PT DPAL for the cash collateral;
- (d) ranking of the cash collaterals;
- (e) rationale of the Proposed Cash Collateral; and
- (f) other considerations.

6.1 THE PROPORTION OF PT DNS COLLATERAL SUM AS COMPARED TO THE EFFECTIVE INTERESTS OF PT DNS IN PT DPAL

We compare the proportion of cash collateral contributed/to be contributed by the voting shareholders of PT DPAL as follows:

In IDR	Total cash collaterals provided	% of cash collaterals	% of effective voting interest
PT DNS	150,000,000,000 (representing the entire PT DNS Collateral Sum)	50.50%	50.50%
PT DIR	147,029,702,970	49.50%	49.50%
	<u>297,029,702,970</u>	<u>100.00%</u>	<u>100.00%</u>

As set out in the table above, both PT DNS and PT DIR will be contributing cash collaterals in proportion to their effective voting interests in PT DPAL upon the completion of the Proposed Cash Collateral.



Further, as disclosed in Section 4.1(g) of the Circular, in the event that there is a change in shareholding of PT DPAL, the cash collaterals provided by the shareholders of PT DPAL (including PT DNS and PT DIR shall be adjusted accordingly in proportion to their percentage equity interest in PT DPAL.

6.2 PT DIR BANK MANDIRI CASH COLLATERAL

As disclosed in Section 4.1(b) of the Circular, PT DIR had already provided the PT DIR Bank Mandiri Cash Collateral in December 2022.

6.3 NO FEE PAID BY PT DPAL FOR THE CASH COLLATERAL

As disclosed in Section 4.1(b) of the Circular, no fee was paid by PT DPAL to PT DIR for the PT DIR Bank Mandiri Cash Collateral provided since December 2022.

6.4 RANKING OF THE CASH COLLATERALS

We have enquired and understand that there is no ranking of the cash collaterals provided by either PT DNS or PT DIR.

We understand that, in the event of any default by PT DPAL, the banks will seize both cash collaterals to settle the outstanding bank loans before refunding the balance to each of PT DNS and PT DIR proportionately.

6.5 RATIONALE OF THE PROPOSED CASH COLLATERAL

As set out in Section 4.2 of the Circular, the Proposed Cash Collateral will also provide for equality treatment of the shareholders of PT DPAL as both effective shareholders of PT DPAL will be contributing cash collateral to secure loans for PT DPAL from local banks in Indonesia based on percentage equity interest in PT DPAL.

6.6 OTHER CONSIDERATIONS

In determining whether the Proposed Cash Collateral is on normal commercial terms and prejudicial to the interests of the Company and its minority Shareholders, we have also considered the following:

6.6.1 Historical purchases of tugboats and barges

In our review of the historical finance performance of the Group, we note that the Group has relied on short term financing to fund its capital expenditure for the acquisition of tugboats and barges by PT DPAL, including interest-free loans from interested persons.

APPENDIX 1 – IFA LETTER



We summarise the historical financials relating to such purchases of the Group (under PT DPAL) as follows:

	Interest-free loans from interested persons (IDR' billion)	Number of tugboats (and accompanying barges) at the end of the financial year	Additions to tugboats and barges (S\$)	Revenue from shipping services rendered by the tugboats (and accompanying barges) (S\$)
FY2020	NIL	8	NIL	13,677,669
FY2021	22.0 (from PT DNS) <i>(equivalent to approximately S\$2.0 million based the then exchange rate)</i>	10	7,795,476	20,126,243
FY2022	51.5 (comprising 30 billion from PT DNS and 21.5 billion from PT DIR) <i>(equivalent to approximately S\$4.9 million based the then exchange rate)</i>	13	30,812,808	36,787,528
HY2023	NIL	16	9,599,877	23,391,699

We note that the Group's revenue from its shipping services segment has increased during the track record period set out above, in line with the increase in number of tugboats and barges.

6.6.2 Abstention from recommendation and voting

As set out in Sections 5.6 and 5.7 of the Circular, Mr Salim Limanto, the Executive Director and Chief Operating Officer of the Company, is the son of Mr Djunaidi Hardi (a controlling Shareholder of the Company, who is also a shareholder of PT DIR). Accordingly, Mr Salim Limanto has abstained from participating in the deliberations of the Board in respect of the Proposed Cash Collateral, and will abstain from making any recommendations to Shareholders on the Proposed Cash Collateral in his capacity as a Director of the Company.



The controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) who are deemed interested in PT DPAL via PT DIR will abstain, and will undertake to ensure that their respective associates will abstain from voting on the Proposed Cash Collateral. The controlling Shareholders of the Company (namely Mr Djunaidi Hardi, Mr Arifin Tan and Mr Juhadi) and their respective associates will also decline to accept appointment as proxy(ies) for any Shareholder to vote in respect of the Proposed Cash Collateral, unless the Shareholder concerned has given specific instructions in his proxy form as to as to the manner in which his vote is to be cast.

7. OUR OPINION

Having regard to our terms of reference, in arriving at our opinion, we have taken into account a range of factors which we consider to be pertinent and have a significant bearing on our assessment of the Proposed Acquisition and the Proposed Cash Collateral. We have carefully considered as many factors as we deem essential and balanced them before reaching our opinion. Accordingly, it is important that our IFA Letter, in particular, all the considerations and information we have taken into account, be read in its entirety.

7.1 THE PROPOSED ACQUISITION

We set out below a summary of the key factors we have taken into our consideration when assessing the Proposed Acquisition:

- (a) the Total Consideration of S\$10,000,000 represents a discount of S\$5,320,379 (or a discount of 34.73%) to the market value of the Sale Shares as opined by the Independent Valuer;
- (b) based on the Total Consideration of S\$10,000,000 and the Exchange Rate, we calculate that the Implied Price for each PT SINI Share to be IDR 775. Saved for the closing prices of between IDR 710 and IDR 760 for the period between 19 December 2022 and 30 December 2022 (both dates inclusive) and the closing prices of between IDR 590 and IDR 750 for the period between 5 October 2023 and 11 October 2023 (both dates inclusive), as well as, the closing price of IDR 765 and IDR 770 for each PT SINI Share on 20 November 2023 and 27 November 2023 respectively, the Implied Price is lower than the closing prices of PT SINI Shares for the period between 29 November 2022 and the Latest Practicable Date (both dates inclusive) and also below the VWAP of PT SINI Shares during the Reference Period;
- (c) the Implied Price represents a premium approximately 210% to the purchase price for each PT SINI Share paid by the Target Company in November 2022 and a discount approximately 22.5% to the purchase price for each PT SINI Share paid by the Target Company in June 2023;
- (d) the EV/Resources per ton of PT SINI based on the Implied Price is at the lower end of the range and lower than the mean and median EV/Resources per ton of the Selected Comparable Companies; and
- (e) other considerations set out in paragraph 5.5 of this IFA Letter.



Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Acquisition is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

7.2 THE PROPOSED CASH COLLATERAL

We set out below a summary of the key factors we have taken into our consideration when assessing the Proposed Cash Collateral:

- (a) both PT DNS and PT DIR will be contributing cash collaterals in proportion to their effective voting interests in PT DPAL upon the completion of the Proposed Cash Collateral;
- (b) PT DIR had already provided the PT DIR Bank Mandiri Cash Collateral in December 2022 without any charges;
- (c) no fee will also be payable by PT DPAL to PT DNS for the Proposed Cash Collateral; and
- (d) other considerations set out in paragraph 6.6 of this IFA Letter.

Accordingly, after taking into account the above factors and the information made available to us as at the Latest Practicable Date, we are of the opinion that, the Proposed Cash Collateral is on normal commercial terms and is not prejudicial to the interests of the Company and its minority Shareholders.

This IFA Letter is prepared pursuant to Rule 921(4)(a) of the Catalist Rules as well as addressed to the Recommending Directors for their benefit, in connection with and for the purpose of their consideration of the Proposed Acquisition, and the recommendation made by them to the Shareholders shall remain the responsibility of the Recommending Directors. Neither the Company, the Directors nor the Shareholders may reproduce, disseminate or quote this IFA Letter (or any part thereof) for any other purpose, except for the Proposed Acquisition and/or the Proposed Cash Collateral, at any time and in any manner without the prior written consent of Xandar Capital in each specific case.

This opinion is governed by, and construed in accordance with, the laws of Singapore, and is strictly limited to the matters stated herein and does not apply by implication to any other matter.

Yours faithfully
For and on behalf of
XANDAR CAPITAL PTE. LTD.

LOO CHIN KEONG
EXECUTIVE DIRECTOR

PAULINE SIM POI LIN
HEAD OF CORPORATE FINANCE

APPENDIX 2 – EXECUTIVE SUMMARY OF THE VALUATION REPORT

KANTOR JASA PENILAI PUBLIK
IHOT DOLLAR & RAYMOND
CERTIFIED BUSINESS AND ASSET APPRAISERS
Licence No. 2.12.0110

Graha ROI Formula 3rd Floor Suite 302
Jl. Sultan Iskandar Muda No. 222
Jakarta 12240
Ph. +62 21 7245677
Fax. +62 21 7253689
Web: www.idrvaluer.com

Ref. No. 00016/2.0110-01/BS/05/0426/1/XII/2023

Jakarta, December 18, 2023

Directors

PT DELI NIAGA SEJAHTERA

Grand ITC Permata Hijau 8th Floor
Suite B No. 3A, Kebayoran Lama
South Jakarta, Indonesia

Subject : Equity/Share Valuation

Dear Sir/Madam,

KJPP Ihot Dollar & Raymond (“ID&R”) Independent Appraiser Firm based on Business License from Minister of Finance No. 1408/KM.1/2012 dated November 27, 2012 has been appointed by PT Deli Niaga Sejahtera (“DNS”) as the Independent Appraiser based on Assignment Letter No. 037/IX/SV/23/KJPPID&R dated September 08, 2023, regarding valuation of equity/share of:

Batubara Development Pte. Ltd. (“BBD”)

Identification of Appraiser

KJPP Ihot Dollar & Raymond (“ID&R”) is an Independent Appraiser Firm based on Business License from Minister of Finance No. 1408/KM.1/2012 dated November 27, 2012. Partner has fulfill the required professional education from Indonesian Society of Appraisers with MAPPI No: 06-S-01969 and License No: STTD.PB-22/PJ-1/PM.2/2023.

We state as Appraiser :

- In position to provide an independent objective assessment;
- Have no actual or potential conflict of interest with the Assigner, user of the Report and/or the valuation object;
- Having competency to conduct the valuation assignment.

Identification of Assigner

Name : PT Deli Niaga Sejahtera (“DNS”)
Business Activity : Trading
Address : Grand ITC Permata Hijau 8th Floor, Suite B No. 3A, Kebayoran Lama, South Jakarta,
Indonesia
Phone : +62 21 5366 4355

Identification of User of the Report

Name : Resources Global Development Limited (as a Holding Company of DNS)
Business Activity : Investment Holding
Address : 144 Robinson Road, #11-02 Robinson Square, Singapore 068909
Phone : +65 6289 6588
Website : <https://rqd.sg>

APPENDIX 2 – EXECUTIVE SUMMARY OF THE VALUATION REPORT

Scope of Valuation

Our engagement covers the valuation of 100% equity/share of BBD.

Valuation Purpose and Objective

We understood based on information given by the Assigner that the valuation is intended for the acquisition plan of shares ownership directly by Resources Global Development Limited ("RGD") in Singapore, therefore to accommodate that objective our valuation is based on Market Value.

Valuation Methods

We have applied the Asset/Cost approach with Net Adjusted Book Value (NABV) method as a single method to calculate the business value of BBD and DDS. Based on NABV method, the value of all assets and liabilities must be adjusted to their market value, except for accounts that are already reflecting market value.

The Income approach with Discounted Economic Income method or Discounted Cash Flows (DCF) Valuation method as the main method to calculate business value of SINI, IKN and TRI and as a single method to calculate the business value of DDS's subsidiaries, namely PKP, PBC, PBP and CBP. The DCF method takes into account SINI and its subsidiaries' projected business development scenario. Future income, cash flow that is generated based on the projection will be discounted at a certain rate which takes into account relevant risk factors. Indication value represents total present value of projected future income under going concern assumption, whereby SINI, IKN and TRI will keep on operating regardless of any future change in ownership and the business operations of each of DDS's subsidiaries operate until the Mining Business Licence for Production Operation (IUP-OP) period ends in June 2032.

The second approach applied to calculate business value of SINI, IKN and TRI is the method of comparison of companies listed on a stock exchange or Guideline Publicly Traded Company (GCM) method. Comparison method of companies listed on the stock exchanges used because the existing public companies data on the stock exchange is expected to be used as comparative data on share valuation of SINI, IKN and TRI.

Definition and Valuation Basis

In this valuation we used "Market Value" as a basis valuation which can be defined as follows:

The estimated amount for which an asset or liability should exchange on the valuation date between a willing buyer and a willing seller in arm's length transaction, after proper marketing and where the parties had each acted knowledgeably, prudently and without compulsion.

This valuation is based on the Indonesian Valuation Standards (KEPI & SPI Edition VII – 2018) established by the Indonesian Appraisal Society ("MAPPI") and International Valuation Standards (IVS 2022).

Valuation Date

Valuation cut off date is as of June 30, 2023, which was taken based on consideration of purpose and objective of our valuation.

Distribution and Publication of Report

Based on the purpose and engagement, the valuation report will be used in connection with the acquisition plan of shares ownership directly by RGD in Singapore. This report is not used or duplicated for any other purposes without written consent and confirmation from the Appraiser. All or part of the Report's publication must receive Appraiser approval.

APPENDIX 2 – EXECUTIVE SUMMARY OF THE VALUATION REPORT

Assumption and Limitation

This valuation report is conducted based on market and economic conditions, business and financial general condition and the Government regulations as of this Report issued. We also used other assumptions, such as there is no extraordinary events in macroeconomic and industry which affected to BBD and its associates' business and business plan in the future; no charge or claim from related third parties or other third parties; and there are no significant events (subsequent event) that affect the economic income projections from the valuation date until the publication date of this report.

This valuation report is used with the valuation purpose except any confidential information, which affect BBD and its associates' operation, and not intended for providing opinion or recommendation, except for the purpose explained previously. We have reviewed the legality of BBD and its associates' provided by management, but exclude clarification on the legality of BBD and its associates' asset ownership documents. We have no interest in assets, ownership or business that are the subject of this assessment, both now and in the future. We do not have any personal interests or a tendency to side with regard to the subject matter of this report and the parties involved.

We have no responsibilities or assurances of any liability or loss from action taken based on information in this Report. All information should be related entirely with the purpose of the valuation. We have no obligation to update or revise the valuation result from material events or transactions after the release of this Report.

Conclusion

Based on our review and analysis on all related aspects to determine equity/share value of BBD amounts to **SGD (638,578)** with market value per share **SGD (319,289)** as **Market Value for 100% of BBD's Equity/Share** as of June 30, 2023.

Other Variables Affect the Valuation

Based on management information, there are significant events (subsequent event) from the valuation date as of June 30, 2023 until the publication date of this Report that affect the market value as follows:

- a) BBD has paid amount due to International Resources Investment Ltd. amounting to SGD 4,300,000 in August 2023;
- b) SINI has obtained a new bank loan amounting to IDR 899 billion; completed the acquisition of 75% equity/shares DDS in September 2023; and the disposal of 99.09% equity/shares TRI (one of subsidiaries) in October 2023.

Considering the above subsequent events and based on our review and analysis on all related aspects to determine equity/share value of BBD amounts to **SGD 15,320,379** with market value per share **SGD 7,660,190** as **Market Value for 100% of BBD's Equity/Share** as of June 30, 2023.

Sincerely yours,
KJPP Ihot Dollar & Raymond



KANTOR JASA PENILAI PUBLIK
IHOT DOLLAR & RAYMOND
CERTIFIED BUSINESS AND ASSET APPRAISERS

Sulistyawati Sendjaja, MM, MAPPI (Cert.)

Business Valuation Partner

Izin Penilai : B-1.15.00426
MAPPI : 06-S-01969
STTD OJK : STTD.PB-22/PJ-1/PM.2/2023

NOTICE OF EXTRAORDINARY GENERAL MEETING

RESOURCES GLOBAL DEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201841763M)

NOTICE IS HEREBY GIVEN that an Extraordinary General Meeting of Resources Global Development Limited (the “**Company**”) will be held at 02:00 p.m. on 15 January 2024 at 160 Robinson Road, #06-01, SBF Center, Singapore 068914, Seminar Room No. 2 for the purpose of considering and, if thought fit, passing with or without modifications the following Resolutions, which will be proposed as Ordinary Resolutions:

Unless otherwise defined, all capitalised terms used herein shall bear the same meaning ascribed thereto in the Company’s Circular dated 29 December 2023 to the Shareholders in respect of the resolutions herein.

Shareholders should note that:

- (a) Ordinary Resolutions 1 and 2 are Inter-conditional Resolutions. Accordingly, in the event that any of Ordinary Resolution 1 or 2 is not approved, the other Ordinary Resolution would not be passed; and
- (b) Ordinary Resolution 3 is independent of Ordinary Resolutions 1 and 2.

ORDINARY RESOLUTION (1) – THE PROPOSED ACQUISITION OF SHARES IN BATUBARA DEVELOPMENT PTE. LTD. AS AN INTERESTED PERSON TRANSACTION

THAT subject and contingent upon the passing of Ordinary Resolution 2:

- (1) approval be and is hereby given for the proposed acquisition by the Company of all the issued shares in the capital of Batubara Development Pte. Ltd., on the terms and subject to the conditions of the SPA (the “**Proposed Acquisition**”), and any other transactions and/or ancillary documents contemplated under the SPA, as an interested person transaction under Chapter 9 of the Catalist Rules; and
- (2) the Directors and each of them be and are hereby authorised to complete and do and/or procure to be done all such acts and things as they or each of them may from time to time deem desirable, expedient or necessary in connection with the Proposed Acquisition and to give effect to the matters contemplated by this Resolution including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or each of them may in their or each of their absolute discretion deem fit and in the interests of the Group.

ORDINARY RESOLUTION (2) – THE PROPOSED DIVERSIFICATION INTO THE BUSINESS OF COAL MINING

THAT subject and contingent upon the passing of Ordinary Resolution 1:

- (1) approval be and is hereby given for the Company to expand the Group’s core business to include the business of coal mining, with particular focus on coal with total average GAR of approximately 4,200 kcal/kg (the “**Proposed New Business**”);
- (2) subject to compliance with the Catalist Rules requiring approval from shareholders in certain circumstances, the Company (directly and/or through its subsidiaries) be and is hereby authorised to invest in, purchase or otherwise acquire or dispose of from time to time any such assets, businesses, investments and shares/interests in any entity that is in the Proposed New Business for the purpose of or in connection with the Proposed Diversification on such terms and conditions as the Directors deem fit, and such Directors be and are hereby authorised to take such steps and exercise such discretion and do all such acts and things as they deem desirable, necessary or expedient to give effect to any such investment, purchase, acquisition or disposal or to effect the Proposed Diversification and undertaking of the Proposed New Business; and

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (3) the Directors and each of them be and are hereby authorised to complete and do and/or procure to be done all such acts and things as they or each of them may from time to time deem desirable, expedient or necessary to give effect to the matters contemplated by this Resolution as they or each of them may in their or each of their absolute discretion deem fit and in the interests of the Group.

ORDINARY RESOLUTION (3) – THE PROPOSED CASH COLLATERAL BY PT DELI NIAGA SEJAHTERA AS AN INTERESTED PERSON TRANSACTION

THAT:

- (1) approval be and is hereby given for the Proposed Cash Collateral and any other transactions and/or ancillary documents contemplated thereunder, as an interested person transaction under Chapter 9 of the Catalist Rules; and
- (2) the Directors and each of them be and are hereby authorised to complete and do and/or procure to be done all such acts and things as they or each of them may from time to time deem desirable, expedient or necessary in connection with the Proposed Cash Collateral and to give effect to the matters contemplated by this Resolution including, without limitation, executing all such documents and approving any amendments, alterations or modifications to any documents as they or each of them may in their or each of their absolute discretion deem fit and in the interests of the Group.

By Order of the Board

For and on behalf of the Board of Directors of
RESOURCES GLOBAL DEVELOPMENT LIMITED

FRANCIS LEE

Executive Director and Chief Executive Officer

29 December 2023

Notes:-

- (1) The Extraordinary General Meeting of the Company will be held, in a wholly physical format, at 02:00 p.m. on 15 January 2024 at 160 Robinson Road, #06-01, SBF Center, Singapore 068914, Seminar Room No. 2 for the purpose of considering and, if thought fit, passing with or without modifications the resolutions set out in the Notice of Extraordinary General Meeting. There will be no option for Shareholders to participate virtually.
- (2) Printed copies of the Company's Circular dated 29 December 2023, which contains this Notice of Extraordinary General Meeting and the attached Proxy Form, will be sent to Shareholders by post. These documents will also be published on the SGXNet at the URL <https://www.sgx.com/securities/company-announcements> and the Company's corporate website at the URL <https://rgd.sg/sgxnet-announcements/>.
- (3) A member of the Company (a 'Member') (other than a relevant intermediary*) entitled to attend and vote at the Extraordinary General Meeting is entitled to appoint not more than two proxies to attend and vote in his stead. A Member which is a corporation is entitled to appoint its authorised representative or proxy to vote on its behalf. A proxy need not be a Member.
- (4) Where a Member (other than a relevant intermediary*) appoints two (2) proxies, he/she/it shall specify the proportion of his/her/its or her shareholding to be represented by each proxy in the instrument appointing the proxies.
- (5) A relevant intermediary* may appoint more than two proxies, but each proxy must be appointed to exercise the rights attached to a different share or shares held by it (which number and class shares shall be specified).
- (6) The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S. Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, not less than 72 hours before the time of the Extraordinary General Meeting.

NOTICE OF EXTRAORDINARY GENERAL MEETING

- (7) The instrument appointing a proxy or proxies must be signed by the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
- (8) Where a Member appoints the Chairman of the Extraordinary General Meeting as their proxy, he/she/it must give specific instructions as to voting, or abstentions from voting, in respect of the resolutions in the instrument appointing a proxy or proxies, failing which the appointment of the Chairman of the Extraordinary General Meeting as proxy for the resolutions will be treated as invalid.
- (9) An investor who buys shares using SRS monies (“**SRS Investor**”) (as may be applicable) may attend and cast his/her vote(s) at the Extraordinary General Meeting in person. SRS Investors who are unable to attend the Extraordinary General Meeting but would like to vote, may inform their SRS Approved Nominees to appoint the Chairman of the Extraordinary General Meeting to act as their proxy, in which case, the SRS Investors shall be precluded from attending the Extraordinary General Meeting. SRS Investors who wish to appoint the Chairman of the Extraordinary General Meeting as proxy should approach their respective agent banks or SRS operators to submit their votes by 05:30 p.m. Singapore time on 03 January 2024.
- (10) Submission of Questions in Advance

Shareholders may submit substantial and relevant questions relating to the resolutions to be tabled for approval at the Extraordinary General Meeting, in advance of the Extraordinary General Meeting, in the following manner:

- (a) All substantial and relevant questions must be submitted by 02:00 p.m. on 08 January 2024 (“**Cut-Off Time**”) via one of the following means:
- (i) by post, to be deposited at the office of the Company’s Share Registrar, B.A.C.S Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or
 - (ii) by email to info@rgd.sg.
- (b) When submitting substantial and relevant questions electronically via email or by post, Shareholders must provide the Company with the following details to enable the Company to verify their status as Shareholders: (a) status: individual shareholder or corporate representative; (b) full name/full company name (as per CDP/Scrip-based records); (c) NRIC/FIN/Passport No./UEN; (d) email address; and (e) contact number (optional).
- (c) Persons who hold Shares through relevant intermediaries (as defined under Section 181(6) of the Companies Act 1967 of Singapore) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions relating to the resolutions to be tabled for approval at the Extraordinary General Meeting based on the abovementioned instructions.
- (d) The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the Extraordinary General Meeting, before or during the Extraordinary General Meeting. The responses to substantial and relevant questions received from Shareholders by the Cut-Off Time will be posted on the SGXNET and the Company’s corporate website at the URL <https://rgd.sg/sgxnet-announcements/> before 02:00 p.m. on 10 January 2024, being at least 48 hours prior to the closing date and time for the lodgement of the proxy form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the resolutions to be tabled for approval at the Extraordinary General Meeting) received after the Cut-Off Time which have not already been addressed prior to the Extraordinary General Meeting, as well as those substantial and relevant questions received at the Extraordinary General Meeting, during the Extraordinary General Meeting. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.

* A relevant intermediary is:

- (a) a banking corporation licensed under the Banking Act 1970 or a wholly-owned subsidiary of such a banking corporation, whose business includes the provision of nominee services and who holds shares in that capacity;
- (b) a person holding a capital markets services licence to provide custodial services under the Securities and Futures Act 2001 and who holds shares in that capacity; or
- (c) the Central Provident Fund Board established by the Central Provident Fund Act 1953, in respect of shares purchased under the subsidiary legislation made under that Act providing for the making of investments from the contributions and interest standing to the credit of members of the Central Provident Fund, if the Board holds those shares in the capacity of an intermediary pursuant to or in accordance with that subsidiary legislation.

NOTICE OF EXTRAORDINARY GENERAL MEETING

PERSONAL DATA PRIVACY:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Extraordinary General Meeting and/or any adjournment thereof, a Member (i) consents to the collection, use and disclosure of the Member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Extraordinary General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Extraordinary General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, take-over rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the Member discloses the personal data of the Member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the Member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the Member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the Member's breach of warranty.

*This notice has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), ZICO Capital Pte. Ltd., in accordance with Rule 226(2)(b) the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist.*

This notice has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this notice, including the correctness of any of the statements or opinions made, or reports contained in this notice.

The contact person for the Sponsor is Ms Karen Soh, Managing Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.

RESOURCES GLOBAL DEVELOPMENT LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration Number: 201841763M)

PROXY FORM

Extraordinary General Meeting

IMPORTANT

1. Relevant intermediaries as defined in Section 181 of the Companies Act 1967 of Singapore, may appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting.
2. By submitting an instrument appointing a proxy(ies) and/or representative(s), the member accepts and agrees to the personal data privacy terms set out in the Notice of the Extraordinary General Meeting dated 29 December 2023.

I/We, _____ NRIC/Passport/Co. Reg. No. _____

of _____ (Address)

being a member/members of Resources Global Development Limited (the "Company") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings (%)
and/or (delete as appropriate)			

or failing him/her/them, or if no person is named above, hereby appoint the Chairman of the Extraordinary General Meeting of the Company (the "EGM") as my/our proxy to attend, speak and vote for me/us on my/our behalf at the EGM to be held at 02:00 p.m. on 15 January 2024 at 160 Robinson Road, #06-01, SBF Center, Singapore 068914, Seminar Room No. 2.

I/We direct my/our proxy/proxies to vote for or against, or abstain from voting on the resolutions to be proposed at the EGM as indicated hereunder. In the absence of specific directions, the proxy/proxies will vote or abstain as he/they may think fit, as he/they will on any other matter arising at the EGM and at any adjournment thereof.

	For*	Against*	Abstain*
Ordinary Resolution (1) – To approve the proposed acquisition of shares in Batubara Development Pte. Ltd. as an interested person transaction			
Ordinary Resolution (2) – To approve the Proposed Diversification into the business of coal mining			
Ordinary Resolution (3) – To approve the Proposed Cash Collateral as an interested person transaction			

* If you wish to exercise all your votes "For" or "Against" the relevant Resolution, please tick within the relevant box provided. Alternatively, if you wish to exercise your votes both "For" and "Against" the Resolution, please indicate the number of Shares in the boxes provided. If you tick on the abstain box for a particular resolution, you are directing your proxy, not to vote on that Resolution.

* Voting will be conducted by poll.

Dated this _____ day of _____ 2024.

Total number of Shares Held

Signature(s) or Common Seal of member(s)

IMPORTANT: PLEASE READ NOTES OVERLEAF



Notes:

1. Please insert the total number of shares in the capital of the Company held by you. If you have shares entered against your name in the Depository Register (maintained by The Central Depository (Pte) Limited), you should insert that number of shares. If you only have shares registered in your name in the Register of Members (maintained by or on behalf of the Company), you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. (a) A member who is not a relevant intermediary is entitled to appoint not more than two proxies to attend, speak and vote at the Extraordinary General Meeting. Where such member's form of proxy appoints more than one proxy, the proportion of the shareholding concerned to be represented by each proxy shall be specified in the form of proxy.
(b) A member who is a relevant intermediary is entitled to appoint more than two proxies to attend, speak and vote at the Extraordinary General Meeting, but each proxy must be appointed to exercise the rights attached to a different share or shares held by such member. Where such member's form of proxy appoints more than two proxies, the number and class of shares in relation to which each proxy has been appointed shall be specified in the form of proxy. "Relevant intermediary" has the meaning ascribed to it in Section 181 of the Companies Act 1967 of Singapore.
3. A proxy need not be a member of the Company.
4. The instrument appointing a proxy or proxies must be deposited at the office of the Share Registrar of the Company, B.A.C.S Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896, not less than 72 hours before the time appointed for the Extraordinary General Meeting. Completion and return of the instrument appointing a proxy or proxies shall not preclude a member from attending and voting at the Extraordinary General Meeting. In such event, the relevant instrument appointing a proxy or proxies will be deemed to be revoked.
5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of an officer or attorney duly authorised. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the letter or power of attorney or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

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RESOURCES GLOBAL DEVELOPMENT LIMITED

c/o 77 Robinson Road
#06-03 Robinson 77
Singapore 068896

Attn: The Share Registrar

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6. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Extraordinary General Meeting, in accordance with Section 179 of the Companies Act 1967 of Singapore.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument (including any related attachment) appointing a proxy or proxies. In addition, in the case of a member whose shares are entered against his name in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 72 hours before the time appointed for holding the Extraordinary General Meeting, as certified by The Central Depository (Pte) Limited to the Company.
8. **Submission of Questions in Advance**
Shareholders may submit substantial and relevant questions relating to the resolutions to be tabled for approval at the EGM, in advance of the EGM, in the following manner:
 - (a) All substantial and relevant questions must be submitted by 02:00 p.m. Singapore time on 08 January 2024 ("**Cut-Off Time**") via one of the following means:
 - (i) by post, to be deposited at the office of the Company's Share Registrar, B.A.C.S Private Limited, at 77 Robinson Road #06-03 Robinson 77, Singapore 068896; or
 - (ii) by email to info@rgd.sg.
 - (b) When submitting substantial and relevant questions electronically via email or by post, Shareholders must provide the Company with the following details to enable the Company to verify their status as Shareholders: (a) status: individual shareholder or corporate representative; (b) full name/full company name (as per CDP/Scrip-based records); (c) NRIC/FIN/Passport No./UEN; (d) email address; and (e) contact number (optional).
 - (c) Persons who hold Shares through relevant intermediaries (as defined under Section 181(6) of the Companies Act 1967 of Singapore) should contact their respective relevant intermediaries through which they hold such Shares to submit their questions relating to the resolutions to be tabled for approval at the EGM based on the abovementioned instructions.
 - (d) The Company will endeavour to address all substantial and relevant questions received from Shareholders prior to the EGM, before or during the EGM. The responses to substantial and relevant questions received from Shareholders by the Cut-Off Time will be posted on the SGXNET and the Company's corporate website at the URL <https://rgd.sg/sgxnet-announcements/> before 02:00 p.m. on 10 January 2024, being at least 48 hours prior to the closing date and time for the lodgement of the proxy form. The Company will address any subsequent clarifications sought, or substantial and relevant follow-up questions (relating to the resolutions to be tabled for approval at the EGM) received after the Cut-Off Time which have not already been addressed prior to the EGM, as well as those substantial and relevant questions received at the EGM, during the EGM. Where substantially similar questions are received, the Company will consolidate such questions and consequently not all questions may be individually addressed.
9. By submitting this proxy form, the member of the Company accepts and agrees to the personal data privacy terms as set out in the Notice of EGM dated 29 December 2023.

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DIRECTORS' RESPONSIBILITY STATEMENT

Dated this day of 2024.

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

DIRECTORS OF RESOURCES GLOBAL DEVELOPMENT LIMITED

Francis Lee

(Executive Director and Chief Executive Officer)

Salim Limanto

(Executive Director and Chief Operating Officer)

Alice Yan

(Independent Non-Executive Chairperson)

Hew Koon Chan

(Independent Non-Executive Director)

Cheong Hock Wee

(Independent Non- Executive Director)