



## RESOURCES GLOBAL DEVELOPMENT LIMITED

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

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### 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

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*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 Catalist (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 Catalist 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 unaudited<sup>1</sup> 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

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<sup>1</sup> 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 <sup>(1)</sup>
(b)	The net profits <sup>(2)</sup> attributable to the assets acquired, compared with the Group's net profits.	1.0% <sup>(3)</sup>
(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% <sup>(4)</sup>
(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 <sup>(5)</sup>
(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 <sup>(6)</sup>

**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

<b>As at 31 December 2022</b>	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition</b>
NTA <sup>(1)</sup> (S\$'000)	51,662	55,666
Number of Shares ('000)	90,000	100,000 <sup>(2)</sup>
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

<b>For FY2022</b>	<b>Before the Proposed Acquisition</b>	<b>After the Proposed Acquisition</b>
Profit attributable to equity holders of the Company (S\$'000)	20,116	19,958
Number of Shares ('000)	90,000	100,000 <sup>(1)</sup>
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**

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*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**

