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**APPLICATION FOR (I) FURTHER EXTENSION OF TIME TO SUBMIT THE GROUP'S RESUMPTION OF TRADING PROPOSAL; AND (II) FURTHER EXTENSION OF TIME IN RELATION TO RULE 704(7) OF THE CATALIST RULES**

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*Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcements dated 5 July 2018, 10 August 2018, 27 August 2018 and 31 October 2018.*

The board of directors (the "**Board**" or "**Directors**") of Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), refers to its announcement dated 31 October 2018, in which it was announced that the Company through its sponsor had, on 5 October 2018 submitted an application for (i) a further 6-month extension of time to 28 March 2019 to submit its resumption of trading proposal; ("**Further Resumption Proposal Extension**") and (ii) a further 6-month extension to 28 March 2019 to fill the vacancy in its Audit and Risk Management Committee ("**Further ARMC Extension**").

## **1. GRANT OF EXTENSION OF TIME ("WAIVER")**

The Company wishes to announce that SGX-ST has, on 9 November 2018, informed the Company that based on the information provided, SGX-ST, has no objection to granting the Company the following:

- b. a 6-month extension till 28 March 2019 to submit a resumption proposal; and
- c. a 6-month extension till 28 March 2019 to fill the vacancy in the Audit and Risk Management Committee.

The Waiver is subject to:

- a. the Company announcing the Waiver granted, disclosing the reasons for seeking the Waiver, the conditions as required under Catalist Listing Rule 106 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- b. providing regular updates to SGX-ST and the investors via SGXNET on the Company's progress in meeting key milestones for the purposes of the resumption proposal submission to SGX-ST in relation to the proposed acquisition of ChongQing HuangYang Property Development Limited (the "**Proposed Acquisition**"); and
- c. the time extension shall apply only towards the Proposed Acquisition undertaken by the Company. In the event the Proposed Acquisition is terminated the time extension will automatically lapse and the Company will be delisted.

## **2. REASONS FOR FURTHER RESUMPTION PROPOSAL EXTENSION**

The reasons for the Further Resumption Proposal Extension are as follows:

### **2.1 Company's strong commitment to restructure the Company**

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Since the suspension of trading on 29 June 2017, the Company has taken a number of concrete steps to restructure and turn around the Company. These steps include *inter alia*:

- a. the appointment of the current independent directors who have extensive experience in restructuring to guide the Company through this critical period;
- b. dealing with the aftermath from the loss of control of its principal subsidiary, PT Rinjani Kartanegara (“**Rinjani**”) (which includes without limitation the bankruptcy proceedings of Rinjani, the negotiations with the curators to allow for the audit of Rinjani and the subsequent deconsolidation of Rinjani from the Group’s financial statements, completion of the audit for the financial year ended 31 December 2017 (“**FY2017**”) and the preparation of the annual report and holding of the FY2017 annual general meeting (“**FY2017 AGM**”));
- c. addressing the urgent and pressing needs of stabilizing the Company and the Group by generating cashflow for the Group through its remaining assets, i.e. the coal hauling assets (including without limitation the implementation of measures to resolve operational issues and improve operational efficiency of PT Energy Indonesia Resources);and
- d. The directors and Management of the Company voluntarily agreeing not to take any fees or remuneration or take a nominal salary as an interim measure to conserve cash for the Company.

Further, in spite of the above circumstances the Company was committed and has complied with the tight deadlines imposed on them, including, *inter alia*:

- i. announcement of the Group’s unaudited financial statements for the third quarter ended 30 September 2017 by 15 December 2017;
- ii. announcement of the Group’s unaudited financial statements for FY2017 by 7 June 2018;
- iii. announcement of the Group’s unaudited financial statements for the first quarter ended 31 March 2018 by 31 July 2018; and
- iv. holding of the Company’s FY2017 AGM by 30 September 2018.

### 2.2 Good progress in addressing the issues in respect of the Resumption Proposal

In addition to the matters mentioned in paragraph 2.1 above, the Management and Directors had made good progress and delivered tangible milestones to address concerns from the SGX-ST, in particular the submission of a Resumption Proposal addressing both the financial and business viability issues faced by the Company and be supported by relevant binding agreements. Notwithstanding that the Company was unable to meet the 28 September 2018 deadline granted by the SGX-ST, the efforts made by the Company is evident in:

- a. the securing of additional funds for the Company by the entry into an investment agreement with Mr Ang Liang Kim, a substantial shareholder of the Company as



announced on 6 August 2018 whereby Mr Ang Liang Kim has committed not less than S\$4 million by way of convertible loan and rights issue ("**Investment Agreement**"); and

- b. the entry into a binding memorandum of understanding ("**MOU**") as announced on 1 October 2018 in relation to a proposed acquisition of 100% equity interest in ChongQing HuangYang Property Development Limited ("**ChongQing**").

The Management and Board had met various potential investors since January to pursue a viable business for the Company. These includes inter alia, businesses/assets in mining in Indonesia, assets relating to the China one belt one road project as well as other opportunities. The independent directors also flew to Jakarta to meet with some of these investors for this purpose.

The Company was handicapped in its initial stage of the pursuit of a viable business even in the event that such opportunity arose as (i) it did not have access to the funds required to conduct the necessary due diligence and the potential investors will generally not provide financing to facilitate this process and (ii) it was in a disadvantaged position to negotiate given its own poor financial position. The entry of the Investment Agreement addressed this financial issue and accordingly widens the opportunities and also improved the Company's negotiating position.

The Board after prudently deliberating the various opportunities, considered the ChongQing proposal which was received in early September 2018 to be most advantageous to the Company due to the following (in the event that the transaction contemplated in the MOU is consummated):

- a. provides a stable income stream to the Company in the form of property management which is scalable with little capex requirement;
- b. provides additional funds of some S\$20 million (as represented to the Company by the vendor of ChongQing, which is subject to due diligence and professional valuation by the Company) upon the sale of the property units with a commercial area of 2,332 square metres and 293 parking lots which is included in the acquisition. These property units and parking lots are located in a fully developed high end residential project in Chong Qing province in China, which is one of the China's four National Development zones and is also the gateway to Western China. The Company is advised that these property units and parking lots are all completed and ready for sale, thereby eliminating the usual risks associated with properties in construction or vacant plots of land area waiting to be developed; and
- c. additional opportunities for the Company to participate in the property development and/or property management sector in China with the availability of funding from the above as well the transactions contemplated in the Investment Agreement.

As a result of the various steps taken and various matters to address as set out in paragraph 2 above, the Company did not have the requisite manpower and time to conduct a full scope of due diligence on ChongQing before 28 September 2018.



### **3. REASONS FOR FURTHER ARMC EXTENSION**

The reasons for the Further ARMC Extension some of which are a repeat of those noted in the Company's previous ARMC extension approval announcement dated 27 August 2018 are as follows:

- 3.1 Trading in the shares of the Company have been suspended since 28 June 2017 as the Board was of the view that the Company could not continue as a going concern nor could the Group's financial position be reasonably assessed due mainly to the Group's main operating subsidiary, PT Rinjani Kartanegara ("**Rinjani**") having forecasted negative results for the 3-month period ended 30 June 2017. The negative results forecast resulted from the above average rainfall and related dewatering issues as well as cessation of waste mining operations and consequently cessation of coal production from Rinjani's mine site as Rinjani had failed to settle outstanding debts owed to its waste mining contractor. Since the trading suspension, Rinjani was declared bankrupt as of 9 October 2017 and the board of directors of Rinjani and the Company no longer have control over Rinjani.
- 3.2 The remaining active subsidiary of the Group is PT Energy Indonesia Resources ("**EIR**") which carries out coal hauling activities. EIR had entered into a coal hauling service agreement with PT Coalindo Adhi Nusantara ("**CAN**") and recommenced coal hauling operations in October 2017. However, the average quantity of coal hauled is significantly less than the 100,000 tonnes per month as stipulated under the agreement with CAN due to ongoing heavy rainfall, poor condition of the coal hauling road and operational disruptions experienced by CAN.
- 3.3 As a result of the Rinjani situation (including without limitation the loss of control of Rinjani), the Group has been operating under severe cashflow constraints as there was no operating cashflow for the period from July to October 2017. The severe underperformance of the coal hauling agreement with CAN as noted above has added more uncertainty to the cash flows that can be generated by the Group.
- 3.4 Given the current cashflow constraints, the Directors and Management of the Company have been focusing its efforts on generating revenue and rebuilding the Group's business, as well as continuing to evaluate various options (including but not limited to obtaining financial support from the current shareholders and introduction of new investors to the Company). Further, as previously announced in the announcement dated 6 April 2018, as an interim measure to the Group's financial position, the independent directors, the executive chairman cum chief executive officer, the chief operating officer and the chief financial officer have all agreed not to take any fees or remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation. Hence, it would be challenging for the Group to attract suitable candidates to act as an additional independent director on the same basis.

Although the Company had, on 6 August 2018, announced the entry of an investment agreement whereby the investor, Mr Ang Liang Kim (currently a substantial shareholder of the Company), has committed not less than S\$4 million of investment in the Company by way of a convertible loan (of up to S\$2 million) and rights issue, these funds are for the purpose of general working capital (excluding salary and fees of Management and Directors) and where necessary, capital expenditures (including but not limited to potential business opportunities). As such, the Management and Directors will continue,

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as an interim measure, not to take any fees or remuneration or to take only nominal salaries. The difficulties in attracting suitable candidates to be appointed to the Board, Board Committees and in particular, the ARMC therefore still remain and the Board believes that the Company will be in a better position to attract suitable candidates after it submits a resumption proposal that is agreeable to by SGX-ST for a viable business and/or injection of cash generating assets. In this regard, the Company is seeking for a further extension of time till 28 March 2019.

3.5 Further, in view of the pending reverse takeover of the Company arising from the acquisition of ChongQing, it is envisaged that the Board will be reconstituted upon the consummation of the transactions contemplated in the MOU. This adds more complexity to the appointment of the third member to the ARMC.

3.6 Notwithstanding the absence of a third member, the ARMC of the Company is able to function effectively and as such we submit this Further ARMC Extension Application.

#### 4. CONFIRMATIONS BY THE COMPANY

The Company confirms that the Waiver granted does not contravene any laws and regulations governing the Company and the constitution of the Company (or equivalent in the Company's country of incorporation). The Company will make an immediate disclosure via SGXNET if such contravention arises.

BY ORDER OF THE BOARD

Agus Sugiono  
Executive Chairman and Chief Executive Officer  
12 November 2018

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*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 (the "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 AIA Tower, Singapore 048542, telephone (65) 6232 3210.*

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