



PROPOSED ACQUISITION OF KITTY HAWK NATURAL RESOURCES PTE. LTD.

The Company would like to remind all shareholders that trading in the Company's shares is currently suspended and the Proposed Acquisition (defined herein) is subject to, amongst others, the Company submitting a resumption of trading proposal as required under Rule 1304 of the Catalist Rules (the "Trading Resumption Proposal"), through its sponsor, SAC Capital Private Limited, to the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and the clearance of the Trading Resumption Proposal by the SGX-ST. As such, shareholders and investors are advised to exercise caution when dealing in the Company's shares and to refrain from taking any action in respect of their shares and/or investment in the Company which may be prejudicial to their interest. Persons, who are in doubt, as to the action they should take, should consult their stockbroker, bank manager, solicitor, accountant or other professional advisers.

1. INTRODUCTION

The board of directors (the "**Board**" or "**Directors**") of Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, collectively, the "**Group**") is pleased to announce that the Company has entered into a conditional sale and purchase agreement ("**SPA**") with Trilax Multi Investments Ltd and Anant Finance Corporation (each a "**Vendor**" and together, the "**Vendors**"), to purchase the entire interest in the issued and paid-up share capital, comprising all the ordinary and preference shares, of Kitty Hawk Natural Resources Pte. Ltd. (the "**Target**") ("**Sale Shares**") held by the Vendors ("**Proposed Acquisition**").

The Proposed Acquisition, if undertaken and completed, is expected to constitute a "reverse takeover" pursuant to Rule 1015 of the Listing Manual Section B: Rules of Catalist of the SGX-ST ("**Catalist Rules**") and is subject to, *inter alia*, the approval of the SGX-ST and the approval of the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting (the "**EGM**") to be convened.

More details on the salient terms of the Proposed Acquisition are disclosed in paragraph 5 below. The other terms of the SPA are customary for the transaction of such nature.

2. INFORMATION OF THE VENDORS AND THE TARGET GROUP

The information on the Target Group (as defined below) and the Vendors in this section was provided by the Target Group and the Vendors. In respect of such information, neither the Company nor any of its Directors has independently verified the accuracy or correctness of the same and the responsibility of the Company and the Board is limited to ensuring that such information has been properly extracted and reproduced herein in the context that the information is being disclosed in this announcement.

2.1. Information on the Vendors

- 2.1.1 Trilax Multi Investments Ltd ("**Trilax**") is an investment holding company incorporated in British Virgin Islands and owns 4,074,645 ordinary shares and 4,067,250 preference shares of the Target, representing 73.95% interest in the Target.

The shareholders of Trilax are Mr Thomas Chan Ho Lam (“**Mr Chan**”) and Mr Felix Go Chung (“**Mr Go**”) who owns 92.25% and 7.75% of Trilax respectively. Mr Chan and Mr Felix are also the directors of Trilax.

- 2.1.2 Anant Finance Corporation (“**Anant**”) is an investment holding company incorporated in British Virgin Islands and owns 1,435,355 ordinary shares and 1,432,750 preference shares of the Target, representing 26.05% interest in the Target.

Mr Kee Poir Mok (“**Mr Kee**”) is the sole shareholder and director of Anant.

As at the date of this announcement, the Vendors and their beneficial owners do not hold (directly or indirectly) any shares in the Company and has no connection (including business relationships) with the Group, the Directors or controlling Shareholders of the Company, or their respective associates.

The Vendors and the Target Group were introduced to the Company through Mr Xu Shun Cheng @ Perman Yadi, an investor of the Company. No commission was paid or is payable by the Company to anyone in relation to the Proposed Acquisition.

2.2. Information of the Target Group

The Target is an investment holding company incorporated in Singapore on 28 July 2011. The Target has an issued and paid-up share capital of US\$11,010,000 comprising of 5,510,000 ordinary shares and 5,500,000 preference shares.

The directors of the Target are Mr Chan and Mr Kee. They have been actively involved in management of the Target since its inception in 2011. Mr Chan is also the managing director of a private investment firm based in Singapore. Mr Kee is a managing partner of another investment management company, also based in Singapore.

The Target owns 95% of the issued shares of PT Rizky Barito Timur (“**Target Subsidiary**”, and together with the Target, the “**Target Group**”), a company incorporated in Indonesia, principal business of which is coal mining and it operates the Mining Concession (as defined below). The remaining 5% of the Target Subsidiary is owned by Bably Minhas (a nominee of Bably Bhasin).

The directors of the Target Subsidiary are Mr Nur Zainuddin and Mr Daljeet Singh Minhas (“**Mr Daljeet**”). Mr Daljeet has worked in the Indonesian mining sector for the past 9 years and he is instrumental in establishing Target Subsidiary operations.

The Target Subsidiary is holding the Izin Usaha Pertambangan Operasi Produksi (“**IUP License**”), SK Bupati Barito Timur for a coal mine in Indonesia (“**Target Business**”). The IUP License covers an area of 1,179 hectares and the coal mine is located at Dusun Timur Sub-District, Barito Timur Regency, Central Kalimantan, Indonesia (“**Mining Concession**”).

Based on a qualified person’s report dated 7 November 2014 on the Sirau Block (which constitutes around 40% of the total area of the Mining Concession), the value of the coal mine was US\$14.65 million on the basis of 12.4 million tonnes of coal reserves and 25.2 million tonnes of coal resources.

3. RATIONALE FOR THE PROPOSED ACQUISITION

The Company is currently suspended pursuant to Rule 1303(3) of the Catalist Rules and is therefore required to submit a Trading Resumption Proposal through its sponsor to the SGX-ST. The SGX-ST had granted the Company till 28 September 2019 to submit the Trading Resumption Proposal which must adequately address both financial and business viability issues faced by the Company. The entry of the SPA, together with the entry of the Investment Agreements (as defined below) by the Company, would allow for the Company to potentially resolve both financial and business viability issues and to submit a Trading Resumption Proposal to the SGX-ST.

The Board believes that the Proposed Acquisition will provide the Company with an operational and income generating businesses with growth prospects that would in turn enhance Shareholders’ value, and meet the requirements for a new listing pursuant to Rule 1015(3) of the Catalist Rules. The

Company will make the necessary announcements on material developments in respect of the Proposed Acquisition.

Subsequent to the execution of the SPA on 27 September 2019, the Company will be submitting through its sponsor an application to the SGX-ST to, *inter alia*, seek a further extension of time to submit the Trading Resumption Proposal by 28 March 2020. The Company will make further announcements to update its Shareholders on the grounds for and the outcome of the application in due course.

4. PROPOSED SHARE CONSOLIDATION

Under Rule 1015(3)(c) of the Catalist Rules, where the consideration for the acquisition of assets by the issuer is to be satisfied by the issue of shares, the price per share after adjusting for any share consolidation must not be lower than S\$0.20.

Accordingly, in conjunction with the Proposed Acquisition and subject to the approval of Shareholders, the Company shall undertake a share consolidation exercise of existing Shares of the Company based on such consolidation ratio as may be determined by the Board in due course (the "**Proposed Share Consolidation**") on or prior to completion of the Proposed Acquisition ("**Completion**"). The share consolidation ratio will be determined taking into consideration:

- (a) the amount of drawdown and the resultant dilution effects arising from (i) the investment agreement dated 6 August 2018 between the Company and Mr Ang Liang Kim ("**Ang Investment Agreement**"), (ii) the investment agreement dated 31 March 2019 between the Company and Mr Xu Shun Cheng @ Perman Yadi ("**Yadi Investment Agreement**"), (iii) the investment agreement dated 27 September 2019 between the Company and Mr Chaw Chong Foo ("**Chaw Investment Agreement**") (collectively, "**Investment Agreements**");
- (b) the resultant dilution effects from the commission payable to Mr Khoo Boo Kok as introducer fees in relation to the joint operation agreement entered into by the Company's wholly-owned subsidiary RPG Logistics Pte Ltd with PT Prima Dharma Karsa as announced on 31 March 2019 ("**Commission Agreement**");
- (c) the dilution effects of the rights issue contemplated in the Ang Investment Agreement; and
- (d) the condition precedent of the SPA as set out in paragraph 5.2(b)(iv) below which requires the Vendors holding not less than 75% of the issued share capital of the Company after the Proposed Share Consolidation if the total consideration for the Proposed Acquisition is US\$15 million.

For the avoidance of doubt, the Consideration Shares (as defined below) shall be allotted and issued on a post-consolidation basis following the Completion of the Proposed Share Consolidation.

5. PRINCIPAL TERMS OF THE PROPOSED ACQUISITION

5.1. Purchase Consideration

- (a) The total consideration for the sale of the Sale Shares shall be the sum of US\$15 million (as adjusted in accordance with paragraph 5.1(d) below), to be satisfied by the issuance and allotment by the Company to the Vendors (or their nominees) of such number of ordinary shares in the capital of the Company at an issue price of S\$0.20 each ("**Consideration Shares**") credited as fully paid up, in accordance with paragraph 5.1(b) below, and based on the Proposed Share Consolidation having been completed.
- (b) The Vendors authorises the Company to issue and allot, upon Completion, such number of Consideration Shares in proportion to their respective shareholding in the Company.
- (c) Upon the issue and allotment of the Consideration Shares by the Company to the Vendors (or its nominees), the Company shall be discharged of all its obligations.

- (d) The total consideration sum of US\$15 million was determined on an arm's length basis. The total consideration sum of US\$15 million shall be subject to such adjustment as may be required by (i) the updated IQPR (as defined below) on the Mining Concession, (ii) the Independent Valuation Report (as defined below), and (iii) the results of the due diligence to be carried out by the Company prior to Completion.
- (e) The Consideration Shares shall rank *pari passu* and form a single class with the existing ordinary shares in the capital of the Company and shall carry the rights to receive in full all dividends declared, made or paid after the date of Completion.

Pursuant to Rule 1015(3)(a) of the Catalist Rules, an independent qualified person shall be appointed to prepare a qualified person's report on the Mining Concession ("**IQPR**") and a competent and independent valuer shall be appointed to conduct and furnish an independent valuation report on the value of the Target Group ("**Independent Valuation Report**"). The IQPR and Independent Valuation Report must be prepared in accordance with the standards acceptable by the SGX-ST under the requirements for mineral, oil and gas companies as set out in the Catalist Rules. Further information relating to the IQPR and the Independent Valuation Report, will be included in the circular on the Proposed Acquisition ("**Circular**") to be despatched to Shareholders in due course.

5.2. Conditions Precedent

The Completion of the Proposed Acquisition shall be conditional upon, *inter alia*, the following conditions (the "**Conditions Precedent**") having been fulfilled or waived:

- (a) the approval of the Board for the transactions contemplated by the SPA;
- (b) the passing of a resolution by the Shareholders for:
 - (i) the Proposed Acquisition;
 - (ii) the allotment and issuance of the Consideration Shares to the Vendors or their nominees;
 - (iii) the waiver by independent Shareholders of their right to receive a mandatory general offer from the Vendors and their concert parties in respect of shares not already owned, controlled or agreed to be acquired by the Vendors and their concert parties;
 - (iv) the consolidation of shares issued in the capital of the Company by such ratio and to such extent as would result in the Vendors holding not less than 75% of the issued share capital of the Company after the completion of the Proposed Share Consolidation if the total consideration is US\$15 million; and
 - (v) such other corporate action(s) in connection with the transactions contemplated by the SPA as may be necessary;
- (c) the entry into a further investment agreement (i.e. the Chaw Investment Agreement) dated on or around the date of the SPA for the purpose of, *inter alia*, funding the transactions contemplated in the SPA;
- (d) the Company having obtained all necessary consents, approvals and waivers from the SGX-ST, Securities Industry Council of Singapore ("**SIC**") or any other relevant regulatory authority for the transactions described in the SPA, and such consents, approvals and waivers not having been amended or revoked before Completion;
- (e) in-principle approval from the SGX-ST for the admission of the Consideration Shares to the Official List of the SGX-ST, and such in-principle approval not having been withdrawn or amended, on or before the Completion Date (as defined below);

- (f) in-principle approval from the SGX-ST for the resumption of trading of the shares in the Company, and such in-principle approval not having been withdrawn or amended, on or before the Completion Date;
- (g) a waiver from the SIC having been obtained, and not having been withdrawn or amended, on or before the Completion Date, in respect of the Vendors obligation to make a mandatory offer for shares in the Company under Rule 14 of the Singapore Code on Takeovers and Mergers (“**Takeover Code**”) in connection with the issue of the Consideration Shares;
- (h) completion of the updated IQPR and the Independent Valuation Report in a form and substance satisfactory to the Company;
- (i) the Completion by the Completion Date, and satisfactory outcome (as determined by the Company in its sole and absolute discretion), of all financial and legal due diligence investigations by the Company (in consultation with the sponsor appointed by the Company in respect of the transactions contemplated in the SPA) into the financial, contractual, tax and trading positions, and prospects, of the Group and title to its assets. Such investigations shall be without prejudice to the warranties set out in the SPA which shall remain in full force and effect;
- (j) the Company having agreed with all the relevant parties such modifications, amendments, consents or arrangements in respect of the Investment Agreements necessary or required under the terms of the Investment Agreements to effect Completion and such modifications, amendments, consents or arrangements having been approved by the SGX-ST (if required) and the Shareholders (if required);
- (k) the relevant approvals for the Vendors to proceed with the sale of the Sale Shares having been obtained, including the approval of the directors and/or shareholders of each of the Vendor (where required);
- (l) the shares of the Company not having been de-listed under the Catalist Rules;
- (m) there being no fact, matter or event that affects or is likely to affect in a materially adverse manner (as determined by the Company in its sole and absolute discretion) the prospects, operations or financial condition of any of the members of the Target Group occurring on or before the Completion Date;
- (n) all representations, undertakings and warranties of the Vendors and the Company under the SPA being complied with, true, accurate and not misleading as at the date of the SPA and as at Completion Date, unless expressly specified otherwise; and
- (o) any other conditions as agreed between the Vendors and the Company from time to time.

If any of the Conditions Precedent has not been fulfilled (or waived by the Company) on or before 30 June 2020 (the “**Long Stop Date**”), the SPA shall automatically terminate and no party shall have any claim of any nature whatsoever against any other party under the SPA (save in respect of any rights and liabilities of the parties which have accrued prior to termination).

5.3. Pre-Completion Undertakings

Pending Completion, the Vendors shall each ensure that:

- (a) each member of Target Group shall carry on its business in the ordinary and usual course and shall not make (or agree to make) any payment other than routine payments in the ordinary and usual course of trading;
- (b) each member of Target Group shall take all reasonable steps to preserve and protect its assets;

- (c) the Company's representatives shall be allowed, upon reasonable notice and during normal business hours, access to the books and records of each member of Target Group (including, without limitation, all statutory books, minute books, leases, contracts, supplier lists and customer lists) together with the right to take copies;
- (d) no member of Target Group or any member of Vendor Group (consists of the Vendors, any holding company from time to time of that Vendor and any subsidiary or associated company from time to time of that Vendor or such holding company (but excluding any member of Target Group)) will do, allow, or procure any act or omission that would constitute, a breach of any warranty in the SPA if the warranties were to be repeated on or at any time before Completion by reference to facts and circumstances then existing;
- (e) prompt disclosure is made to the Company of all relevant information which comes to the notice of any of the Vendors in relation to any fact or matter (whether existing on or before the date of the SPA or arising afterwards) which may constitute a breach of any warranty in the SPA if the warranties were to be repeated on or at any time before Completion by reference to the facts and circumstances then existing;
- (f) no dividend or other distribution shall be declared, paid or made by any member of Target Group;
- (g) no share or loan capital shall be allotted or issued or agreed to be allotted or issued by any member of Target Group;
- (h) all transactions entered into between each member of Target Group and any member of Vendor Group shall be on arm's length terms; and
- (i) no action is taken by any member of Target Group which is inconsistent with the provisions of the SPA.

Pending Completion, the Vendors shall each ensure that the Target consults fully with the Company in relation to any matters which may have a material effect upon the Target Group and that, without the prior consent of the Company, no member of Target Group shall:

- (a) enter into any contract or commitment (or make a bid or offer which may lead to a contract or commitment) having a value or involving expenditure in excess of S\$200,000 or which is of a long term or unusual nature or which could involve an obligation of a material nature or which may result in any material change in the nature or scope of the operations of the Target Group;
- (b) agree to any variation of any existing contract to which that any member of Target Group is a party and which may have a material effect upon the nature or scope of the operations of the Target Group;
- (c) (whether in the ordinary and usual course of business or otherwise) acquire or dispose of, or agree to acquire or dispose of, any business or any asset having a value in excess of S\$200,000; or
- (d) enter into any agreement, contract, arrangement or transaction (whether or not legally binding) other than in the ordinary and usual course of business.

The Vendors undertake to provide to the Company the audited accounts in respect of the financial years ended 30 June 2018 and 30 June 2019 within 3 months from the date of the SPA.

5.4. Completion

5.4.1 Completion shall take place at the registered office of the Company on the 7th business day following notification by the Company of the satisfaction or waiver of the Conditions Precedent set out above or at such other time, location or date as may be agreed in writing between the Company and the Vendors ("**Completion Date**"). The events referred to in the following provisions shall take place on Completion.

5.4.2 The Vendors shall deliver (or cause to be delivered) to the Company:

- (a) duly executed transfers in favour of the Company or its nominee in respect of all of the Sale Shares, together with the relative share certificates and all documents required to effect the stamping of the transfers (including such statutory declarations, letters, worksheets and valuations as the tax authorities may require);
- (b) share certificates in respect of all of the issued shares in the capital of the Target Subsidiary, together with duly executed transfers into the name of the Company or its nominee in respect of any shares in the Target Subsidiary not held in the name of the Target;
- (c) the Certificates of Incorporation, Common Seal, Share Register and Share Certificate Book (with any unissued share certificates) and all minute books and other statutory books (which shall be written-up to but not including Completion) of the Target and each member of Target Group;
- (d) all such other documents (including any power of attorney in the agreed form duly executed by each registered holder of shares and necessary waivers of pre-emption rights or other consents) as may be required to enable the Company and/or its nominee to be registered as the holder(s) of the Sale Shares;
- (e) written confirmations in the agreed form as to the respective bank balances of each member of Target Group as at the close of business on the last business day prior to Completion, together with directions, in the agreed form, varying and/or replacing the mandates given to such banks by each member of Target Group;
- (f) a certified extract of a resolution of the board of directors of each of the Vendors, authorising the execution of and the performance by that Vendor of its obligations under the SPA and each of the other documents to be executed by that Vendor.

5.4.3 If any of the Vendors fails or is unable to perform any material obligation required to be performed by it pursuant to paragraph 5.4.2 above by the date on which Completion is required to occur or if the Conditions Precedent are not fulfilled by the Long Stop Date, the Company shall not be obliged to complete the sale and purchase of the Sale Shares and may by written notice to the Vendors:

- (a) terminate the SPA, in which case none of the parties shall have any claim of any nature whatsoever against the others under the SPA (save in respect of any rights and liabilities of the parties which have accrued prior to termination);
- (b) elect to complete the SPA on that date, to the extent that the Vendors are ready, able and willing to do so, and specify a later date on which the Vendors shall be obliged to complete the outstanding obligations of the Vendors; or
- (c) elect to defer the completion of the SPA to a date which is not more than 14 business days after the original Completion Date, in which event the provisions in this paragraph 5.4.3 shall apply, *mutatis mutandis*, if any of the Vendors fails or is unable to perform any such obligations on such other date.

6. MORATORIUM

The Vendors agree that they shall comply and/or procure compliance with all applicable moratorium requirements imposed by the SGX-ST in respect of the Consideration Shares.

7. RELATIVE FIGURES UNDER CHAPTER 10 OF THE CATALIST RULES

The relative figures for the Proposed Acquisition computed on the relevant bases of comparison set out in Rule 1006 of the Catalist Rules, based on the latest announced unaudited financial statements of the Group for the 6-month financial period ended 30 June 2019 (“HY2019”), are as follows:

Rule 1006(a) Net asset value of the assets to be disposed of, compared with the Group’s net asset value	Not applicable ⁽¹⁾
Rule 1006(b) Net profits ⁽²⁾ attributable to the Sale Shares, compared with the Group’s net profits ⁽²⁾ Net loss ⁽²⁾ attributable to the Sale Shares Net loss ⁽²⁾ of the Group Size of relative figure	 US\$(685,500) ⁽³⁾ US\$(702,000) 1%
Rule 1006(c) Aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued shares excluding treasury shares Aggregate value of the consideration for the Proposed Acquisition The Company’s market capitalisation based on the total number of issued shares excluding treasury shares Size of relative figure	 US\$15,000,000 ⁽⁴⁾ US\$34,345,633 ⁽⁵⁾ 44%
Rule 1006(d) Number of equity securities issued by the Company as consideration for the Proposed Acquisition, compared with the number of equity securities previously in issue including treasury shares	Not meaningful ⁽⁶⁾⁽⁷⁾
Rule 1006(e) Aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the group’s proved and probable reserves	Not applicable ⁽⁸⁾

Notes:

- 1) Not applicable to an acquisition of assets.
- 2) “Net profits/loss” means profit/loss before income tax, minority interests and extraordinary items.
- 3) This is based on the unaudited net loss of the Target Group for the financial year ended 30 June 2018 of US\$1,371,000, pro-rated to net loss for 6-month period.
- 4) Assuming that there is no adjustment to the consideration for the Proposed Acquisition.
- 5) The existing number of Shares is 1,832,999,998 and the closing price on 22 June 2017, being the last trading day prior to the calling of the trading halt on the Catalist, was S\$0.026, and at exchange rate of US\$1 : to S\$1.3876.
- 6) This reflects the number of Consideration Shares at the issue price of S\$0.20 (on a post-consolidation basis following the completion of the Proposed Share Consolidation) and is based on the assumption that there is no adjustment to the consideration for the Proposed Acquisition, and at exchange rate of US\$1 : to S\$1.3876.

- 7) The comparison between the number of Consideration Shares issued on a post-consolidation basis following the completion of the Proposed Share Consolidation and the existing number of issued shares excluding treasury shares of the Company on a pre-consolidation basis is not meaningful. Notwithstanding, the Consideration Shares will amount to not less than 75% of the issued share capital of the Company post-consolidation.
- 8) This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not applicable to an acquisition of assets.

In view that the Completion will result in a change in control of the Company, given that the Consideration Shares to be issued and allotted to the Vendors will represent no less than 75% of the enlarged share capital of the Company upon Completion, the Proposed Acquisition constitutes a “reverse takeover” pursuant to Rule 1015(1) of the Catalist Rules and shall be conditional upon, *inter alia*, the approval of Shareholders at the EGM to be convened.

8. FINANCIAL INFORMATION OF THE TARGET GROUP

Based on (i) the unaudited pro-forma consolidated financial statement of the Target Group for the financial year ended 30 June 2018 (“**FY2018 (Target)**”); and (ii) the audited consolidated financial statement of the Target Group for the financial year ended 30 June 2017 (“**FY2017 (Target)**”), a summary of the financial information for the last two available financial years of the Target Group is set out below.

Income Statement

US\$ ('000)	Audited	Unaudited
	<u>FY2017 (Target)</u>	<u>FY2018 (Target)</u>
Revenue	-	-
Loss before and after tax	(815)	(1,371)

Financial Position

US\$ ('000)	Audited	Unaudited
	<u>FY2017 (Target)</u>	<u>FY2018 (Target)</u>
Non-current asset	3,959	5,747
Current assets	106	768
Current liabilities	147	9,680
Non-current liabilities	1,484	-
Shareholders' equity	2,433	(3,165)

9. PRO FORMA FINANCIAL INFORMATION OF THE GROUP AND THE TARGET GROUP (COLLECTIVELY, THE “ENLARGED GROUP”)

The unaudited pro forma financial information of the Enlarged Group is strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the completion of the Proposed Acquisition. These illustrative effects have been prepared based on a mere summation on the unaudited rolling 12-month management financial statements of the Group for FY2018 (Target) and the unaudited consolidated financial statements of the Target Group for FY2018 (Target).

The pro forma income statement of the Enlarged Group has been prepared on the assumption that the Completion took place on 1 July 2018. The pro forma balance sheet of the Enlarged Group has been prepared on the assumption that the Completion took place on 30 June 2018.

The pro forma financial information did not take into account the financial effects of the issuance and allotment of Conversion Shares, the Proposed Share Consolidation, the conversion of loans under the

Investment Agreements, the rights issue contemplated in the Ang Investment Agreement, the commission payable in shares pursuant to the Commission Agreement and the transaction costs to be incurred for the Proposed Acquisition.

Pro Forma Income Statement

US\$'000	FY2018 (Target)
Revenue	898
Profit/(loss) before tax	(2,436)
Income tax expense	(2)
Profit/(loss) after tax	(2,438)

Pro Forma Balance Sheet

US\$'000	As at 30 June 2018
Non-current asset	6,323
Current assets	1,255
Current liabilities	11,580
Non-current liabilities	31
Shareholders' equity	(4,033)

10. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

Bases and Assumptions

The pro forma financial effects of the Proposed Acquisition are strictly for illustrative purposes only and do not purport to be indicative or a projection of the results and financial position of the Company and the Group after the Completion.

The pro forma financial effects of the Proposed Acquisition on the share capital, earnings, net tangible assets ("**NTA**") and gearing of the Enlarged Group have been prepared based unaudited rolling 12-month management financial statements of the Group for FY2018 (Target), and the unaudited consolidated financial statements of the Target Group for FY2018 (Target).

The pro forma financial effects have been prepared based on, *inter alia*, the following assumptions:

- a) the financial effects of the Proposed Acquisition on the earnings and earnings per Share of the Enlarged Group are computed assuming that the Proposed Share Consolidation and Proposed Acquisition were completed on 1 July 2017;
- b) the financial effects of the Proposed Acquisition on the NTA and gearing of the Enlarged Group are computed assuming that the Proposed Share Consolidation and Proposed Acquisition were completed on 30 June 2018;
- c) the consideration for the Proposed Acquisition is US\$15,000,000 (with no adjustment) and shall be satisfied by the allotment and issue of shares at the post-consolidation issue price of S\$0.020 per share;
- d) the Proposed Share Consolidation at a ratio which will result in the Vendors holding 75% of the issued share capital of the Company after the Proposed Share Consolidation;
- e) the drawdown and conversion of loans under the Investment Agreements, the rights issue contemplated in the Ang Investment Agreement, the commission payable in shares pursuant

to the Commission Agreement and the transaction costs to be incurred for the Proposed Acquisition are disregarded; and

- f) Unless as otherwise stated, all currency translations in the presentation of financial effects shall be based on the exchange rate of US\$1 : S\$1.3876.

10.1. Share Capital

	Number of Shares	Share Capital (US\$'000)
Share capital as at 30 June 2018	1,832,999,998	236,508
Share capital after the Proposed Share Consolidation	34,690,000	236,508
Add: Issue of Consideration Shares	104,070,000	15,000
Immediately after Completion	138,760,000	251,508

10.2. NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA of the Group as at 30 June 2018 (US\$'000)	(694)	14,306
Total number of shares ('000)	1,833,000	138,760
NTA per share as at 30 June 2018 (US\$ cents)	(0.038)	10.310

10.3. Loss per share

	Before the Proposed Acquisition	After the Proposed Acquisition
Net loss for the year as at FY2018 (Target) (US\$'000)	(1,067)	(2,438)
Weighted average number of shares ('000)	1,833,000	138,760
Loss per share (US\$ cents)	(0.058)	(1.757)

11. APPLICATION FOR WAIVER FROM RULE 14 OF THE TAKEOVER CODE

The Vendors will collectively hold not less than 75% of the enlarged issued share capital of the Company immediately after Completion upon the allotment and issue of the Consideration Shares.

Accordingly, the Vendors and their concert parties will, under Rule 14 of the Takeover Code, be required to make a mandatory offer for all the remaining Shares of the Company in issue not already owned or controlled by the Vendors and their concert parties or agreed to be acquired by them arising from the allotment and issue of the Consideration Shares. It is a condition precedent to the Proposed Acquisition, that the SIC grants the Vendors and their concert parties (if applicable) a waiver of their obligation to make a mandatory general offer (in accordance with the Takeover Code) and that a majority of the independent Shareholders of the Company approve at the EGM the resolution for the waiver of the rights of the Shareholders to receive a mandatory offer from any or all of the Vendors and their concert parties under Rule 14 of the Takeover Code ("**Whitewash Resolution**").

12. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed in this announcement and their respective shareholdings (if any) in the Company, none of the Directors or controlling Shareholders of the Company, or their respective associates, has any interest, direct or indirect, in the Proposed Acquisition.

13. SERVICE CONTRACTS

It is envisaged that the Company will, upon Completion, enter into service agreements with the key management team as identified by the Vendor, pursuant to which they shall remain employed or engaged by the Target and/or the Company following Completion, on terms to be mutually agreed by such persons and the Company in writing. As at the date of this announcement, the Company has not entered into any service contract with any Director or any person proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition.

14. FINANCIAL ADVISER AND INDEPENDENT FINANCIAL ADVISER

The Company will appoint (a) a financial adviser ("**FA**") with respect to the Proposed Acquisition; and (b) an independent financial adviser ("**IFA**") to the independent directors of the Company in connection to the Whitewash Resolution. The Company will make further announcements in relation to the appointment of the FA and IFA as and when appropriate. The advice of the IFA will be set out in the circular to be despatched to the Shareholders in due course.

15. CIRCULAR

The circular setting out information on, *inter alia*, the Proposed Acquisition, together with a notice of the EGM to be convened will be despatched by the Company to the Shareholders in due course.

In the meantime, Shareholders are advised to refrain from taking any action in relation to their shares in the Company, which may be prejudicial to their interests until they or their advisers have considered the information and the recommendations to be set out in the circular.

16. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the SPA will be made available for inspection during normal business hours at the registered office of the Company at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 for a period of 3 months from the date of this announcement.

17. RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries that, to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Acquisition 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 in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, including without limitation information on the Target Group and the Vendors, 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 announcement in its proper form and context.

18. CAUTION IN TRADING

The Directors would like to advise the Shareholders that, although the SPA has been entered into, Completion is subject to Conditions Precedent to be fulfilled (or waived) and there is no assurance that Completion will take place. Accordingly, Shareholders are advised to exercise caution before making any decision in respect of their dealings in the shares of the Company.

Shareholders and potential investors are advised to read this announcement and any further announcements by the Company carefully. Shareholders and potential investors should consult their stock brokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions that they should take.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
27 September 2019

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor"). This announcement has not been examined or approved by the Singapore Exchange Securities Trading Limited (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 Lee Khai Yinn at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.
