



---

## **UPDATE PURSUANT TO RULE 704(22) OF THE CATALIST RULES**

---

*Unless otherwise defined herein, capitalised terms have the same meanings as defined in the Company's announcements dated, inter alia, 28 June 2017, 25 July 2017, 8 August 2017, 12 August 2017, 15 August 2017, 30 August 2017, 6 October 2017, 9 October 2017, 7 November 2017, 13 November 2017, 15 December 2017 and 29 December 2017 (collectively, the "Previous Announcements").*

The board of directors (the "**Board**" or "**Directors**") of Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), refers to the Previous Announcements and wishes to provide the following update pursuant to Catalist Rule 704(22).

### **(A) PT Rinjani Kartanegara ("Rinjani") – Bankruptcy proceedings**

In accordance with the bankruptcy proceedings, the Group:

- lodged all required paperwork in compliance with the creditor verification process by the lodgment deadline of 9 November 2017, and
- attended the 23 November 2017 creditor verification meeting at the Commercial Court Jakarta, at which the Group formerly reconfirmed all amounts owed to it by Rinjani<sup>i</sup>.

Based on our understanding, there is no set time frame for completion of the bankruptcy process. The remaining key steps to the process are:

1. Complete the verification of outstanding creditor claims
2. To determine any possible recommencement of Rinjani's operations<sup>ii</sup> and/or realization of its assets
3. Distributions to creditors and/or shareholders (where applicable)
4. Conclusion of the bankruptcy process

Distributions to creditors and/or shareholders (if any) may be partial during the bankruptcy process or as one lump sum towards the end of the process.

As set out above, the bankruptcy process is in its early stage. The Group continues to monitor the bankruptcy process and will update the shareholders should the Group be aware of any significant development in respect of the bankruptcy proceedings of Rinjani.

### **(B) State of negotiations between the Company and its principal bankers or trustee**

The Company currently has no credit lines or facilities with its bankers or trustee.

### **(C) Litigation**

The Company has not been and is not a party in any legal proceedings.

**RESOURCES PRIMA GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198602949M)



As previously announced, with effect from 9 October 2017, all litigation matters and decisions with respect to the legal proceedings against Rinjani will be handled by the curators appointed by the Commercial Court Jakarta.

**(D) Group's future direction and other material developments that may have a significant impact on the Group's financial situation**Ongoing Operations:

As previously announced, EIR recommenced coal hauling operations in October 2017, prior to the contracted start date of 1 November 2017, under a coal hauling service agreement with PT Coalindo Adhi Nusantara ("**CAN**"). Commencement of coal hauling operations prior to the contracted start date was at the request of CAN.

For the months of November and December 2017, EIR's coal hauling activities under the coal hauling service agreement with CAN have been adversely affected by:

1. the ongoing heavy rainfall in the months November and December 2017 which resulted in a substantial decrease in the quantities of coal obtained from CAN's operations; and
2. the poor condition of the coal hauling road, as it is not an "all-weather" road and therefore easily damaged, resulting in lesser trips made by EIR's trucks during the wet season which led to a less than expected amount of coal being hauled in November and December 2017.

As a result of the above, substantially lower coal quantities were hauled by EIR compared to the initial expectations. The actual coal hauled by EIR for the 2 months averaged approximately 33,000 tonnes per month instead of the 100,000 tonnes per month as set out in the Company's announcement dated 6 October 2017. Accordingly, EIR has generated marginal net positive cashflows from operations for this period of 2 months.

Management, in consultation with the Board, has taken/will undertake the following steps to address the situation set out above, including *inter alia* how to generate a sustainable level of operations and improve future cashflows and profitability of EIR:

1. Renegotiated with CAN on the rates for the coal hauling services;
2. Identified the operational issues faced by EIR and discussed these operational issues with CAN with a view to improve the efficiency of the operations;
3. Reviewed EIR's cost structure and implement measures to control the cost involved in providing the coal hauling services to CAN;

Even with the steps taken above, there is no assurance that such efforts will result in a positive outcome for EIR's operations and/or for EIR to contribute significantly to the cashflow of the Group. Accordingly, the Board has also instructed the Management to explore options and alternatives for EIR (including but not limited to the winding up of EIR).

The results of EIR's recommenced coal hauling operations will be disclosed as continuing operations in the results announcement for the full year and fourth quarter ended 31 December 2017.

Cashflow analysis:

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

## RESOURCES PRIMA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198602949M)



hauling agreement with CAN as set out above has added more uncertainty to the cash flows that can be generated by the Group. The Board also announced on 28 June 2017 that the Board is of the view that the Company is currently unable to demonstrate that it is able to continue as a going concern or reasonably assess its financial position.

Based on currently available information, the Board and Management note that the Group will face a liquidity issue in the immediate future (next 6 months) unless the Group undertakes corporate and fund-raising exercises. This conclusion is subject to *inter alia* the following:

1. No distribution from Rinjani during the financial year ending 31 December 2018;
2. No financial support obtained from current shareholders of the Company;
3. No new funds raised;
4. No positive outcome for EIR's operations and/or for EIR to contribute significantly to the cashflow of the Group; and
5. No unusual or unforeseen expenses incurred relating to/or including without limitation those associated with Rinjani's litigation, arbitration, taxation and bankruptcy.

The Board and Management is currently evaluating various options (including but not limited to obtaining financial support from current shareholders, introduction of new investors to the Company), and will bear in mind the best interest of stakeholders of the Company and will provide update to the shareholders where there is significant development in this aspect.

### (E) Board and Board Committee Changes

As previously announced 29 December 2017, a number of changes have been made to the Company's Board and Board Committees as set out below:

- resignation of Mr Russell Kelly Joseph as Independent Director of the Group with effect from 31 December 2017 and as Chairman of the Nominating Committee ("NC") and a member of the Audit and Risk Management Committee ("ARMC") as well as the Remuneration Committee ("RC").
- appointment of Mr Khoo Song Koon and Mr Chow Wai San as Independent Directors of the Company with Mr Khoo Song Koon being appointed as a member of the RC and the NC while Mr Chow Wai San being appointed as a member of the ARMC, and
- re-designation of Mr Low Yew Shen from Non-Executive Director to Independent Director and as Chairman of the Nominating Committee.

### (F) Trading Resumption

The Board and Management are concurrently working towards submitting a trading resumption proposal to the SGX before June 2018 and in this respect, please refer to Note (D) above for details;

The Company will update shareholders via SGXNET on a monthly basis or when there are material developments in respect of any matters concerning the Group pursuant to Rule 704(22) of the Catalist Rules

The Board is of the opinion that all material disclosures have been provided by the Company.

**RESOURCES PRIMA GROUP LIMITED**

(Incorporated in the Republic of Singapore)  
(Company Registration No. 198602949M)



BY ORDER OF THE BOARD

Agus Sugiono  
Executive Chairman and Chief Executive Officer  
22 January 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 (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, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.*

---

---

<sup>i</sup> *The total amounts owed to the Group by Rinjani amounted to approximately Rp325.8 billion equivalent to approximately US\$24.1 million]*

<sup>ii</sup> *Any recommencement of Rinjani's operations is solely under the discretion and control of the curators responsible for administering the bankruptcy estate and a supervisory judge to supervise the bankruptcy process.*