



RESOURCES GLOBAL DEVELOPMENT LIMITED

(Company Registration No. 201841763M)

(Incorporated in the Republic of Singapore)

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- (I) PURCHASE OF VESSELS AS A DISCLOSEABLE TRANSACTION; AND
(II) ENTRY INTO A LOAN AGREEMENT AS AN INTERESTED PERSON TRANSACTION
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1. INTRODUCTION

- 1.1 The board of directors (the “**Board**” or the “**Directors**”) of Resources Global Development Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) wishes to announce that a subsidiary of the Company, PT Deli Pratama Angkutan Laut (“**PT DPAL**”), had on 24 February 2022, entered into four sales and purchase agreements and addendums (collectively, “**S&P Agreements**”) with an unrelated shipyard, PT Palma Progress Shipyard (the “**Vendor**”), to purchase two (2) sets of newly built tugboat and barge (the “**Vessels**”) (the “**Purchase**”) for a cash consideration of US\$6.20 million (equivalent to approximately S\$8.3 million) (the “**Purchase Consideration**”).

2. PRINCIPAL TERMS OF THE PURCHASE

2.1 Information on the Vendor

The Vendor is an unrelated third-party shipyard based in Batam Island, Indonesia, with over 30 years of operations in Indonesia. Its principal activities include building of new vessels (mainly tugboat and barge) in Indonesia.

The Vessels were sourced through unrelated parties and none of the Vendor nor the directors and/or shareholders of the Vendor has any relationships (including business relationship) with the Directors or substantial shareholders of the Company and their respective associates.

2.2 Purchase Consideration

The Purchase Consideration was arrived at based on arm’s length negotiations between the parties, after taking into account prevailing market price of the same type of vessel.

Pursuant to the S&P Agreements, PT DPAL shall place a down-payment of US\$1.86 million (approximately S\$2.5 million¹) (“**Down-payment**”) to the Vendor, being 30% of the Purchase Consideration, payable within 14 days upon the signing of the S&P Agreements. The remaining 70% balance of the Purchase Consideration of US\$4.34 million (approximately S\$5.8 million¹) shall be payable over 12 months instalments (“**Instalments**”) to the Vendor upon the delivery of the Vessels. The delivery date is expected to be around the third quarter of 2022.

¹ Based on an exchange rate of US\$1.00 : S\$1.3459, using the exchange rate from the Monetary Authority of Singapore’s website on 16 February 2022.

2.3 Salient terms of the S&P Agreements

Pursuant to the S&P Agreements:

- (a) The Vendor has to deliver the Vessels to PT DPAL latest by the end of six months after the Vendor received the Down-payment ("**Delivery Date**"). The ownership of the Vessels will only be transferred to PT DPAL upon the receipt of the full payment of the Purchase Consideration.
- (b) If the delivery of the Vessels is delayed more than 30 days from the Delivery Date ("**Grace Period**"), there will be a daily reduction of US\$500 per day, up to a maximum 5% on the Purchase Consideration.
- (c) If the delay is more than 30 days from the Grace Period, PT DPAL is entitled to cancel the S&P Agreements and receive the full refund on the Down-payment without penalty and interest charged.
- (d) The Vendor is entitled to cancel the S&P Agreements if PT DPAL does not place the Down-payment within 14 days upon signing the S&P Agreements.
- (e) PT DPAL will be subjected to a daily fine of US\$500, up to a maximum 5% of the Purchase Consideration, if payment is not made timely and PT DPAL does not take over the vessel from the Vendors after more than 30 days from the Delivery Date. The Vendor is entitled to cancel the S&P agreement if PT DPAL does not take over the vessel after more than 60 days from the Delivery Date.
- (f) If the S&P Agreements were cancelled due to the terms set out in (d) and (e) above, the Vendor is entitled to the title of the vessels and there will be no refund to PT DPAL.

2.4 Sources of funds for the Purchase

PT DPAL ("**Borrower**") had, on 24 February 2022, entered into a loan agreement (the "**Loan Agreement**") with PT Deli Niaga Sejahtera ("**PT DNS**" or "**Lender**"), an interested person defined under Chapter 9 of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist ("**Catalist Rules**"), to finance the Down-payment (the "**DNS Loan**"). Pursuant to the Loan Agreement, PT DNS agreed to grant to PT DPAL a loan amount of IDR30 billion (equivalent to approximately S\$2.8 million²). The DNS Loan is unsecured, interest-free and with a loan tenure of six months.

The Instalments will be funded through PT DPAL's internal resources.

3. DETAILS OF THE INTERESTED PERSON

- 3.1 PT DPAL, a subsidiary of the Company that is incorporated in Indonesia, is engaged in coal shipping services. The Company has 50.5% effective interest in PT DPAL, by way of 49% Class-A voting shares in PT DPAL. The non-controlling interest of PT DPAL consists of (a) 48% Class-A voting shares held by PT Deli Indonesia Raya (f.k.a. PT Deli Indonesia Sejahtera) ("**PT DIR**"); and (b) 3% Class-B non-voting shares owned by PT Karya Niaga Gemilang (a company owned by two employees of the Group). The shareholders of PT DIR are Mr Juhadi (20%), Mr Arifin Tan (25%) and Mr Djunaidi Hardi (15%), Mr Arifin Ang (15%), Mdm Lai Hong (10%) and Mdm Ratih Anggaraini (15%).

² Based on an exchange rate of S\$1.00 : IDR10,561.89, using the exchange rate from Monetary Authority of Singapore's website on 16 February 2022.

- 3.2 Mr Juhadi, Mr Arifin Tan and Mr Djunaidi (collectively, the “**Founding Shareholders**”) are shareholders of Deli International Resources Pte. Ltd (“**DIR**”), the controlling shareholder of the Company, with shareholding interest in DIR of 20%, 25% and 25%, respectively. Accordingly, they are deemed to be interested in the shares of the Company owned by DIR by virtue of Section 4 of the Securities and Futures Act 2001, with shareholding interest of 83.33% in the Company.
- 3.3 Pursuant to Chapter 9 of the Catalist Rules, PT DPAL, being an associate of the Founding Shareholders, is considered an “interested person” of the Company. Accordingly, all transactions entered into between PT DPAL and other entities within the Group would constitute “interested person transactions” (“**IPTs**”) under Chapter 9 of the Catalist Rules.

4. DETAILS OF THE IPT

- 4.1 The DNS Loan constitutes an IPT. Pursuant to Rule 909(1), in the case of a partly-owned subsidiary, the value of the transaction is the Company’s effective interest in that transaction, and pursuant to Rule 909(3), in the case of lending of funds to an interested person, the value of the transaction is the interest payable on the loan and the value of the loan. Accordingly, in view that the DNS Loan is interest free, the amount at risk to the Company in respect of the DNS Loan is calculated as follows:

*Value of the DNS Loan of S\$2.8 million (IDR 30 billion based on exchange rate of S\$1.00 : IDR10,561.89²) x the Company’s effective interest in PT DPAL of 50.5% = S\$1.4 million (“**Amount at Risk**”)*

- 4.2 The Amount at Risk represents approximately 3.9% of the Group’s latest audited net tangible assets of approximately S\$36.4 million as at 31 December 2020, which (i) exceeded the relevant threshold of 3.0% under Rule 905(2) of the Catalist Rules; (ii) but does not exceed the relevant threshold of 5.0% under Rule 906(1)(b) of the Catalist Rules, whereby shareholders’ approval must be obtained for any IPT of a value equal to, or more than 5.0% of the Group’s net tangible assets.
- 4.3 Save for the DNS Loan, the Group has not entered into any other transaction with the Founding Shareholders or PT DPAL since the beginning of the current financial year ending 31 December 2022.

5. AUDIT COMMITTEE STATEMENT

The Audit Committee of the Company has reviewed the Loan Agreement and is of the view that the Loan Agreement was entered into on normal commercial terms, and is not prejudicial to the interests of the Company and its minority shareholders.

6. RATIONALE FOR THE PURCHASE AND THE DNS LOAN

The Directors are of the view that the Purchase is in the best interests of the Group as the Purchase allows the Group to grow its Coal Shipping Services segment by increasing its shipping capacity.

The DNS Loan is to facilitate the Purchase by PT DPAL, which is in the best interests of the Group as set out above, without loan interest or collateral on its assets.

7. RELATIVE FIGURES COMPUTED ON THE BASES SET OUT UNDER RULE 1006 OF THE CATALIST RULES

The relative figures for the Purchase as computed on the bases set out in Rule 1006 of the Catalist Rules and the unaudited financial statements of the Group for the six-month financial period ended 30 June 2021 (“HY2021”), are as follows:

Rule 1006	Bases	Relative figures (%)
(a)	The net asset value of the assets to be disposed of, as compared with the Group’s net value asset value	Not applicable ⁽¹⁾
(b)	The net profits attributable to the assets acquired, as compared with the Group’s net profits	Not applicable ⁽²⁾
(c)	The consideration for acquisition compared with the Company’s market capitalisation	23.5% ⁽³⁾
(d)	The number of equity securities issued by the issuer as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁴⁾
(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 reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil and gas company, but not to an acquisition of such assets	Not applicable

Notes:

- (1) Rule 1006(a) of the Catalist Rules is not applicable as the transaction is not in relation to disposal of assets.
- (2) Rule 1006(b) of the Catalist Rules is not applicable as the Purchase is not a revenue-generating asset.
- (3) Computed based on the Purchase Consideration of US\$6.20 million (approximately S\$8.3 million) and the Company’s market capitalisation of approximately S\$35.39 million. The market capitalisation of the Company was computed based on the issued share capital of the Company of 90,000,000 ordinary shares (“Shares”) and the volume weighted average price of S\$0.3932 per Share on 8 February 2022 (being the last day on which there were Shares traded) prior to the date of the S&P Agreements.
- (4) Rule 1006(d) of the Catalist Rules is not applicable as the Purchase Consideration is to be satisfied entirely by way of cash payment, and no equity securities will be issued by the Company as consideration.

As the relative figure under Rule 1006(c) of the Catalist Rules exceeds 5% but does not exceed 75%, the Purchase constitutes a “discloseable transaction” within the meaning of Chapter 10 of the Catalist Rules. Accordingly, approval of the shareholders of the Company (“Shareholders”) is not required for the Purchase.

8. FINANCIAL EFFECTS OF THE PURCHASE

8.1 Assumptions

The pro forma financial effects of the Purchase are presented for illustrative purposes only and are not intended to be indicative or reflective of the actual future financial position of the Company or the Group after the completion of the Purchase.

The pro forma financial effects of the Purchase have been computed based on the audited consolidated financial statements of the Group as at 31 December 2020 (“FY2020”), on the following bases and assumptions:

- (a) the financial effect on the consolidated net asset value (“NAV”) per Share is computed based on the assumption that the Purchase was completed on 31 December 2020;
- (b) the financial effect on the consolidated earnings per share (“EPS”) is computed based on the assumption that the Purchase was completed on 1 January 2020;
- (c) the Vessels are depreciated over 20 years, in accordance with the accounting policy of the Company; and
- (d) expenses to be incurred in respect of the Purchase have been disregarded.

8.2 NAV per Share

	Before the Purchase	After the Purchase
NAV attributable to the equity holders of the Company ⁽¹⁾ as at 31 December 2020 (S\$'000)	22,014	22,014
Number of shares (excluding treasury shares) ('000)	90,000	90,000
NAV per Share (S\$ cents)	24.5	24.5

Note:

(1) The Group does not have any intangible assets as at 31 December 2020.

8.3 EPS

	Before the Purchase	After the Purchase
Net gain attributable to Shareholders in FY2020 (S\$'000)	3,081	2,890
Weighted average number of shares (excluding treasury shares) ('000)	88,811	88,811
Earnings per Share (S\$ cents)	3.5	3.3

9. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

As disclosed above, save for PT DIR (a controlling shareholder of the Company), none of the Directors or substantial shareholders of the Company and their respective associates has any interest, direct or indirect, in the DNS Loan or the Purchase (other than in his capacity as Director or shareholder of the Company, as the case may be).

10. SERVICE CONTRACTS

No person will be appointed as a Director to the Board in connection with the Purchase. Accordingly, no service contract in relation thereto will be entered into between the Company and any such person.

11. DOCUMENTS AVAILABLE FOR INSPECTION

A copy of the Loan Agreement, and a copy of S&P Agreements will be made available for inspection at the operating office of the Company at 144 Robinson Road, #07-01 Robinson Square, Singapore 068988 during normal business hours for three months from the date of this announcement.

By Order of the Board

FRANCIS LEE
Executive Director and Chief Executive Officer
24 February 2022

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 Catalist.

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

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone (65) 6636 4201.