



APPLICATION FOR (I) SUBSEQUENT FURTHER EXTENSION OF TIME TO SUBMIT THE GROUP'S RESUMPTION OF TRADING PROPOSAL; (II) SUBSEQUENT FURTHER EXTENSION OF TIME IN RELATION TO RULE 704(7) OF THE CATALIST RULES; AND (III) EXTENSION OF TIME TO HOLD THE COMPANY'S ANNUAL GENERAL MEETING IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2018

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcements dated 12 November 2018, 28 March 2019, 31 March 2019 and 18 April 2019.

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 28 March 2019, in which it was announced that the Company will be writing, through its sponsor, to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to seek a further 6 months of extension of time for the Company to (i) submit its resumption of trading proposal; (ii) to fill the vacancy in its Audit and Risk Management Committee ("**ARMC**"); and (iii) to hold the Company's annual general meeting ("**AGM**") for the financial year ended 31 December 2018 ("**FY2018**") (the "**Extensions**"). The Company had through its sponsor, SAC Capital Private Limited ("**Sponsor**") made the relevant submission on 4 April 2019.

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

The Company wishes to announce that SGX-ST has, on 26 April 2019, through its Sponsor, informed the Company that based on the information provided, SGX-ST, has no objection to granting the Company the following:

- a. a further 6-month extension till 28 September 2019 to submit a resumption proposal ("**Subsequent Further Resumption Proposal Extension**");
- b. a further 6-month extension till 28 September 2019 to fill the vacancy in the ARMC ("**Subsequent Further ARMC Extension**"); and
- c. a 2-month extension till 30 June 2019 to hold the Company's AGM in respect of FY2018 ("**AGM Extension**").

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; and
- c. the Company convening the annual general meeting by 30 June 2019.

With regards to the extension of time for the submission of a resumption proposal, the resumption proposal should address both financial and business viability issues with the view to resume trading. If the negotiations with the potential RTO (as defined below) targets, including but not limited to PT Prima Dharma Karsa ("**PT Prima**") fail to materialise into a definitive agreement by the extended deadline of 28 September 2019, the Company will be delisted.



2. REASONS FOR SUBSEQUENT FURTHER RESUMPTION PROPOSAL EXTENSION

A recap on the reasons for further resumption proposal extension in the Company's 12 November 2018 announcement are set out below in paragraphs 2.1 to 2.4:

2.1. Company's strong commitment to restructure the Company

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**");
- 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; 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.

2.2. Company complied with deadlines imposed

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

- a. announcement of the Group's unaudited financial statements for the third quarter ended 30 September 2017 by 15 December 2017;
- b. announcement of the Group's unaudited financial statements for FY2017 by 7 June 2018;
- c. announcement of the Group's unaudited financial statements for the first quarter ended 31 March 2018 by 31 July 2018;
- d. holding of the Company's FY2017 AGM by 30 September 2018.

2.3. Additional funding for the Company through an investment agreement with a substantial shareholder

The securing of additional funds for the Company by the entry into an investment agreement with Mr Ang Liang Kim ("**Mr Ang**"), a substantial shareholder of the Company as announced on 6 August 2018 whereby Mr Ang has committed not less than S\$4 million by way of convertible loan and rights issue ("**Investment Agreement**"). The entry of the Investment Agreement addressed the immediate financial issue and accordingly widened the opportunities and also improved the Company's negotiating position announced on 6 August 2018 and 28 September 2018.

Further, a first drawdown from the Investment Agreement was made in January 2019 to meet the minimum working capital requirements of the Company as well as to cover the necessary expenditures as the Independent Directors pursue businesses/assets in mining or related



businesses in Indonesia, assets relating to the China's Belt and Road Initiative as well as other opportunities.

2.4. Binding memorandum of ("MOU") in relation to the proposed acquisition of ChongQing Huang Yang Property Development Limited ("ChongQing")

The entry into a binding MOU with Hing Chung Group (International) Limited ("**Vendor**") as announced on 1 October 2018 in relation to a proposed acquisition of 100% equity interest in ChongQing. As disclosed in the aforementioned announcement, ChongQing and the Company shall negotiate in good faith and use all reasonable endeavours to finalise and enter into a 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, failing which the MOU will lapse and terminate. The period of 3 months from the date of MOU (i.e. 29 September 2018) has lapsed and further details on the said transaction will be announced in due course.

2.5. Other alternatives to provide sustainable financial and business viability for the Company

The Directors, Management and stakeholders of the Company relentlessly continue to look out for and evaluate other potential deals that will generate revenue and provide a viable business for the Group while the Group continues to work on other potential reserve takeover ("**RTO**") targets and eventually a resumption of trading. As announced by the Company on 31 March 2019, the following transactions were executed by the Company. These are as set out below:

- a. an investment agreement between the Company and one investor Perman Yadi ("**Yadi**") ("**Investment Agreement II**"); and
- b. a joint operations agreement between the Company and PT Prima ("**PT Prima JOA**")

2.5.1. Investment Agreement II

The Company and Yadi have executed the Investment Agreement II as announced by the Company on 31 March 2019. The Investment Agreement II comprises a loan for USD2 million by way of convertible loan. The purposes of the convertible loan extended to the Company are mainly for business operations and projects undertaken by the Company with the Investor's express approval. Please refer to the Company's announcement dated 31 March 2019 for more details.

2.5.2. PT Prima JOA

As announced by the Company on 31 March 2019, the Company entered into a joint operating agreement with PT Prima to provide, *inter alia*, transportation for the nickel, supervision of mining operations and provision of mining equipment and services. In return for these services, PT Prima shall pay a royalty for each tonne of nickel sold by PT Prima from the mining areas. The Company is currently working to implement the PT Prima JOA and is in the midst of, *inter alia*, appointing the relevant personnel and making the necessary logistic arrangements. Please refer to the Company's announcement dated 31 March 2019 for more details.

2.5.3. Other potential JOA

The Company is currently in advanced discussions with a group of potential joint operation partners to enter into a joint operation agreement similar to the PT Prima JOA, i.e. the Company providing certain support services in return for a royalty. The Company will make

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further announcements to update its shareholders in due course should the discussions materialise into a definitive agreement.

2.5.4. Other potential RTO targets

The possibility of a RTO with either PT Prima or the group of potential joint operation partners have been discussed between the Company and the respective parties. These parties have expressed interest in exploring a RTO. In addition to the above 2 RTO possibilities, the Directors, Management and stakeholders of the Company are continuing to explore RTO with other companies.

2.6. Company's continual commitment to restructure the Company

2.6.1. Follow up on dispute on coal hauling service agreement between PT Energy Indonesia Resources ("EIR") and PT Coalindo Adhi Nusantara ("CAN")

- a. The Group appointed Indonesian Legal Counsel, Yang & Co ("Y&C") on 18 January 2019 to provide a legal opinion with respect to the dispute on coal hauling service agreement between EIR and CAN. Following the legal opinion issued on 4 March 2019, the Board has instructed EIR to take the necessary actions to protect and enforce its rights under the contract with CAN, including without limitation, invoicing CAN for the shortfall in the coal hauled by EIR for the 15-month period commencing 1 November 2017 to 31 January 2019 due to CAN's failure to provide a minimum of 100,000 tonnes per month to EIR ("**Shortfall**"). EIR's preliminary estimate of the amount due to Shortfall is about US\$2 million. The invoice for the Shortfall has been issued by EIR on 18 March 2019.
- b. The discussions with CAN including *inter alia* possible recourse resulting from the ongoing disruptions continues while CAN continues to make partial and intermittent payment to EIR. The various claims/outstanding receivables due from CAN as announced by the Company on 18 April 2019, approximately Rp.2.17 billion (approximately USD 149,381 based on an exchange rate of US\$1.00 equivalent to Rupiah14,500), excluding the Shortfall claim stated above.
- c. These actions to be taken by EIR to enforce its rights stated above may require further draw down from the Investment Agreement with Mr Ang. As such, the continued survivability of the Company would enhance its chances and enable it to pursue these actions to safeguard the interests of the Group and shareholders.

2.6.2. Appointment of new Chief Financial Officer ("CFO")

With the departure of the former CFO on 30 November 2018, the Company was on a pressing lookout for a suitable candidate as the Company believes this is a key role that needs to be filled and replaced quickly. On 11 February 2019, Mr Thng Tien Lung, who possesses the requisite experiences and capabilities, was appointed to assume as new CFO for the Group.

2.6.3. Appointment of Internal Auditor

Notwithstanding that the decision by the then Board and/or Audit Committee to suspend the internal audit review following the loss of control of Rinjani, the current Board is mindful of the recent changes to the Catalyst Rules, in particular Rule 719(3). Accordingly, to continue to strengthen the corporate governance in the Group, the Company has appointed BDO LLP as the Internal Auditor for the Group. The Internal Auditor will commence their work shortly,



subject to the approval of the Subsequent Further Resumption Proposal Extension approval and any RTO that the Company may undertake.

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 and 12 November 2019 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 former CFO 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, excluding the new CFO Mr Thng Tien Lung, will continue, 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

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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 September 2019.

3.5 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. REASONS FOR AGM EXTENSION

4.1. Subsequent to the Company's announcement of its unaudited financial results for financial year ended 31 December 2018 on 1 March 2019, the Company has been focusing on the negotiation of the Investment Agreement II and the PT Prima JOA, the discussions with the potential JO partner as well as exploring RTO with the relevant parties. The Company is also working on the implementation of in particular the PT Prima JOA, whose success is critical to the survival and business viability of the Group. As such, the Company has to prioritise the use of its limited resources and management time accordingly. With the signing of the Investment Agreement II and the PT Prima JOA on 31 March 2019, the Company believes that more management time can now be deployed to complete the annual report and proceed with the AGM; and

4.2. The Company has, through its Sponsor applied to SGX-ST for the Further Extensions which include inter alia the Subsequent Further Resumption Proposal Extension. Efforts are also deployed to address this matter by the management. Given the limited resources of the Group, the Company considers it more prudent use of its resources to hold the AGM subsequent to the approval of the Further Resumption Proposal Extension.

5. CONFIRMATIONS BY THE COMPANY

The Company confirms that the Waiver granted does not contravene any laws and regulations governing the Company, subject to the Company's application to and the approval by the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") in respect of the AGM extension pursuant to Section 201 of the Companies' Act, Chapter 50 and the constitution of the Company (or equivalent in the Company's country of incorporation). The Company will be making the application to ACRA shortly in this regard and will update shareholders on the status of its application in due course. 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
29 April 2019

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.

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