



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, 13 September 2018, 31 October 2018, 12 November 2018, 14 November 2018, 30 November 2018, 31 December 2018, 7 February 2019, 1 March 2019, 18 April 2019 and 16 May 2019 (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. Group's future direction and other material developments that may have a significant impact on the Group's financial situation

1. Termination of Operations: PT Energy Indonesia Resources

The Company had on 15 May 2019, announced that it received a letter of termination ("**Termination Letter**") from PT Coalindo Adhi Nusantara ("**CAN**") terminating the coal hauling service agreement.

i. Dispute on coal hauling service agreement between EIR and CAN

As disclosed in the Previous Announcements, EIR had sought for professional advice from its Indonesian legal counsel to take action to protect and enforce its rights under the coal hauling contract with CAN ("**Contract**") including but not limited to monthly shortfalls of coal hauled arising from CAN's failure to provide a minimum of 100,000 tonnes per month to EIR.

Upon obtaining the legal advice from the Indonesian legal counsel, EIR proceeded to, on 18 March 2019, invoice 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 Claim**") amounting to about USD2 million. As required under Indonesian Laws prior to the commencement of any legal proceedings, EIR subsequently sent three Notification letters dated 26 April 2019, 10 May 2019 and 17 May 2019 to CAN for the Shortfall Claim of about USD2 million, the Rise & Fall (i.e. part of the pricing formula for the coal hauling services) for the period from September 2018 to February 2019 of USD35,089 and the Overpayment Claim of USD30,769. On 22 May 2019, EIR invoiced CAN for the Shortfall Claim for the months February 2019 to April 2019 ("**Subsequent Shortfall Claim**") amounting to about USD0.6 million and followed up with a Notification letter dated 24 June 2019 to CAN for this Subsequent Shortfall Claim, the Rise & Fall for the period from March 2019 to April 2019 of USD7,408 and the Standby claim of USD 8,645.

On 10 April 2019, EIR received a formal letter from CAN stating that its invoice for the Shortfall Claim has been received and is currently being reviewed by the legal department of CAN and CAN will commit to pay the outstanding owing to EIR. The formal letter from CAN did not state what is the amount payable to EIR that CAN has committed nor when payment will be made. CAN had not been as cooperative and EIR faced tense situation since the Shortfall Claim invoice was sent to CAN. The coal haulage for the months in operation, February 2019, March 2019 and April 2019 was low due to, *inter alia*, lesser coal being made available by CAN to EIR for hauling.

The above events, including, *inter alia*, various disruptions by CAN made in the Previous Announcements are significant events leading to EIR receiving the Termination Letter from CAN.

ii. Advice from Indonesian Legal counsel on the Termination Letter

The Termination Letter was sent to our Indonesian legal counsel on 15 May 2019 for preliminary advice. On 17 May 2019, the Board was advised that CAN has breached the Contract by its refusal to meet EIR's demand to pay all its invoices by claiming that EIR's fleet does not meet the age requirement. Our Indonesian legal counsel has also confirmed that there is also no requirement stated in the Contract for the fleet to be of certain age. In the Termination Letter, CAN disputed our Shortfall Claims and terminated the Contract on the basis that our fleet of coal hauling trucks being more than 5 years old on average does not meet the age requirement for operations.

EIR had on 24 May 2019, sent a response letter to CAN ("**Response Letter**"), rejecting the basis of the termination of the Contract as set out in the Termination Letter and claim breach of the Contract arising from CAN's failure to pay the outstanding invoices due to EIR. EIR also demands CAN to immediately pay the outstanding invoices to EIR in order to avoid further legal action in the Response Letter.

iii. Alternative coal hauling contracts

EIR's delivery trucks, all of which were, up to the time of receiving the Termination Letter, contracted solely for the Contract. Hence, exploratory discussions with any other potential parties for coal hauling was subject to the expansion of EIR's fleet of delivery vehicles and/or the termination of the Contract by either CAN or EIR.

The Company will continue to update shareholders via SGXNET in respect of the above and other matters concerning the Group through its monthly update pursuant to Rule 704(22) of the Catalist Rules.

2. Ongoing Operations: RPG Logistics Pte Ltd's ("**RPG Logistics**") Joint Operation Agreement with PT Prima Dharma Karsa ("**PT Prima**")

The Company incorporated RPG Logistics, a wholly-owned subsidiary company on 25 March 2019 for the purposes of provision of logistical support and supervision of operations in respect of mining activities.

On 31 March 2019, the Company announced that the Company's wholly-owned subsidiary RPG Logistics had entered into a joint operation agreement (the "**JOA**") with PT Prima, a company incorporated in Indonesia to provide logistical support to PT Prima, including but not limited to the transportation of nickel to a loading port, the supervision of mining operations as well as provision of mining equipment and mining services to PT Prima in relation to a mining area.

Subsequent to the signing of the PT Prima JOA, work has been done to implement the PT Prima JOA. This includes *inter alia* rental of 15 excavators and 20 dump trucks and chartering of two barges and, necessary logistical and administrative arrangements with the local authority were made. The first shipment of the Nickel ores commenced on 30 May 2019. On its maiden trip, 5,500 metric tonnes of nickel ores have been shipped, subject to verification and confirmation from PT. Indonesia Guang Ching Nickel and Stainless Steel Industry (“**PTIGCN**”).

The Company will continue to update shareholders via SGXNET in respect of the above matters on any material development in the Company’s monthly update

3. Cashflow analysis and resumption of trading:

- i. 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 set out above added more uncertainty to the cashflows 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 its ability to continue as a going concern or reasonably assess its financial position. As such the Board recommended that in the best interests of the Company, the trading halt of the Company’s shares be converted to a trading suspension of the shares with immediate effect. Since 29 June 2017, the Board and Management have been concurrently working towards submitting a trading resumption proposal to the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) on or before 28 June 2018.

On 5 July 2018, the Company announced that it was informed by the SGX-ST that, having considered the financial position of the Company, SGX-ST, is of the view that a time extension will be in the interest of shareholders and in this regard SGX-ST has agreed to grant the Company a 3-month extension till 28 September 2018 for the Company to submit its resumption proposal.

The Company was subsequently granted a further 6-month extension to 28 March 2019 submit its resumption proposal. On 28 March 2019, the Company announced that it will be submitting a further 6-month extension of time till 28 September 2019 to submit its resumption proposal (“**Further RTP EOT**”). The Company had through its Sponsor, SAC Capital Pte Ltd made the relevant submission on 4 April 2019.

On 29 April 2019, the Company announced that SGX-ST has, on 26 April 2019, through the Company’s Sponsor, informed the Company that based on the information provided, SGX-ST has no objection to granting the Company Further RTP EOT till 28 September 2019.

- ii. Having regard of the deadline imposed by the SGX-ST, the Company announced on 6 August 2018, the entry of an investment agreement with Mr Ang Liang Kim (“**Investor**”) (“**Ang Investment Agreement**”), a substantial shareholder of the Company. The Investor has, pursuant to the Ang Investment Agreement, 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 a 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, and as announced on 6 April 2018, the Management and Directors will continue, as an interim measure, not to take any fees or remuneration or to take only nominal salaries until there is more clarity on the Group’s cashflow situation. The first drawdown of funds notice under the convertible loan of S\$250,000

was issued on 10 December 2018 with funds amounting to S\$246,495.88 being subsequently received by the Company in January 2019 for working capital purposes in compliance with the terms of the Investment Agreement. The second drawdown of funds notice was issued for working capital purposes on 23 May 2019 and subsequently funds amounting to S\$248,464 was received in May 2019.

The Company will be holding a general meeting to seek shareholders' approval for the convertible loan in due course.

- iii. On 1 October 2018, the Company announced entering into a binding memorandum of understanding (“**MOU**”) with Hing Chung Group (International) Limited in relation to a proposed acquisition of 100% equity interest in ChongQing HuangYang Property Development Limited. As announced by the Company on 3 May 2019, the MOU has lapsed and terminated in accordance with the MOU. Please refer to the Company's announcement dated 3 May 2019 for more details.

The termination of the MOU will not have any material impact on the earnings per share and net tangible assets per share of the Group for the current financial year ending 31 December 2019.

- iv. On 31 March 2019, the Company announced that it has entered into an investment agreement with Mr Perman Yadi (“**Mr Yadi**”) (“**Yadi Investment Agreement**”). Pursuant to the Yadi Investment Agreement, Mr Yadi will grant the Company a convertible loan with a principal of US\$2 million. The purposes of the convertible loan are extended to the Company for, *inter alia* 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 details

- v. The Company, through its Sponsor has on 4 April 2019, made an application for (i) a subsequent further 6-month extension of time to 28 September 2019 to submit its resumption of trading proposal; (ii) a subsequent further 6-month extension to 28 March 2019 to fill the vacancy in its Audit and Risk Management Committee (the “**Extensions**”). On 29 April 2019, the Company announced that SGX-ST has, on 26 April 2019, through its Sponsor, informed the Company that based on the information provided, SGXST has no objection to granting the Company the following:
 1. a 6-month extension till 28 September 2019 to submit a resumption proposal;
 2. a 6-month extension till 28 September 2019 to fill the vacancy in the Audit and Risk Management Committee; and
 3. a 2-month extension till 30 June 2019 to hold the Company's annual general meeting in respect of financial year ended 31 December 2018.

The Company has announced on 29 April 2019 the waivers granted, the reasons for and the outcome of the Extensions to submit a resumption proposal.

B. Bankruptcy proceedings – PT Rinjani Kartanegara (“Rinjani”)

The Company had received a letter dated 10 June 2019 (the “**Letter**”) from the curators of Rinjani. Based on the Letter, the Company is informed that as part of their effort in assisting Rinjani to fulfill its obligations as a debtor, the curators are getting Rinjani to resume operations in coal mining activities in the near term with support from the mine contractor which has been appointed by the curators.

The Company has on 11 June 2019 sought professional advice from its Indonesian legal counsel, in particular, if the Letter from the curators is in accordance to Indonesian Bankruptcy Law. The Board was advised on 12 June 2019 that the curators may continue

the business of Rinjani, subject to approval from the Supervisory Judge. Depending on business consideration and subject to obtaining further legal advice, the Company reserves its rights as a creditor of Rinjani to take any action, if deemed necessary, to protect its interests in accordance to Indonesian Bankruptcy Law. The Company's Indonesian legal counsel have, in an enquiry letter dated 27 June 2019, requested for information from the Curators with regards to certain details, including, *inter alia*, the selection criteria for coal contractors, terms with the selected coal contractor and also the repayment arrangement between Rinjani and the coal contractor.

The Company will continue to update shareholders via SGXNET in respect of the above matters on any material development in the Company's monthly update pursuant to Catalyst Rule 704(22).

C. 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.

D. Litigation

The Company refers to its announcement dated 9 February 2018 and advises that the Group's subsidiary, PT Pilar Mas Utama Perkasa ("**Pilar Mas**"), received a notice dated 24 January 2018 from the State Court of West Jakarta, Indonesia (the "**Notice**") in relation to a statement of claim filed by a former shareholder of PT Rinjani Kartanegara ("**Rinjani**"), being Ruznie Oms., S.H. M.Hum ("**Ruznie**"). The statement of claim is filed against, Pilar Mas, Agus Sugiono, the Group's Executive Chairman and Chief Executive Officer ("**Defendant II**"), Rinjani ("**Defendant III**"), Nordiansyah Nasrie, the Group's Chief Operating Officer ("**Defendant IV**") and other third parties (collectively, the "**Defendants**").

The statement of claim against the Defendants, claims, *inter alia*, losses arising from events and transactions pertaining to the sale and purchase of Rinjani's shares from its original shareholders prior to the reverse takeover back in 2014, one of which being Ruznie. The amount being claimed of Rp665 billion (approximately US\$50 million), represents, amongst others, Ruznie's loss of rights from the sale of Rinjani's shares and loss of opportunity to profit from the sale of Rinjani coal.

Following a decision of the West Jakarta District Court to exclude Rinjani from the mediation process due to its bankruptcy and unwillingness to participate, the mediation process recommenced with the first mediation hearing on 3 July 2018. The mediation hearing was before a panel of 3 judges and included Ruznie, Pilar Mas, and Defendants II and IV amongst others.

At the 3 July 2018 mediation hearing, no agreement was reached between the parties and as such an initial hearing was set for 10 July 2018 during which Pilar Mas and Defendants II and IV submitted their response to Ruznie's statement of claim. Following a number of hearings, the latest of which was held on 11 December 2018 the panel of judges decided in favour of Pilar Mas and Defendants II and IV. The formal decision of the Court has been received and Ruznie has appealed against the decision to the higher court. No further actions are required by Pilar Mas, and Defendants II and IV while the higher court considers Ruznie's appeal. The Company will continue to defend its position and does not expect to incur any costs arising from the appeal process.

Other than as set out above, the Company has not been or is not a party in any other legal proceedings.

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.

E. Board and board committee changes

Further to the changes and appointments to the Company's Board and Board Committees noted in the Company's announcement dated 11 May 2018, the Company will still be unable to meet the minimum number of members under Catalist Rule 704(7) in respect of the Audit and Risk Management Committee ("**ARMC**").

Although the Company endeavoured to fill the vacant position within the 3 months from 13 February 2018, the Company makes reference to the announcement dated 6 April 2018, wherein it advised that due to the Group's financial position, the independent directors, the executive chairman cum chief executive officer, the executive director, the chief operating officer and the former 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 and an appointment of an additional independent director could potentially stretch the Group's financial resources.

Having regard to the above the Company refers to its announcements dated:

- 1 June 2018 wherein it was announced that SGX-ST had no objection to granting a 3-month extension till 10 August 2018 to appoint the additional (third) committee member of the ARMC, and
- 27 August 2018 wherein it was announced that based on the information provided by the Company, the SGX-ST has no objection to granting the Company a further 1.5-month extension, till 28 September 2018, to fill the vacancy in the ARMC.
- 12 November 2018 wherein it was announced that the SGX-ST has no objection to granting a 6-month extension till 28 March 2019 to fill the vacancy in the ARMC.
- 29 April 2019 wherein it was announced that the SGX-ST has no objection to granting a further 6-months extension to till 28 September 2019 to fill the vacancy in the ARMC.

The Company will continue to update shareholders via SGXNET when there are material developments in respect of any matters concerning the Group pursuant to Rule 704(7) of the Catalist Rules.

F. Application for extension of time ("EOT") to hold the Company's annual general meeting ("AGM") in respect of the financial year ended 31 December 2018 ("FY2018") and announced the Accounting and Corporate Regulatory Authority of Singapore ("ACRA") approval for the EOT to hold the Company's AGM for FY2018

On 29 April 2019, the Company announce that the SGX-ST had no objection to granting the Company a further EOT till 30 June 2018 to hold its annual general meeting in respect of FY2018.

On 4 June 2019, the Company received ACRA's letter dated 3 June 2019, granting the Company an extension of time to hold its AGM for FY2018 by 29 June 2019.

The Company's AGM for FY2018 will be held on 28 June 2019 and the annual reports have been despatched to shareholders.

G. Trading resumption

Please refer to item (A) above for details.

The Company will continue to update shareholders via SGXNET when there are material developments in respect of any matters concerning the Group pursuant to Rule 704(7) of the Catalist Rules.

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

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
28 June 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 Singapore Exchange Securities Trading Limited (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.
