

**ENTRY INTO MEMORANDUM OF UNDERSTANDING IN RELATION TO A PROPOSED
ACQUISITION**

The Company would like to remind all shareholders that trading in the Company's shares is currently suspended and the Proposed Acquisition (defined herein) is subject to, amongst others, the Company submitting a resumption of trading proposal, through its Sponsor, SAC Capital Private Limited, to the Singapore Exchange Securities Trading Limited (the "SGX-ST"), and the clearance of the resumption of trading 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**") refers to the Company's announcement dated 28 September 2018 and wishes to update that the Company has entered into a binding memorandum of understanding with Hing Chung Group (International) Limited (兴祥集团(国际)有限公司) (the "**Vendor**") in relation to the proposed acquisition of 100% equity interest in ChongQing HuangYang Property Development Limited (重庆皇洋地产开发有限公司) ("**Target Company**") by the Company (the "**Proposed Acquisition**").

The Proposed Acquisition, is expected to result in a "Very Substantial Acquisition or Reverse Takeover" of the Company as defined in Rule 1015 of the Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**") of the SGX-ST and is subject to, *inter alia*, the approval of the SGX-ST and the approval of the shareholders of the Company (the "**Shareholders**") at an extraordinary general meeting (the "**EGM**") to be convened.

The Proposed Acquisition is subject to, *inter alia*, due diligence investigations to be undertaken by the Company following the execution of the MOU, the execution of a legally binding definitive agreement in relation to the Proposed Acquisition (the "**Definitive Agreement**"), all relevant approvals being obtained from the relevant authorities (including, *inter alia*, the SGX-ST) and the satisfaction of any conditions imposed by the relevant authorities (if applicable), and the approval of the Proposed Acquisition and the Definitive Agreement by the Board and the Shareholders of the Company.

2. INFORMATION OF THE VENDOR AND THE TARGET COMPANY

2.1 Information on the Vendor

The Vendor (Registration No. 486920) is an investment holding company incorporated in Hong Kong with its registered address at Unit 2805, 28th Floor, Hua Hui Centre, 2-28 Ma Po Road, North Point, Hong Kong. The Vendor owns 100% of the issued shares of the Target Company.

2.2 Information of the Target Company

The Target Company (Registration No. 91500000739823064Y) is a property development company incorporated in the People's Republic of China with its registered address at Wangjiazui Agricultural Park, Yubei District, Chongqing City. The Target Company's assets comprise property units with a commercial area of 2,332 square metres and 293 car parking lots in the Huangyang Jialan Yishu Project located in Jinjiang Avenue, Huibei, Huijiang, Liangjiang New District, Chongqing.

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The Target Company owns 90% of the issued shares of SiChuan Dading City Property Management Limited (四川大鼎城物业管理有限公司) (Registration No. 510109000530105), a property management company incorporated in the People's Republic of China with its registered address at Unit 2501, 25th Floor, Building 2, No. 387, Tianren Road, High-tech Zone, ChengDu ("**SiChuan DaDing City Property Management**"). For the avoidance of doubt, the Proposed Acquisition includes SiChuan DaDing City Property Management.

3. **RATIONALE FOR THE PROPOSED ACQUISITION**

The Company is currently suspended pursuant to Rule 1303(3) of the Catalist Rules and is therefore required to submit a proposal through its sponsor to the SGX-ST with a view to resume trading ("**Resumption Proposal**"). The SGX-ST had granted the Company a 3-month extension of time till 28 September 2018 to submit the Resumption Proposal which must adequately address both financial and business viability issues faced by the Company. Hence, the entry of the MOU, together with the entry of the Investment Agreement by the Company with Mr Ang Liang Kim, a substantial shareholder of the Company as announced on 6 August 2018, would allow for the Company to potentially resolve the financial and business viability issues and to submit a Resumption Proposal to the SGX-ST. The Company will be writing to the SGX-ST to seek a further extension of time to (i) enter into a definitive agreement with the Vendor following the completion of the due diligence process and to submit the Resumption Proposal and (ii) to fill the vacancy in its ARMC.

4. **PRINCIPAL TERMS**

4.1 Proposed Acquisition

Subject to the terms and conditions contained in the MOU and the requirements of the Catalist Rules, including in relation to reverse takeovers and/or very substantial acquisitions, the Vendor shall sell the entire issued and paid-up capital of the Target Company (the "**Sale Shares**") and the Company shall purchase such Sale Shares from the Vendor.

4.2 Consideration

- (a) The aggregate consideration payable by the Company to the Vendor is S\$33 million ("**Consideration**"), which shall be wholly satisfied by way of new ordinary shares in the capital of the Company ("**Consideration Shares**") issued at the price of S\$0.20 per ordinary share ("**Issue Price**"). The Consideration Shares shall be subject to the moratorium requirements in accordance with the Catalist Rules.
- (b) Clause 4.2(a), including but not limited to the Consideration amount, Issue Price, number of Consideration Shares, and the type of Consideration (e.g. cash or shares), may be adjusted by the Company subject to advice from the Company's professional advisers, including tax and property valuers and Hong Kong and PRC counsel, and the consent in writing from the Vendor ("**Consideration Adjustment**").
- (c) Where the Company has proposed a Consideration Adjustment and the Vendor does not give its consent in writing within one month, the MOU shall lapse and terminate.

4.3 Conditions Precedent

The Proposed Acquisition will be subject to the satisfaction or waiver by the Company (as the case may be) of conditions precedent which are customary for transactions of such nature, including but not limited to:

- (a) the Company being satisfied in its absolute discretion with its due diligence investigations on the Target Company and no material adverse changes to the business of the Target Company and its and its subsidiary's assets;
- (b) satisfaction of all applicable laws and regulations as well as the constitution of the Company;

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- (c) satisfaction of the requirements of the Catalist Rules, including in relation to reverse takeovers and/or very substantial acquisitions;
- (d) regulatory approvals in Singapore, Hong Kong and the PRC, including but not limited to
 - (i) the approval of the SGX-ST for the Proposed Acquisition;
 - (ii) the approval of the SGX-ST for the listing and quotation of the Consideration Shares and compliance placement shares to satisfy any free float requirement;
 - (iii) the approval of the SGX-ST for any share consolidation to comply with the Catalist Rules;
 - (iv) the Securities Industry Council of Singapore approving a dispensation from the requirement to make a general offer by the Vendor and its concert parties under the Singapore Takeover Code;
- (e) the shareholders of the Company approving the Proposed Acquisition and any required share consolidation and compliance placement to satisfy any free float requirement; and
- (f) the independent shareholders of the Company approving a whitewash resolution to waive their rights to receive a general offer from the Vendor and its concert parties.

4.4 MOU Period (as defined below)

The Vendor and the Company shall negotiate in good faith and use all reasonable endeavours to finalise and enter into the relevant Definitive Agreement within the period of 3 months from the date of the MOU, or such other date as may be agreed between the Parties in writing (“**MOU Period**”), failing which the MOU will lapse and terminate. The Definitive Agreement will contain representations, warranties and undertakings from the Vendor and the Vendor shareholders, which are customary for transactions of such nature.

4.5 Exclusivity

The Vendor (and their respective agents and representatives, or any other person acting on their behalf), shall not, during the MOU Period, directly or indirectly, solicit, encourage, initiate, discuss, negotiate with respect to, or facilitate or enter into any agreement in respect of, any transaction or arrangement which are similar in nature to the transactions or arrangements contemplated in this MOU, including but not limited to a sale of the Target Company or its shares or assets or the assets of its subsidiary.

4.6 Assignability

All rights and obligations under the MOU are personal to the Parties and no party shall (nor shall it purport to) assign, transfer, charge or otherwise deal with all or any of its rights under the MOU nor grant, declare, create or dispose of any right or interest in it without the prior written consent of the other parties.

The other terms of the MOU are customary for transaction of such nature.

5. **INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS**

None of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the MOU, save through their respective shareholdings in the Company (if any).

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6. FURTHER ANNOUNCEMENT

The Company will make further announcements upon the execution of the Definitive Agreement and/or when there are material developments in respect of the Proposed Acquisition.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer

1 October 2018

*This announcement has been prepared by the Company, and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**") for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("**SGX-ST**").*

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 Tay Sim Yee, at 1 Robinson Road #21-00 Singapore 048542, telephone (65) 6232-3210.
