

ENTRY INTO DEED OF COMPENSATION

Unless otherwise defined herein, all capitalised terms used in this announcement shall have the same meanings in the Company's announcements dated 28 October 2017, 12 March 2018, 5 July 2023, 14 July 2023, 24 July 2023, 3 August 2023 and 24 August 2023 in relation to the Project Financing Arrangement with Karl Hoffmann (the "Announcements").

1. INTRODUCTION

1.1 The Board refers to the Announcements and wishes to update that the Company has entered into a deed of compensation dated 10 October 2023 with Karl Hoffmann and Wijaya Lawrence (Executive Chairman and President of the Company) (the "**Deed of Compensation**"), pursuant to which the parties thereto have agreed to a full and final settlement of any and all claims, rights and/or liabilities arising out of or in connection with the following:

- (a) the financing arrangement between Karl Hoffmann and the Company dated 26 October 2017 (the "**Financing Arrangement**");
- (b) the supplemental deed between Karl Hoffmann and the Company dated 12 March 2018 (the "**Supplemental Deed**");
- (c) the deed of confirmation between Karl Hofmann and the Company dated 10 May 2022 (the "**Deed of Confirmation**");
- (d) the statutory notice of demand served by Karl Hoffmann on the Company on 3 July 2023 (as set out in the Company's announcement dated 5 July 2023)

in the Statutory Demand, the solicitors acting for Karl Hoffmann refer to the Financing Arrangement, the Supplemental Deed and the Deed of Confirmation, and assert *inter alia* that the Company has failed to pay a total compensation amount of US\$2,000,000 within 3 working days of the Letter of Demand, and accordingly, the solicitors acting for Karl Hoffmann demand payment of a total compensation amount of US\$2,000,000, under Section 125(2)(a) read with Section 125(1)(e) of the Insolvency, Restructuring and Dissolution Act 2018, within 21 days from the date of service of the Statutory Demand;

- (e) the application filed by the Company in the High Court of Singapore on 24 July 2023 (as set out in the Company's announcement dated 24 July 2023) ("**24 July Application**");
- (f) the statutory notice of demand served by Karl Hoffmann on the Company on 3 August 2023 (as set out in the Company's announcement dated 3 August 2023)

in the 3 August Statutory Demand, the solicitors acting for Karl Hoffmann refer to the Financing Arrangement, as varied and amended by the Supplemental Deed, and the Notice of Termination and asset *inter alia* that the Company has failed to pay a total termination amount of US\$23,587,643.80 (being the principal sum of US\$13,500,000

plus interest at the rate of 13% per annum starting from the date of the Financing Arrangement of 26 October 2017 to the date of termination of 24 July 2023, amounting to US\$10,087,643.80) within 20 business days of the termination, and accordingly, the solicitors acting for Karl Hoffmann demand payment of a total termination amount of US\$23,587,643.80 as of 24 July 2023, plus interest at the rate of 13% per annum that shall continue to accrue until the date of full payment, under Section 125(2)(a) read with Section 125(1)(e) of the Insolvency, Restructuring and Dissolution Act 2018, within 21 days from the date of service of the 3 August Statutory Demand; and

- (g) the application filed by the Company in the High Court of Singapore on 24 August 2023 (as set out in the Company's announcement of 24 August 2023) ("**24 August Application**"),

(collectively, the "**Prior Agreements, Statutory Demands and Court Applications**").

2. SALIENT TERMS OF THE DEED OF COMPENSATION

2.1 Karl Hoffmann shall give the Company sixteen (16) months from the date of the Deed of Compensation to continue and complete any corporate actions to raise funds (including but not limited to by entering into any financing arrangements or sale and purchase agreements in respect of any undertaking, assets, properties or business of the Company and/or its subsidiaries (such fund raising, the "**Fundraising Exercise**").

2.2 Against the total claimed amount of (i) US\$2,000,000 and (ii) US\$23,587,643.80 as of 24 July 2023, plus interest at the rate of 13% per annum that shall continue to accrue until the date of full payment, the Company and Karl Hoffmann have agreed to a total sum of US\$21,150,000 (the "**Compensation Sums**"):

- (i) the sum of US\$150,000 shall be paid immediately upon the execution of the Deed of Compensation. Payment of the same has been effected as of 10 October 2023;
- (ii) the remaining sum of US\$21,000,000 shall be paid no later than sixteen (16) months from the date of the Deed of Compensation;
- (iii) notwithstanding paragraph (ii) above, in the event that the Company and/or any of its subsidiaries sells the entirety of (A) its interest in PT Wilton Wahana Indonesia and/or PT Liektucha Ciemas (whether directly or indirectly), and/or (B) PT Wilton Wahana Indonesia's and/or PT Liektucha Ciemas' existing gold mining and production business in the Ciemas District, Sukabumi Regency, West Java Province of Indonesia, and/or (C) the rights to the mines in Ciemas District, Sukabumi Regency, West Java Province of Indonesia, at any time during the sixteen (16)-month period under paragraph (ii) above, the Company shall ensure, and Wijaya Lawrence irrevocably and unconditionally guarantees, that the remaining sum of US\$21,000,000 (less any early repayments made as per paragraph (iv) below) is paid to Karl Hoffmann within two (2) weeks of receipt of all proceeds from the sale by the Company and/or the Company's subsidiaries (either individually or collectively); and
- (iv) during the sixteen (16)-month period under paragraph (ii) above, the Company shall use all reasonable endeavours to pay the sum of US\$21,000,000 as early as reasonably possible, including (but not limited to) working towards paying Karl Hoffmann a portion of the monies received by the Company and/or its subsidiaries from revenue generated from its business and/or from any Fundraising Exercise.

- 2.3 Within two (2) days of the signing of the Deed of Compensation, the Company shall take the necessary steps to withdraw the 24 July Application and the 24 August Application with no order as to costs; and Karl Hoffmann shall provide all necessary consent(s) to the same. Likewise, Karl Hoffmann shall be hereby deemed to have irrevocably withdrawn the Statutory Demand and the 3 August Statutory Demand and will not rely on them to file winding up proceedings against the Company. As at the date of this announcement, the Company has taken the necessary steps to withdraw the 24 July Application and the 24 August Application.
- 2.4 Further, it was agreed between the Company and Karl Hoffmann that the Deed of Compensation shall supersede and cancel all previous deeds, agreements, warranties and undertakings between the Company and Karl Hoffmann including the Prior Agreements such that these agreements will have no operative effect henceforth.
- 2.5 In the event that the Company does not fulfil or comply with certain terms and conditions of the Deed of Compensation:
- (aa) The outstanding amounts due to Karl Hoffmann under the Deed of Compensation shall, without further action by Karl Hoffmann or the Company, be deemed to have been revised to US\$25,587,643.80 less any payments received from the Company under the Deed of Compensation (“**Net Revised Outstanding Amount**”).
 - (bb) The Net Revised Outstanding Amount shall incur an interest at the rate of 9% per annum starting from the date of the signing of the Deed of Compensation for any amounts outstanding.
 - (cc) Karl Hoffmann shall immediately be entitled to take further legal action against the Company for the Net Revised Outstanding Amount plus interest as contemplated under paragraph (bb) above. In such event, Karl Hoffmann shall give credit for any partial repayments received from the Company under the Deed of Compensation.
- 2.6 For the avoidance of doubt, the above paragraph shall apply as long as the Company fails to make full payment of the Compensation Sums by the respective deadlines, notwithstanding any partial repayment(s) made and regardless of the amount(s) of such partial repayment(s).
- 2.7 The Company highlights that the settlement under the Deed of Compensation is entered into without any admission as to liability by the Company, the Company’s subsidiaries and Karl Hoffmann in respect of the Prior Agreements, Statutory Demands and Court Applications.

3. FURTHER INFORMATION

- 3.1 As at the date of this announcement and barring unforeseen circumstances, the Board and the Audit Committee of the Company are of the opinion that the Group will be able to meet its liabilities as and when they fall due and that the Group is able to continue as a going concern for the next 12 months on the following basis:
- (i) the Company will be able to generate cash flows from the sale of its gold dore;
 - (ii) the Company can undertake Fundraising Exercise, including but not limited to the sale of the Company’s shares in PT. Wilton Makmur Indonesia Tbk (the Company’s subsidiary listed on the Indonesia Stock Exchange), to raise funds; and
 - (iii) the Company has up to sixteen (16) months from the date of the Deed of Compensation to pay the balance Compensation Sums of US\$21,000,000.

In addition, the Board and the management of the Company confirm that all material disclosures have been provided, and accordingly, they are of the view that trading of the Company's shares can continue.

- 3.2 The Board and the Audit Committee of the Company will continue to assess the Group's ability to operate as a going concern basis, and the Company will release further announcements to update its shareholders on any material developments in relation to the Announcements, including the impact of the Announcements on the Group's financials, as and when appropriate.
- 3.3 Shareholders and other investors are reminded to exercise caution when dealing in the securities of the Company and should consult their stockbrokers, bank managers, accountants or other professional advisors if they are in doubt about the actions that they should take.

BY ORDER OF THE BOARD

Wijaya Lawrence
Chairman and President
16 October 2023

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**"), 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.

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