



INVESTMENT AGREEMENT

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

1. Introduction

The board of directors (the "**Board**" or "**Directors**") of Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, collectively, the "**Group**") wishes to update that, on 27 September 2019, the Company has executed an investment agreement (the "**Chaw Investment Agreement**") with Mr Chaw Chong Foo, an investor (the "**Investor**" or "**Mr Chaw**").

Pursuant to the Chaw Investment Agreement, the Investor agrees to, directly or through the Investor's nominee, grant to the Company a convertible loan with a principal amount of S\$1.35 million, the amount of which may be increased by mutual agreement between the Investor and the Company (the "**Convertible Loan**").

2. Background on the Investor

Mr Chaw is a Singaporean citizen who has years of experience in investments. He currently holds senior positions in various companies with extensive operational and investment experience. He was introduced to the Company through the current owners of the RTO Target (defined below). No commission was paid or is payable by the Company to anyone in relation to the Chaw Investment Agreement. Mr Chaw agreed to grant the Convertible Loan to the Company purely for investment purpose.

As at the date of this announcement, Mr Chaw does not hold any shares in the Company and has no connection (including business relationships) with the Group, the Directors or substantial shareholders of the Company and is not a person to whom the Company is prohibited from issuing shares to, as provided by Rule 812(1) of the SGX-ST's Listing Manual Section B: Rules of Catalist ("**Catalist Rules**").



3. Rationale for the Chaw Investment Agreement and Use of Proceeds

The Company is of the view that the transactions contemplated in the Chaw Investment Agreement are beneficial to the Company and the Group due to the availability of financing provided under the Chaw Investment Agreement which will strengthen the current financial position of the Company and of the Group and also address business viability issue, *inter alia*, the participation in potential reverse takeover of Kitty Hawk Natural Resources Pte. Ltd. ("**RTO Target**") by the Company ("**Proposed RTO**").

Notwithstanding that the Company currently has 2 other investment agreements in place, being the investment agreement with Mr Ang Liang Kim ("**Mr Ang**") as announced on 6 August 2018 ("**Ang Investment Agreement**") and the investment agreement with Mr Xu Shun Cheng @ Perman Yadi ("**Mr Yadi**") as announced on 31 March 2019 ("**Yadi Investment Agreement**"), each investment agreement was entered into with a different purpose. The Ang Investment Agreement was mainly to provide financial support for the Company's day-to-day operations, including, *inter alia*, payment to professionals and other administrative expenses but excluding key management salaries and Director fees. However, as announced by the Company on 13 August 2019 Mr Ang has allowed the drawdown of S\$200,000 for the payment of the fees for the independent Directors for FY2018 on 3 July 2019. The Yadi Investment Agreement was to provide financial support for the joint operation agreement with PT Prima Dharma Karsa.

The support from its stakeholders, in particular the Investor, during this period is important to the continuity of the Company. The Company will use the available financing pursuant to the Convertible Loan under the Chaw Investment Agreement in the following manner:

- (a) Up to S\$1.35 million for costs and expenses incurred in relation to Proposed RTO (including the updating of JORC report, but excluding salary and fees of management and directors); and
- (b) Additional loan amount in excess of S\$1.35 million, for working capital requirements as set out in the Catalist Rules.

As required under Ang Investment Agreement and Yadi Investment Agreement respectively, the Company has on 27 September 2019 and 26 September 2019 obtained confirmation in writing from Mr Ang and Mr Yadi respectively that they have consent to the Company's entry and subsequent drawdown, upon the terms and conditions of the Chaw Investment Agreement.

The Company will make periodic announcement on the utilisation of the Convertible Loan as and when such proceeds are materially disbursed and whether such use is in accordance with the stated use. Where there is any material deviation from the stated use of the Convertible Loan, the Company will announce the reasons for such deviation. The Company will also provide a status report on the use of the Convertible Loan in the annual report(s). Where proceeds are to be used for working capital, the Company will disclose a breakdown with specific details on the use of proceeds for working capital in announcements and annual reports.



More information on the Proposed RTO is provided in a separate announcement released 27 September 2019, in relation to a sales and purchase agreement entered into with the owners of the RTO Target.

4. Salient Terms of the Chaw Investment Agreement

4.1. Details of the Convertible Loan

(a) The key terms of the Convertible Loan are as follows:-

- (1) The Convertible Loan may be drawn down in equal tranches of S\$100,000, or such other amounts as may be required for purposes as set out in sub-paragraph 3 below (each, a “**Drawdown**”) by the Company following the Company’s presentation of a drawdown notice, at any time, subject to the terms and conditions set out in the Chaw Investment Agreement.
- (2) The first Drawdown and each Drawdown shall take place at such times when the Company requires funds for the purposes as set out in sub-paragraph 3 below, provided always that:
 - i. upon the SGX-ST issuing to the Company the eligibility-to-list letter in respect of shares to be issued by the Company in connection with the Proposed RTO, the Company shall have the right to drawdown all remaining amounts under the Convertible Loan not already drawdown by the Company; and
 - ii. in the event the Company decides not to proceed with the Proposed RTO or the Company is notified by either the SGX-ST or the Sponsor that the Proposed RTO is not viable, the Company shall no longer be eligible to exercise any Drawdowns of the Convertible Loan
- (3) The proceeds of the Convertible Loan shall only be used by the Company for costs and expenses incurred in relation to the Proposed RTO (including the updating of the JORC report, but excluding salary and fees of management and directors) and, in event that the loan amount is increased, to accommodate any working capital requirements set out in the Catalist Rules.
- (4) All usages of the proceeds of the Convertible Loan shall be approved by the directors of the Company from time to time, and any expenditure in excess of S\$100,000 shall require the written consent of the Investor.
- (5) The Company shall, no later than 30 June 2020, or such other date to be agreed by the Investor, convene an extraordinary general meeting (“**EGM**”) to seek the approval of the Company’s shareholders for:
 - i. the Convertible Loan;
 - ii. the issuance of shares pursuant to the Conversion (as defined below); and



- iii. the Whitewash Waiver (as defined below) (where required).
- (6) The Convertible Loan shall not bear interest unless the shareholders' approval set out in sub-paragraph 5 above (the "**Shareholders' Approval**") is not obtained or the EGM is not held by the date stipulated in in sub-paragraph 5 above. In such event, interest on each tranche of the Convertible Loan shall accrue daily from the date of drawdown of such tranche at 18% per annum.
- (7) Subject to the Shareholders' Approval and all regulatory approvals having been obtained for the allotment and issuance of the Conversion Shares and the listing of the Conversion Shares (as defined below), the Company shall, within 30 days of such resumption of trading or receipt of all regulatory approvals for the listing of the Conversion Shares, whichever is later, convert the full amount of the drawn down Convertible Loan principal into ordinary shares in the capital of the Company ("**Conversion Shares**") at the conversion price of S\$0.001 per share ("**Conversion Price**"), by allotting and issuing the applicable number of ordinary shares in the capital of the Company, credited as fully paid up, to the Investor or his nominee ("**Conversion**", and the date of such Conversion, the "**Conversion Date**"). For the avoidance of doubt, following the Conversion, the Convertible Loan shall be deemed fully discharged.

The Conversion Price represents a 96.2% discount to the prevailing market price of the underlying shares of S\$0.026 (i.e. on 22 June 2017, being the last trading day prior to the suspension of the Company's shares on SGX-ST) prior to the signing of the Chaw Investment Agreement. As the discount presents more than 10% of the prevailing market price as required under Rule 811(2)(a) of the Catalist Rules, specific shareholder approval will be obtained in accordance to Rule 811(3) of the Catalist Rules.

Conversion Shares issued pursuant to the Conversion shall rank for any dividends, rights or other distributions, the record date of which falls on or after the Conversion Date and (subject as aforesaid) will rank *pari passu* in all respects with the then existing shares in the capital of the Company.

- (8) Appropriate anti-dilution adjustments on a proportionate basis shall be made to the Conversion Price or the number of Conversion Shares in the event of a subdivision of shares, share consolidation, or other changes to the capital structure of the Company prior to the Conversion Date which shall result in the Conversion Shares constituting a lower percentage of the total share capital of the Company than as anticipated as at the date of the Chaw Investment Agreement. The Company shall render all assistance to the Investor to update and consult with the Investor on such capital structure changes and to effect such anti-dilution adjustments. For the avoidance of doubt the appropriate anti-dilution adjustments shall apply solely to that portion of the Convertible Loan that has been drawn down in accordance with Chaw Investment Agreement.



- (9) Unless required otherwise by the SGX-ST or agreed otherwise between the relevant parties to the investment agreements, the Conversion Date for the purposes of the Chaw Investment Agreement shall be the same date as the “Conversion Date” in the Ang Investment Agreement and the Yadi Investment Agreement.
- (10) The Company shall use all reasonable efforts, including by doing all such reasonable things that may be necessary, effect the resumption of trading of shares in the capital of the Company on the SGX-ST, including but not limited to submitting a Trading Resumption Proposal by 30 September 2020 or such other date to be agreed in writing between the Investor and the Company.
- (11) If:
- i. the Shareholders’ Approval is not obtained as stated in sub-paragraph 5 above; or
 - ii. approval of the SGX-ST for the listing of the Conversion Shares on the SGX-ST is obtained by 30 June 2020; or
 - iii. the trading of the shares of the Company on the SGX-ST is not resumed by 30 September 2020; or
 - iv. the Proposed RTO does not complete for any reason other than that set out in sub-paragraph 10 below,

then upon receipt of written demand by the Investor, the Company shall pay all sums owing by the Company to the Investor or his nominee pursuant to the Convertible Loan, including but not limited to the drawn down of the principal sum of the Convertible Loan, any interest owing under the Convertible Loan and all sums of the Convertible Loan drawn down under a special account nominated by the Company and agreed by the Investor (“**Convertible Loan Liabilities**”) to the Investor or his nominee within 5 years from the date of such demand unless the Investor and the Company otherwise agree in writing-

- (12) If the Proposed RTO cannot be completed by 30 June 2020 or such other date to be agreed between the Company and the Investor due to Kitty Hawk Natural Resources Pte. Ltd. being unable to comply with the applicable requirements of the Catalist Rules, the Investor shall pay to the Company an amount equivalent to the amount drawn down under the Convertible Loan which shall be set-off against the Convertible Loan such that the Company’s obligation to repay the Convertible Loan shall be extinguished.
- (13) The Convertible Loan is subject to events of default customary for such transactions of this nature, pursuant to which the Company shall immediately notify the Investor and the Investor may give notice to the Company to immediately redeem the Convertible Loan, upon which the Convertible Loan Liabilities shall be immediately due and repayable and the Company shall



immediately pay the Convertible Loan Liabilities to the Investor or his nominee in one lump sum.

- (b) Under Rule 803 of the Catalist Rules, an issuer must not issue securities to transfer a controlling interest without prior approval of shareholders in a general meeting. In addition, pursuant to Rule 805 of the Catalist Rules, except as provided in Rule 806 of the Catalist Rules, the Company must obtain the prior approval of shareholders in general meeting of, *inter alia*, the issue of shares of the Company. Assuming that (A) no further changes to the Company's share capital (i.e. no conversion in respect of the Ang Investment Agreement, the Yadi Investment Agreement and the commission payable to Mr Khoo Boo Kok in relation to the joint operation agreement entered into by the Company's wholly-owned subsidiary RPG Logistics Pte Ltd with PT Prima Dharma Karsa as announced on 31 March 2019 (the "**Commission Agreement**")) and (B) the Convertible Loan of S\$1,350,000 is drawn down and converted into 1,350,000,000 Conversion Shares, the Conversion Shares represent (i) approximately 73.6% of the existing issued and paid-up share capital of the Company as at the date of this announcement and (ii) approximately 42.4% of the enlarged issued and paid-up share capital of the Company after the issue of the Conversion Shares. Accordingly, the Company will be seeking Shareholders' Approval at the EGM.

Please refer to paragraph 8 below for the changes to the shareholding structure after accounting for the conversion in respect of all 3 investment agreements and the Commission Agreement.

4.2. Whitewash Waiver

- (a) Under Rule 14.1 of the Singapore Code on Takeovers and Mergers (the "**Take-Over Code**"), where (a) any person who acquires whether by a series of transactions over a period of time or not, shares which (taken together with shares held or acquired by persons acting in concert with him) carry 30% or more of the voting rights in the company; or (b) any person who, together with persons acting in concert with him, holds not less than 30% but not more than 50% of the voting rights in the company and such person, or any person acting in concert with him, acquires in any period of 6 months additional shares carrying more than 1% voting rights, such person is required to make a mandatory general offer for all the shares with voting rights in the company which he and persons acting in concert with him do not already own or control ("**Mandatory Offer**").
- (b) The fulfilment by the Investor of its obligations pursuant to the Chaw Investment Agreement may result in the Investor holding more than 30% of the enlarged share capital of the Company, thereby triggering a requirement for the Investor and parties acting in concert with him to make a Mandatory Offer, unless independent shareholders (shareholders other than the Investor and parties acting in concert with him, and parties not independent of them) approve at a general meeting a resolution to waive their rights to receive a Mandatory Offer from the Investor and parties acting in concert with him.



- (c) Subject to applicable laws and regulations, the Company shall use all reasonable efforts to render assistance to the Investor or his nominee or their respective concert parties to obtain a waiver from the Securities Industry Council of Singapore from any requirements under the Take-Over Code to make an offer for the shares or other securities of the Company ("**Whitewash Waiver**"), on terms reasonably satisfactory to the Investor, and to comply with any reasonable conditions attached to such waiver, if so requested by the Investor or his nominee.

4.3. Other terms

Other terms customary of a transaction of this nature are included in the Chaw Investment Agreement.

5. **Application for Listing and Quotation**

An application will be made to the SGX-ST for the listing and quotation of the Conversion Shares on Catalist in due course ("**Listing and Quotation Notice**"). An announcement will be made by the Company to notify its shareholders of the receipt of the Listing and Quotation Notice in due course. The Listing and Quotation Notice, if given, shall not be construed as an indication of the merits of the Conversion Shares, the Convertible Loan or the Company, its subsidiaries and their securities.

6. **Governing Law and Jurisdiction**

The Chaw Investment Agreement shall be governed by Singapore law and the Company and Investor submit to the exclusive jurisdiction of the courts of Singapore for the resolution of any disputes arising therefrom.

7. **Financial Effects of the Transactions Contemplated in the Chaw Investment Agreement**

- (a) It is not possible to determine precisely the financial effects the transactions contemplated in the Chaw Investment Agreement would have on the Company until *inter alia* the Convertible Loan has been fully drawn and/or converted into Conversion Shares, as applicable.
- (b) However, solely for the purposes of illustration, the Company has set out the financial effects of the Convertible Loan on the Company's share capital and Group's earnings per share and net assets value per share, based on the latest audited consolidated financial results for the financial year ended 31 December 2018 ("**FY2018**").
- (c) The financial effects set out below are on the following bases and assumptions (assuming transaction costs are negligible):
 - i. the full draw down of the Convertible Loan of S\$1,350,000 (with no additional draw down) pursuant to the Chaw Investment Agreement with Mr Chaw;

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- ii. the full conversion of the S\$1,350,000 Convertible Loan into 1,350,000,000 Conversion Shares and thereafter Mr Chaw subscribing in full to his pro rata Rights Issue (defined below) entitlements;
- iii. the full draw down of the convertible loan of US\$2,000,000 pursuant to the Yadi Investment Agreement;
- iv. the full conversion of the US\$2,000,000 Convertible Loan (with fixed exchange rate of US\$1.00 : S\$1.3525 as stipulated in the Yadi Investment Agreement) into 2,705,000,000 conversion shares and thereafter Mr Yadi subscribing in full to his pro rata Rights Issue entitlements;
- v. the full conversion of the US\$500,000 commission payable to Mr Khoo Boo Kok under the Commission Agreement into 693,800,000 conversion shares;
- vi. the full draw down of the convertible loan of S\$2,000,000 pursuant to the Ang Investment Agreement;
- vii. the full conversion of Mr Ang Liang Kim's convertible loan of S\$2,000,000 into 2,000,000,000 conversion shares;
- viii. a 1-for-1 rights issue at S\$0.001 ("**Rights Issue**") to be undertaken pursuant to the Ang Investment Agreement whereby Mr Ang will subscribe for his portion of the rights shares and exercising his rights to subscribe for the right shares of Mr Agus Sugiono, Mr Gabriel Giovanni Sugiono and Madrone Enterprises Limited (the "**Controlling Shareholders**"). Mr Ang will subscribe for a total of 2,927,818,980 rights shares (comprising of 2,000,000,000 rights shares pertaining to his conversion shares, 185,434,000 rights shares pertaining to his existing shareholdings in the Company and 742,384,980 rights shares pertaining to the Controlling Shareholders' shareholdings);
- ix. The rest of the existing shareholders subscribing in full to their pro rata Rights Issue entitlements;
- x. Unless as otherwise stated, all currency translations in this announcement shall be based on the exchange rate of US\$1.00 : S\$1.3876.

(Collectively, the "**Corporate Actions**").

Share capital	As at 31 December 2018	After the Corporate Actions
Issued and paid-up share capital (US\$)	236,508,000	247,606,876
Total number of issued shares	1,832,999,998	17,163,599,996

Earnings per share	FY2018	After the Corporate Actions
Net loss for the year (US\$)	(1,401,000)	(1,401,000)
Total number of issued shares	1,832,999,998	17,163,599,996
Loss per share (US\$ cents)	(0.076)	(0.008)



Net tangible assets (“NTA”) per share	As at 31 December 2018	After the Corporate Actions
NTA (US\$)	(1,528,000)	9,070,876
Total number of issued shares	1,832,999,998	17,163,599,996
NTA per share (US\$ cents)	(0.083)	0.053

8. Changes to Shareholdings

Subject to paragraph 8 above including without limitation the assumptions for, *inter alia*, the full conversion set out therein, for the purposes of illustration, the changes in the shareholdings of the Company are set out below:

Upon full conversion:

Shareholders	Current Shareholdings		After conversion of Chaw Convertible, Yadi Convertible, Ang Convertible, Rights Issue and issuance of Commission Shares	
	No. of Shares	% ⁽⁴⁾	No. of Shares	% ⁽⁵⁾
Madrone Enterprises Limited ^{(1),(3)}	742,384,980	40.5%	742,384,980	4.3%
Ang Liang Kim	185,434,000	10.1%	5,113,252,980	29.8%
Blue Energy Holdings Limited ⁽²⁾	93,750,000	5.1%	187,500,000	1.1%
Xu Shun Cheng @ Perman Yadi	0	0.0%	5,410,000,000	31.5%
Chaw Chong Foo	0	0.0%	2,700,000,000	15.7%
Khoo Boo Kok	0	0.0%	1,387,600,000	8.1%
Other shareholders	811,431,018	44.3%	1,622,862,036	9.5%

Notes:

- (1) Madrone Enterprises Limited’s ultimate beneficial owners are Agus Sugiono and Gabriel Giovanni Sugiono by virtue of Section 7 of the Companies Act, Chapter 50 of Singapore. Agus Sugiono and Gabriel Giovanni Sugiono are therefore deemed interested in the shares of the Company held by Madrone Enterprises Limited.
- (2) Xie Ping and Qing Guangmei are husband and wife and are deemed to be interested in the shares of the Company held by Blue Energy Holdings Limited by virtue of Section 7 of the Companies Act, Chapter 50 of Singapore.
- (3) Pursuant to the terms of the Ang Investment Agreement, Madrone Enterprises Limited has undertaken not to subscribe for the Rights Issue, subject to Mr Ang subscribing for at least his proportionate share of the Rights Issue.
- (4) Percentage computed based on the existing issued share capital of 1,832,999,998 shares.
- (5) Percentage computed based on the enlarged issued share capital of 17,163,599,996 shares.



9. Confirmation by Directors

The Directors are of the opinion that after taking into consideration the Convertible Loan, the convertible loan and proceeds from the Rights Issue under the Ang Investment Agreement, the convertible loan under the Yadi Investment Agreement, the working capital available to the Group is sufficient to meet its present requirements.

10. Interests of Directors and Substantial Shareholders

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company and their respective associates have any interest, direct or indirect, in the Chaw Investment Agreement, other than through their respective shareholdings (if any) in the Company.

11. Circular to Shareholders

A circular containing, *inter alia*, information on the Convertible Loan, the Conversion and the Whitewash Waiver (where required), will be despatched to the Company's shareholders in due course.

12. Documents Available for Inspection

Copies of the Chaw Investment Agreement are available for inspection during normal business hours from 9.00 a.m. to 5.00 p.m. at the Company's registered office at 10 Collyer Quay, #10-01 Ocean Financial Centre, Singapore 049315 for a period of 3 months from the date of this announcement.

13. Directors' Responsibility Statement

The Directors (including any Director who may have been delegated detailed supervision of the preparation of this announcement) have collectively and individually reviewed and approved the issue of this announcement, and have taken all reasonable care to ensure that the facts stated and all opinions expressed in this announcement are fair and accurate in all material aspects and that the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in this announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in this announcement in its proper form and context.

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BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
27 September 2019

This announcement has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "Sponsor").

This announcement has not been examined or approved by the 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 Lee Khai Yinn, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.
