

Asset Acquisitions and Disposals::Proposed Restructuring

Issuer & Securities

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WILTON RESOURCES CORPORATION LIMITED
(Incorporated in the Republic of Singapore)
(Company Registration Number: 200300950D)

PROPOSED RESTRUCTURING

1. INTRODUCTION

The board of directors (“**Board**”) of Wilton Resources Corporation Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) wishes to announce that the Company intends to undertake a restructuring exercise (the “**Proposed Restructuring**”) that involves subsuming a target company, PT Renuka Coalindo Tbk (the “**Target**”) into the existing Group. The Proposed Restructuring largely involves a share swap exercise between the Company’s subsidiaries (namely Wilton Resources Holdings Pte. Ltd. (“**WRH**”) and PT Wilton Investment (“**PT WI**”)) and the Target. Further details of the Proposed Restructuring are set out in Section 2 of this announcement.

The Proposed Restructuring is akin to both an acquisition of shares in the Target on one hand, and a disposal of PT WI on the other hand, and would constitute a “Major Transaction” pursuant to Chapter 10 of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”). Accordingly, the Proposed Restructuring will be subject to the approval of the Company’s shareholders (“**Shareholders**”).

2. THE PROPOSED RESTRUCTURING

2.1 Salient Terms

Pursuant to the Proposed Restructuring, WRH intends to enter into a conditional standby buyer agreement (the “**CSBA**”) with the Target pursuant to which the Target shall appoint WRH to be the standby buyer in a rights issue exercise that would be undertaken and completed by the Target (the “**Renuka Rights Issue**”). The salient terms of the CSBA include amongst others, the following:

- (i) WRH shall be entitled to subscribe for new shares to be issued by the Target in the Renuka Rights Issue (the “**Relevant Rights Shares**”);
- (ii) WRH shall satisfy the subscription consideration for the Relevant Rights Shares by way of transfer of all of WRH’s shareholdings in its wholly-owned¹ subsidiary, PT WI, to the Target; and

¹ 1% shareholding of PT WI is held by Wijaya Lawrence, in compliance with Indonesian laws, which requires a minimum of two (2) shareholders in a limited liability company. In this regard, Wijaya Lawrence has undertaken to execute a power of attorney in favour of WRH for the assignment to WRH of dividends and voting rights in respect of his 1% shareholding interests in PT WI.

- (iii) the indicative valuation of 99% of the PT WI Group (comprising PT WI and its subsidiaries, comprising PT Wilton Wahana Indonesia and PT Liektucha Ciemas) shall amount to IDR 3,766,000,000,000 (equivalent to approximately S\$ 350,000,000) (“**Valuation**”) to be supported by an independent valuation prepared in accordance with Rule VIII.C.3 (OJK) and SPI 2015 (Indonesian Valuation Standards). The Valuation was commissioned by the Target and prepared by Suwendho Rinaldy & Rekan (“**Independent Appraiser**”), an independent appraiser that is registered by the Indonesian Financial Services Authority or *Otoritas Jasa Keuangan* (“**OJK**”).

Upon the completion of the Renuka Rights Issue, WRH shall become a controlling shareholder of the Target, which in turn holds 99% of the issued shares of PT WI.

Following the completion of the Renuka Rights Issue, WRH shall purchase from an independent third party (the “**Third Party**”) (i) 240,970,560 existing shares of the Target² (the “**Pledged Shares**”); and (ii) the receivables of the Third Party from the Target amounting to no less than US\$ 1,700,000 (the “**Novated Receivables**”) (“**Subsequent Acquisition**”). The Subsequent Acquisition by WRH from the Third Party was in furtherance of a pledge of shares agreement and novation of receivables agreement entered into between RERH and the Third Party on 27 February 2018.

2.2 Renuka Rights Issue

On 24 October 2018, the Target issued an information disclosure (“**Information Disclosure**”) which sets out its intention to undertake a rights issue of up to 18,829,175,000 new shares in the capital of the Target (“**Renuka Rights Shares**”) at an issue price of IDR 250 for each Renuka Rights Share (“**Renuka Rights Price**”). Please refer to the Target’s corporate website <http://renukaindo.com> for further details on the Renuka Rights Issue.

In accordance with the OJK Regulation Number 32/POJK.04/2015, the subscription for the Renuka Rights Shares may be paid by way of cash or capital injection.

The Renuka Rights Issue is expected to take place on 17 January 2019, and completed by 25 January 2019.

Pursuant to OJK Regulation Number 9/POJK.04/2018 Concerning Acquisition of Public Company, considering that WRH will become the new controlling shareholder of the Target upon completion of the Renuka Rights Issue, existing shareholders of the Target may sell, and WRH will be obliged to purchase, such number of existing shares of the Target held by the existing shareholders (“**Additional Shares Acquisition**”), at the higher price of (i) IDR 250 each for every existing share of the Target; or (ii) the average of the 90 days trading price prior to the date of publication of the Information Disclosure.

² Such shares of the Target (the “**Pledged Shares**”) are held in the name of Renuka Energy Resources Holdings (FZE) (“**RERH**”) which had granted to the Third Party a security interest over the Pledged Shares, pursuant to a pledge of shares agreement dated 27 February 2018 between RERH and the Third Party.

2.3 Consideration

The aggregate value of the entire Relevant Rights Shares amount to IDR 3,766,000,000,000 (equivalent to approximately S\$ 350,000,000), based on 15,064,000,000 Relevant Rights Shares at the Renuka Rights Price. Pursuant to the CSBA, WRH shall satisfy the subscription consideration for the Relevant Rights Shares by way of transfer of its 99% shareholdings in PT WI to the Target (the “**Shares Consideration**”). The Shares Consideration was arrived at after arms’ length negotiations between the Company and the Target, based on a willing-buyer willing-seller basis, having taken into account, the Valuation and the aggregate Renuka Rights Price for the Relevant Rights Shares.

In accordance with the CSBA, the valuation of the PT WI Group was prepared in accordance with Rule VIII.C.3 (OJK) and SPI 2015 (Indonesian Valuation Standards). Based on the valuation as at 23 October 2018 by the Independent Appraiser, 99% of the PT WI Group was valued at an indicated figure of S\$ 350,000,000 (the “**Independent Valuation**”). The Independent Appraiser used the asset-based approach with adjusted net asset method, and the Independent Valuation was arrived at based on the following assumptions, including but not limited to:

- (i) current market and economic conditions, business and finance conditions, and applicable Government regulations;
- (ii) liabilities of PT WI being fulfilled; and
- (iii) there are no significant changes from the date of valuation (being 19 October 2018) to the final date of valuation report that would materially affect the assumptions used.

The aggregate consideration for the Subsequent Acquisition of the Pledged Shares and Novated Receivables amounted to US\$ 5,000,000 (the “**Purchase Consideration**”) and shall be satisfied wholly in cash by WRH to the Third Party. The Purchase Consideration was arrived at after arms’ length negotiations and based on a willing-buyer willing-seller basis, having taken into account the market value of the Pledged Shares and Novated Receivables.

2.4 Information on the Target, RERH and PT WI

2.4.1 Information on the Target and RERH

The Target is a company established in Indonesia on 24 July 2000. It is a company listed on the Indonesia Stock Exchange (PT Bursa Efek Indonesia) (“**IDX**”) since 15 July 2004 and has a market capitalisation of IDR 68,673,600,000 as at 16 October 2018. The Target is engaged in wholesale and export trading, especially in mining commodities. As at 16 October 2018, the Target is 80% held by RERH³, an investment holding company incorporated in the United Arab Emirates. The Target does not have any subsidiaries or associates.

³ The shares held by RERH in the Target relate to the Pledged Shares, as referred to in Section 2.1 of this announcement.

Each of the Target and RERH (as well as RERH's shareholders and directors) is not related to the Company, the Group, the Directors and the Controlling Shareholders of the Company as well as their respective associates.

Based on the latest audited financial statements of the Target for the financial year ended 31 March 2018, the Target recorded a negative net book value and net tangible liabilities of approximately US\$ 1,692,944 as at 31 March 2018, and net loss before and after tax of approximately US\$ 286,499 respectively for the financial year ended 31 March 2018. No valuation was conducted on the Target.

2.4.2 Information on PT WI

Based on the latest audited financial statements of the Group for the financial year ended 30 June 2018 (“**FY2018**”), the PT WI Group recorded (i) negative net book value of approximately IDR 98,061,000,000; (ii) net tangible liability value of approximately IDR 98,899,000,000; and (iii) net loss before and after tax of approximately IDR 50,675,000,000.

2.5 **Conditions precedent**

Completion of the Proposed Restructuring (“**Completion**”) is conditional upon the following conditions being satisfied:

- (i) the Company and WRH (as the case may be) having obtained approval, consent, permit from, and/or have made notification to the SGX-ST or any other relevant governmental body to perform any of its obligation as required under the prevailing laws and regulations of the Republic of Singapore;
- (ii) the Company and WRH (as the case may be) having obtained approval, consent, permit from, and/or has made notification to the shareholders of the Company and WRH (as the case may be) to perform any of its obligation as required under the prevailing laws and regulations of the Republic of Singapore; and
- (iii) the Target having held an extraordinary general meeting of its shareholders and having obtained approval from its shareholders to perform any of its obligations.

2.6 **Completion**

Completion of the Proposed Restructuring is expected to take place on the latest of, *inter alia*:

- (i) the completion of subscription for the RERH Rights Shares by WRH; and
- (ii) the completion of purchase from the Third Party for the Pledged Shares and Novated Receivables by WRH.

3 RATIONALE FOR THE PROPOSED RESTRUCTURING

3.1 Rationale

Reference is made to the Company's circular to shareholders dated 26 September 2013 in relation to a reverse takeover transaction (the "**RTO Circular**"). As set out on page 89 and Appendix XVII of the RTO Circular, one of the fundamental implementing regulations for minerals and coal mining enacted is the Government Regulation No. 23 of 2010 concerning the Implementation of Mineral and Coal Mining Business Activities (which has been amended several times and last amended with the Government Regulation No. 8 of 2018 concerning the fifth amendment of GR 23/2010) ("**Government Regulation on Mining Business**"). The aforementioned regulation, imposes a divestment obligation ("**Divestment Obligation**") on a foreign investment company in the Republic of Indonesia ("**PMA Company**") holding a mining business license issued by the Indonesian government for conducting of mining business activities in commercial mining business areas in Indonesia ("**IUP**") to divest its shares gradually such that on the tenth year calculated as of the fifth year from the commencement of the production stage, 51% of the share capital in such PMA Company is owned by an Indonesian entity.

The participation of Indonesian entities in every year after the fifth year must not be less than the following percentages:

- (a) Sixth year – twenty percent (20%);
- (b) Seventh year – thirty percent (30%);
- (c) Eighth year – thirty-seven percent (37%);
- (d) Ninth year – forty four percent (44%); and
- (e) Tenth year – fifty-one percent (51%).

As PT WI is established as a PMA Company, the Company would have to divest its ownership of PT WI gradually such that on the tenth year calculated as of the fifth year from the commencement of the production stage, 51% of the share capital in PT WI is owned by an approved Indonesian entity.

The Board has explored alternatives to maximise the interest of the Company and the Shareholders while complying with the Divestment Obligation. The Board believes that the Proposed Restructuring offers more tangible economic benefits to Shareholders as it presents a solution to the Divestment Obligation of PT WI once the Group commences commercial production and provides opportunities for future growth if the Group decides to acquire more mining concessions.

Furthermore, the Board is of the view that the proposed measures and controls as set out in

Section 3.2 below are sufficient to mitigate any potential risks of the post-Proposed Restructuring corporate structure of the Group whereby the sole assets of the Group (i.e. the mining concessions held within the PT WI Group are held through the Target (being a listed entity on IDX).

In addition to the above, pursuant to the Proposed Restructuring, the Company's effective dilution in PT WI is also limited to a maximum of 19.8% (in the event that none of the existing shareholders of the Target subscribe for the Renuka Rights Shares) (instead of fifty-one percent (51%) under the Divestment Obligation) and the terms of such dilution are more certain in view of the following considerations:

- (a) It is uncertain whether the Company will be able to enlist the participation of Indonesian entities every year after the fifth year to maintain the requisite shareholding levels in compliance with the Divestment Obligation.
- (b) Even if the Company is able to procure Indonesian entities who are willing to participate in the PT WI Group, such parties may be unwilling to offer reasonable value for the PT WI Group, given that the PT WI Group has unrealised commercial potential and has yet to fully commercially exploit its mining business licence. In view of these reasons, the Board is of the view that it would be detrimental to the interests of the Shareholders if the Company were to dispose of the majority stake in the PT WI Group to investors at below its intrinsic value instead of undertaking the Proposed Restructuring with the hope of fully realising the commercial potential of the PT WI Group in the future.
- (c) In addition, Minister of Energy and Mineral Resources Regulation No. 43 of 2018 concerning the amendment of Minister of Energy and Mineral Resources Regulation No. 9 of 2017 concerning the Shares Divestment Procedure and the Mechanisms for the Determination of Divested Share Prices for Minerals and Coal-Mining Business Activity (“**MEMR Reg. 43/2018**”) sets out the priority for offering of shares to participants in Indonesia in the following order:-
 - (i) Central Government;
 - (ii) Regional Government (Provincial, Regency or Municipal as applicable);
 - (iii) State-Owned Enterprise (*Badan Usaha Milik Negara* or “**BUMN**”) or regionally-owned Enterprise (*Badan Usaha Milik Daerah* or “**BUMD**”); and
 - (iv) Private Enterprises.

If the divestment were to take place in accordance with MEMR Reg. 43/2018, the Indonesian Government would have first priority in taking up the stake that the Company is going to dispose of. As a result thereof, it is unlikely that the Company would have much bargaining power to negotiate the terms of such an arrangement and such terms would likely be unfavourable to the Company if it were to be made a counterparty to such an arrangement pursuant to its Divestment Obligation.

The Company's Indonesian legal advisers, Hanafiah Ponggawa & Partners ("**Dentons HPRP**") has confirmed that upon completion of the Proposed Restructuring, an application can be made to the Capital Investment Coordinating Board or *Badan Koordinasi Penanaman Modal* to convert PT WI from a PMA Company to a *Penanaman Modal Dalam Negeri* or local/domestic investment company in Indonesia ("**PMDN Company**"). Pursuant thereto, PT WI would no longer be subject to any relevant regulation related to the requirements under the Divestment Obligation.

3.2 Proposed measures and controls to be in place

To provide safeguards to mitigate the risks in relation to the Proposed Restructuring, the Board shall procure the following undertakings from the Company that:

- (i) the Company shall procure and ensure that the Target and the Company itself, will at all times not enter into any agreement, arrangement or conduct any corporate action which will cause the Company's shareholding in the Target (direct or indirect) to fall below 50%;
- (ii) for as long as the Company is a majority shareholder of the Target, the Company shall secure and maintain majority control of the Board of Directors and the Board of Commissioners of the Target;
- (iii) for as long as the Company is a majority shareholder of the Target, the Company shall procure and ensure that the Target and the Company itself shall at all times not enter into any agreement or arrangement resulting in the relinquishment of the Company's majority control of the Board of Directors and Board of Commissioners of the Target;
- (iv) the Company shall procure and ensure that for as long as the Company is a majority shareholder of the Target, the Company and the Target shall not dispose of any substantial part of the shares or assets of any of the Company's Indonesian subsidiaries, unless approval from the Company's shareholders is obtained; and
- (v) the Company shall procure that for as long as the Company is a majority shareholder of the Target, the Target will not perform a distribution in specie of the shares in the Target to the Shareholders.

4. CONSULTATION WITH THE SGX-ST

Pursuant to the two guidelines⁴ released by the SGX-ST (the "**Guidelines**") regarding restructuring and spin-off proposals by Singapore-listed companies, the requirements for restructuring and spin-off proposals include the following:

- (i) the new entities seeking to list in Singapore or elsewhere should comply with the principle set out under Rule 406(7) of the Catalist Rules;

⁴ The guidelines are "SGX Provides Guidance on Proposals for Restructuring or Spin-offs" released on 3 February 2010 and "SGX Provides Further Guidance on Proposals for Restructuring and Spin-offs" released on 24 February 2011.

- (ii) the entities seeking separate listing are expected to have businesses and assets that are clearly differentiated and managed independently; and
- (iii) the remaining businesses of the listed entities after the spin-off should be viable and profitable and comply with the admission criteria of the Main Board of the SGX-ST.

When applying the abovementioned requirements, the SGX-ST will also take into consideration the following factors:

- (i) the restructuring and spin-off proposals are to be determined by the directors with the interests of shareholders in mind;
- (ii) the restructuring and spin-off proposals will bring about tangible economic benefits to shareholders that are substantial, quantifiable and clearly achievable; and
- (iii) maintaining the current listing structure would be detrimental to shareholders.

In light of the Proposed Restructuring, the Company had on 7 May 2018 submitted an application to the SGX-ST to seek guidance on the applicability of Chapter 10 of the Catalyst Rules and whether the Proposed Restructuring would be considered by the SGX-ST as a restructuring or spin-off by a Singapore-listed company.

The SGX-ST had, on 23 August 2018, informed the Company that it had no objection to the Proposed Restructuring, subject to the following conditions:

- (i) Receipt of the following undertakings from the Company that:
 - (a) the Company shall procure and ensure that the Target and the Company itself, will at all times not enter into any agreement, arrangement or conduct any corporate action which will cause the Company's shareholding in the Target (direct or indirect) to fall below 50%;
 - (b) for as long as the Company is a majority shareholder of the Target, the Company shall secure and maintain majority control of the Board of Directors and the Board of Commissioners of the Target;
 - (c) for as long as the Company is a majority shareholder of the Target, the Company shall procure and ensure that the Target and the Company itself shall at all times not enter into any agreement or arrangement resulting in the relinquishment of the Company's majority control of the Board of Directors and Board of Commissioners of the Target;
 - (d) the Company shall procure and ensure that for as long as the Company is a majority shareholder of the Target, the Company and the Target shall not dispose of any substantial part of the shares or assets of any of the Company's Indonesian subsidiaries, unless approval from the Company's shareholders is obtained; and
 - (e) the Company shall procure that for as long as the Company is a majority shareholder of the Target, the Target will not perform a distribution in specie of the shares in the Target to the Shareholders.
- (ii) The Company including in its SGXNet announcements and in the circular to Shareholders, details of, amongst others:

- (a) rationale for the Proposed Restructuring and how it will bring about tangible economic benefits to Shareholders;
 - (b) transactions to be undertaken to achieve the Proposed Restructuring; and
 - (c) confirmation from the Company and Dentons HPRP that the Proposed Restructuring and the transactions to be undertaken to achieve the Proposed Restructuring are not in contravention of any rules, laws and regulations governing the Group and the Target in the relevant jurisdictions they operate in.
- (iii) The Company obtaining Shareholders' approval on the Proposed Restructuring and the transactions to be undertaken to achieve the Proposed Restructuring, at an extraordinary general meeting ("**EGM**") of the Company to be convened.

5. REQUIREMENTS UNDER CHAPTER 10 OF THE CATALIST RULES

5.1 Rule 1006 of the Catalist Rules

Assuming that all the remaining 20% Renuka Rights Shares (other than the Relevant Rights Shares) are fully subscribed by other existing shareholders of the Target, pursuant to the Proposed Restructuring, the Company's resultant effective shareholding interests in PT WI will be reduced from 100.0% to 80.2%⁵. The decrease in effective shareholding interests of the Company in PT WI ("**Dilution**" or "**Proposed Disposal**") of 19.8% in the Company's effective shareholding interests in PT WI pursuant to the Proposed Restructuring is akin to the Company undertaking a proposed "disposal" of 19.8% of its interest in PT WI with total proceeds raised (through the Target) from the Renuka Rights Issue of approximately IDR 941,459,000,000, being 20% of the value of the Rights Issue of IDR 4,707,293,750,000. ("**Scenario 1**").

Assuming that none of the remaining 20% Renuka Rights Shares (other than the Relevant Rights Shares) are subscribed by other existing shareholders of the Target, pursuant to the Proposed Restructuring, the Company's resultant effective shareholding interests in PT WI will be approximately 99.6%⁶, i.e. Dilution or Proposed Disposal of 0.4% in the Company's effective shareholding interests in PT WI pursuant to the Proposed Restructuring ("**Scenario 2**").

Following the completion of the Renuka Rights Issue, the Company shall purchase the Pledged Shares and Novated Receivables for the Purchase Consideration of US\$ 5,000,000 (being the fees paid to the Third Party, as highlighted in Section 2.3 above) for the "acquisition" in both Scenario 1 and Scenario 2 ("**Proposed Acquisition**").

Based on the latest audited financial statements of the Group for FY2018, the relative figures of the Proposed Restructuring (comprising the Proposed Acquisition as well as the Proposed Disposal under Scenario 1 and Scenario 2) computed on the bases set out in Rule 1006(a) to (e) of the Catalist Rules are as follows:

⁵ Being the aggregate of (i) the Company's 1% effective interest of PT WI (held through Wijaya Lawrence); and (ii) WRH's 80.0% interest in the Target (post-Renuka Rights Issue under Scenario 1) * Target's 99% interest in PT WI.

⁶ Being the aggregate of (i) the Company's 1% effective interest of PT WI (held through Wijaya Lawrence); and (ii) WRH's 99.6% interest in the Target (post-Renuka Rights Issue under Scenario 2) * Target's 99% interest in PT WI.

Rule 1006	Bases of calculation	Relative figures for the Proposed Acquisition	Relative figures for the Proposed Disposal based on Scenario 1	Relative figures for the Proposed Disposal based on Scenario 2
(a)	Net asset value (“NAV”) of the assets to be disposed of, compared with the Group’s NAV ⁽¹⁾ . This basis is not applicable to an acquisition of assets	Not applicable	- 6.9% ⁽¹⁾	- 0.1% ⁽¹⁾
(b)	Net loss ⁽²⁾ attributable to the assets acquired or disposed of as at 30 June 2018, compared with the Group’s net loss as at 30 June 2018	5.0% ⁽²⁾	12.7% ⁽³⁾	0.3% ⁽³⁾
(c)	The aggregate value of the consideration given or received, compared with the issuer’s market capitalisation based on the total number of issued shares excluding treasury shares ⁽⁴⁾	10.4% ⁽⁵⁾	108.7% ⁽⁶⁾	Not applicable ⁽⁷⁾
(d)	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 ⁽⁸⁾	Not applicable ⁽⁸⁾	Not applicable ⁽⁸⁾
(e)	Aggregate volume or amount of measured, indicated and inferred resources to be disposed of, compared with the aggregate of the Group’s measured, indicated and inferred resources. 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	19.8% ⁽⁹⁾	0.4% ⁽¹⁰⁾

Notes:-

- (1) The NAV of the Group as at 30 June 2018 is IDR 280,025 million.

Under Scenario 1 (i.e. Dilution of 19.8% of the PT WI Group), the deficit NAV of the assets to be disposed of would be IDR 19,416 million. Under Scenario 2 (i.e. Dilution of 0.4% of the PT WI Group), the deficit NAV of the assets to be disposed of would be IDR 392 million.

- (2) Under Rule 1002(3)(b) of the Catalyst Rules, “Net Profits” is defined to be profit or loss before income tax, minority interests and extraordinary items. In FY2018, the PT WI Group recorded a loss before income tax, non-controlling interests and extraordinary items (“Net Loss”) of IDR 50,675 million, and the Group recorded a Net Loss of IDR 78,826 million. In its latest financial year ended 31 March 2018, the Target recorded a Net

Loss of US\$ 0.29 million (equivalent to IDR 3,945 million, based on an exchange rate of US\$ 1.00 : IDR 13,602).

- (3) The Net Loss attributable to the assets disposed of under Scenario 1 (i.e. Dilution of 19.8% of the PT WI Group) amounted to IDR 10,034 million. The Net Loss attributable to the assets disposed of under Scenario 2 (i.e. Dilution of 0.4% of the PT WI Group) amounted to IDR 203 million.
- (4) The market capitalisation of the Company is computed based on its total number of shares in the capital of the Company ("**Shares**") of 2,436,700,286 and the volume-weighted average price of the Company's Shares transacted on 19 October 2018 (being the last full trading day preceding the trading halt prior to this announcement) of S\$ 0.027 per Share.
- (5) Based on the Purchase Consideration of US\$ 5.0 million (approximately S\$ 6.84 million, based on an exchange rate of S\$ 1.3672 : US \$1.00).
- (6) The aggregate value of the consideration from the Disposal under Scenario 1 is assumed to represent the Company's share (through its effective interest in the Target of 80%) of the gross proceeds raised by the Target pursuant to the Renuka Rights Issue, being IDR 753,167 million (approximately S\$ 71.53 million, based on an exchange rate of IDR 10,530 : S\$ 1.00).
- (7) Under Scenario 2 where none of the remaining 20% of the Renuka Rights Shares are subscribed by the existing shareholders of the Target, pursuant to the Proposed Restructuring. Accordingly, no consideration will be received by the Target.
- (8) Not applicable as no Shares will be issued pursuant to the Proposed Restructuring.
- (9) The Company issued an updated independent qualified person's report dated September 2018 for the Ciemas Gold Project ("**2018 IQPR**") as at 30 June 2018. Please refer to the Company's announcement on 4 October 2018 for further details on the 2018 IQPR. Under Scenario 1, there is an aggregate amount of 1,183 kilo tonnes (19.8%) of measured, indicated and inferred resources to be disposed of, compared with the aggregate of the Group's measured, indicated and inferred resources.
- (10) Under Scenario 2, there is an aggregate amount of 24 kilo tonnes (0.4%) of measured, indicated and inferred resources to be disposed of, compared with the aggregate of the Group's measured, indicated and inferred resources.

The Proposed Restructuring constitutes a "Major Transaction" under Chapter 10 of the Catalist Rules as the relative figures under Rule 1006(c) for the Proposed Disposal exceed 50%. Accordingly, the Proposed Restructuring will be subject to Shareholders' approval at an EGM of the Company to be convened and a circular containing, *inter alia*, information on the Proposed Restructuring (the "**Circular**") will be despatched to Shareholders in due course.

6. FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING

The unaudited *pro forma financial* effects of the Proposed Restructuring on the Group as set out below are purely for illustrative purposes only and are neither indicative nor do they represent any projection of the financial performance and position of the Group after the completion of the Proposed Restructuring.

The unaudited *pro forma* financial effects of the Proposed Restructuring set out below have been prepared based on the latest audited consolidated financial statements of the Group for FY2018, the audited financial statements of the Target for its financial year ended 31 March 2018, as well as the following bases and key assumptions:

- (a) the financial effects on the consolidated net tangible assets ("**NTA**") per Share are computed based on the assumption that the Proposed Restructuring was completed on 30 June 2018;
- (b) the financial effects on the consolidated loss per Shares ("**LPS**") are computed based on the assumption that the Proposed Restructuring was completed on 1 July 2017;

- (c) the financial effects of the Additional Shares Acquisition (as referred to in Section 2.2 of this announcement) have been disregarded;
- (d) the fair value adjustments on the net assets of the Group and positive or negative goodwill arising from the Proposed Restructuring, if any, have not been considered and will be determined on the date of completion of the Proposed Restructuring. Any goodwill or negative goodwill arising thereon from the Proposed Restructuring will be accounted for in accordance with the accounting policies of the Group; and
- (e) one-time non-recurring expenses incurred in connection with the Proposed Restructuring are estimated to be approximately S\$ 0.8 million.

6.1 NTA per Share

	Before the Proposed Restructuring	After the Proposed Restructuring based on Scenario 1	After the Proposed Restructuring based on Scenario 2
NTA (S\$'000) ⁽¹⁾	26,514	90,394	16,596
Number of Shares ('000)	2,436,700	2,436,700	2,436,700
NTA per Share (S\$ cents)	1.09	3.71	0.68

Note:-

- (1) NTA is based on total assets less the sum of total liabilities, intangible assets and non-controlling interest, at an exchange rate of IDR 10,530 : S\$1.00.

6.2 LPS

	Before the Proposed Restructuring	After the Proposed Restructuring based on Scenario 1	After the Proposed Restructuring based on Scenario 2
Loss attributable to the shareholders of the Company (S\$'000) ⁽¹⁾	(7,775)	(7,892)	(8,938)
Weighted average number of Shares ('000)	2,436,700	2,436,700	2,436,700
LPS (S\$ cents)	(0.32)	(0.32)	(0.37)

Note:-

- (1) Based on exchange rate as at 30 June 2018 of IDR 10,139 : S\$1.00.

6.3 Use of Proceeds

The net proceeds from the Renuka Rights Issue will be utilised by the Target (which will be majority held by the Company through WRH) for, among others, working capital purposes and funding the Target's pursuit of strategic business opportunities or general corporate activities (including any business expansion or acquisition opportunities, as and when such opportunities arise).

7. DIRECTORS' SERVICE CONTRACTS

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

8. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors, Controlling Shareholders and their respective associates has any interest, whether direct or indirect, in the Proposed Restructuring (other than arising from their shareholdings in the Company, if any).

9. DOCUMENTS FOR INSPECTION

Copies of the following documents are available for inspection at the registered office of the Company at 62 Ubi Road 1, Oxley Bizhub 2 #03-10, Singapore 408734 during normal business hours for three (3) months from the date of this announcement:

- (a) the Independent Valuation report; and
- (b) the legal memorandum issued by Dentons HPRP dated 9 March 2018.

10. FURTHER ANNOUNCEMENTS

The Company will make further announcements in relation to the Proposed Restructuring as and when there are material developments.

11. CAUTIONARY STATEMENT

Shareholders and potential investors should note that at this juncture there is no certainty that definitive agreement(s) and documentation will be entered into in connection with the Proposed Restructuring or that the same will be completed. Accordingly, Shareholders and potential investors are advised to read this announcement carefully and exercise caution when trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

BY ORDER OF THE BOARD

Wijaya Lawrence
Executive Chairman and President
27 October 2018

This announcement has been prepared by Wilton Resources Corporation Limited (the “**Company**”) and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. (the “**Sponsor**”), for compliance with the SGX-ST Listing Manual Section B: Rules of Catalyst. The Sponsor has not independently verified the contents of this announcement.

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.