Resources Prima Group Limited
(Company Registration No: 198602949M)

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Unaudited First Quarter Financial Statements for the Financial Period Ended 31 March 2016

INTRODUCTION

On 12 November 2014, Sky One Holdings Limited announced the completion of the reverse takeover ("**RTO**") pursuant to which its name was changed to Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**").

Upon completion of the RTO, the Group engages in the business of coal mining and the provision of coal mining facilities to third party mine owners. On 31 March 2015, the Company announced the acquisition of RPG Trading Pte. Ltd. with the intention of trading and marketing of coal.

On 2 September 2015, the Company announced the change of its financial year end from 31 March to 31 December. This change was effected to align the financial year of the Company with that of its Indonesian subsidiaries following completion of the RTO. With this change, the financial year of the Company will end on 31 December of each year.

For ease of reference, the following abbreviations are used in this announcement:

- "**1QFYE12/16**": The 3 months (first quarter) of the financial year ending 31 December 2016; and
- "**4QFYE03/15**": The 3 months (fourth quarter) of the financial year ended 31 March 2015.

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PART 1 – INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

1(a)(i) Income statement and statement of comprehensive income, or a statement of comprehensive income for the group together with a comparative statement for the – corresponding period of immediately preceding year

INCOME STATEMENT

	Group[1]			
	3 months 31.03.16 US$'000 (Unaudited)	3 months 31.03.15 US$'000 (Unaudited)	Inc/ (Dec) %	Ref
Revenue	**18,676**	**18,395**	**1.5**	**8.1.1**
Cost of goods sold	(14,340)	(12,860)	11.5	**8.1.2**
Gross profit	**4,336**	**5,535**	**(21.7)**	**8.1.3**
Other income	20	4,704	(99.6)	**8.1.4**
Selling and distribution expenses	(1,361)	(1,391)	(2.2)	
Administrative expenses	(979)	(460)	>100.0	**8.1.5**
Finance costs	(300)	518	N.M.	**8.1.6**
Other expenses	(797)	(2,452)	(67.5)	**8.1.7**
Profit before tax	**919**	**6,454**	**(85.8)**	
Tax expense	(277)	(624)	(55.6)	**8.1.8**
PROFIT FOR THE PERIOD	**642**	**5,830**	**(89.0)**	
PROFIT ATTRIBUTABLE TO				
- Equity holders of the Company	671	5,166	(87.0)	
- Non-controlling interests	(29)	664	N.M.	
	642	**5,830**	**(89.0)**	
Other comprehensive income				
Item that may not be reclassified subsequently to profit or loss				
Remeasurement of post-employment benefits, net of tax	-	(10)	N.M.	
Item that may be reclassified subsequently to profit or loss				
Currency translation differences arising on consolidation	567	(1,095)	N.M.	
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD	**1,209**	**4,725**	**(74.4)**	
TOTAL COMPREHENSIVE INCOMEATTRIBUTABLE TO				
- Equity holders of the Company	1,238	4,061	(69.5)	
- Non-controlling interests	(29)	664	N.M.	
	1,209	**4,725**	**(74.4)**	

N.M. – Not Meaningful

[1]The Group changed its financial year end from 31 March to 31 December in September 2015. The current financial year covers a period of 12 months from 1 January to 31 December 2016 whereas the previous financial period covered a period of 9 months from 1 April to 31 December 2015. For comparative purposes, the 1QFYE12/16 results are compared to 4QFYE03/15.

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1(a)(ii) Income before tax is stated after charging/(crediting) the following:-

	Group		
	3 months 31.03.16 US$'000	**3 months 31.03.15 US$'000**	**Inc/ (Dec) %**
Unrealised foreign currency exchange gain	(71)	(735)	(90.3)
Depreciation of property, plant and equipment	667	613	8.8
Amortisation of mining properties	733	508	44.3
Amortisation of intangible assets	10	10	-
Post-employment benefits	59	196	(69.9)
Provision for mine reclamation and rehabilitation	52	40	30.0
Operating lease expenses	437	584	(25.2)
Interest income	(7)	(7)	-
Interest expense	300	(518)	N.M.
Inventories written down	-	43	N.M.
Waiver of interest payable on convertible bonds	-	(1,504)	N.M.
Gain on waiver on amount due to Sky One Network (Holding) Ltd	-	(2,428)	N.M.

N.M. – Not Meaningful

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1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Ref	Company	
	As at 31.03.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)		As at 31.03.16 US$'000 (Unaudited)	As at 31.12.15 US$'000 (Audited)
Non-current assets					
Property, plant and equipment	23,366	23,727	**8.2.1**	-	-
Investments in subsidiaries	-	-	**8.2.2**	52,968	50,615
Intangible assets	200	210		-	-
Mining properties	5,372	5,892	**8.2.3**	-	-
Other receivables	727	727		-	-
Deferred tax assets	953	856	**8.2.4**	-	-
	30,618	31,412		52,968	50,615
Current assets					
Inventories	1,152	2,375	**8.2.5**	-	-
Trade and other receivables	16,153	16,052		12,879	12,595
Cash and cash equivalents	6,481	4,714	**8.2.6**	10	76
	23,786	23,141		12,889	12,671
Total assets	**54,404**	**54,553**		**65,857**	**63,286**
Equity					
Share capital	100,480	100,480		236,508	236,508
Currency translation reserve	(588)	(1,155)	**8.2.7**	(13,839)	(16,759)
Accumulated losses	(81,485)	(82,156)		(156,971)	(156,686)
Equity attributable to equity holders of the Company	18,407	17,169		65,698	63,063
Non-controlling interests	(3,850)	(3,821)	**8.2.8**	-	-
Total equity	**14,557**	**13,348**		**65,698**	**63,063**
Non-current liabilities					
Trade and other payables	14,587	40	**8.2.9**	-	-
Post-employment benefits	608	549		-	-
Finance lease liabilities	663	696	**8.2.10**	-	-
Provisions	1,025	973		-	-
	16,883	2,258		-	-
Current liabilities					
Trade and other payables	21,469	37,679	**8.2.9**	159	223
Finance lease liabilities	786	797	**8.2.10**	-	-
Tax payable	709	471	**8.2.11**	-	-
	22,964	38,947		159	223
Total liabilities	**39,847**	**41,205**		**159**	**223**
Net assets	**14,557**	**13,348**		**65,698**	**63,063**
Total equity and liabilities	**54,404**	**54,553**		**65,857**	**63,286**

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1(b)(ii) Aggregate amount of group's borrowings and debt securities.

(a) Amount repayable in one year or less, or on demand

31.03.16		31.12.15	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
786	560	797	1,427

The decrease in the unsecured amount repayable in one year or less arises from the payment of an amount due to a third party (previously a related party as at 31 December 2015).

(b) Amount repayable after one year

31.03.16		31.12.15	
US$'000	US$'000	US$'000	US$'000
Secured	Unsecured	Secured	Unsecured
663	-	696	-

(c) Details of any collateral

Certain vehicles (such as coal hauling trucks) with an aggregate carrying amount of US$2.9 million as at 31 March 2016 (31 December 2015: US$3.1 million) are pledged under existing finance lease arrangements.

Fiduciary security over coal inventory of PT Rinjani Kartanegara ("**Rinjani**") (a subsidiary of the Company held through PT Pilar Mas Utama Perkasa ("**Pilar Mas**")) and corporate guarantee by Pilar Mas have been provided to secure the debt of Rinjani to a main supplier, included in the trade payables of the Group as at 31 March 2016 and 31 December 2015.

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1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	Group	
	3 months 31.03.16 US$'000	3 months 31.03.15 US$'000
Cash flows from operating activities		
Profit before tax	919	6,454
Adjustments for:-		
Depreciation of property, plant and equipment	667	613
Amortisation of mining properties	733	508
Amortisation of intangible assets	10	10
Post-employment benefits	59	196
Provision for mine reclamation and rehabilitation	52	40
Finance costs (interest expense)	300	(518)
Interest income	(7)	(7)
Inventories written down	-	43
Unrealised foreign currency exchange gain	(71)	(735)
Operating profit before working capital changes	**2,662**	**6,604**
Inventories	1,223	(683)
Trade and other receivables	92	(3,334)
Trade and other payables	(1,090)	1,138
Currency translation adjustments	567	(548)
Cash generated from operations	**3,454**	**3,177**
Interest received	7	7
Taxes paid	(193)	-
Net cash generated from operating activities	**3,268**	**3,184**
Cash flows from investing activities		
Additions to mining properties	(213)	-
Purchases of property, plant and equipment	(148)	(338)
Additions to deferred exploration and evaluation costs	-	(19)
Net cash used in investing activities	**(361)**	**(357)**
Cash flows from financing activities		
Interest paid	(48)	(297)
Repayment of finance leases	(202)	(221)
Repayment of loan from related party	(42)	-
Repayment of loan from third party	(848)	-
Proceeds from disposal of available-for-sale investment	-	1,933
Net cash (used in)/generated from financing activities	**(1,140)**	**1,415**
Net increase in cash and cash equivalents	1,767	4,242
Cash and cash equivalents at beginning of the period	4,714	1,293
Cash and cash equivalents at end of the period	**6,481**	**5,535**

1(d)(i) A statement (for the issuer and group) showing either (I) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Changes in Equity

Group	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Equity attributable to equity holders of the Company US$'000	Non-controlling interests US$'000	Total equity US$'000
At 1 January 2015	**100,480**	**292**	**(87,844)**	**12,928**	**(4,446)**	**8,482**
Profit for the 3 months ended 31 March 2015	-	-	5,166	5,166	664	5,830
Other comprehensive loss:						
- Remeasurement of post-employment benefits, net of tax	-	-	(10)	(10)	-	(10)
- Currency translation differences	-	(1,095)	-	(1,095)	-	(1,095)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015 before audit adjustment	-	(1,095)	5,156	4,061	664	4,725
Audit adjustments[(1)]	-	-	(100)	(100)	(8)	(108)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015 after audit adjustment	-	(1,095)	5,056	3,961	656	4,617
At 31 March 2015	**100,480**	**(803)**	**(82,788)**	**16,889**	**(3,790)**	**13,099**
At 1 January 2016	**100,480**	**(1,155)**	**(82,156)**	**17,169**	**(3,821)**	**13,348**
Profit for the 3 months ended 31 March 2016	-	-	671	671	(29)	642
Other comprehensive income:						
- Currency translation differences	-	567	-	567	-	567
Profit and total comprehensive income for the 3 months ended 31 March 2016	-	567	671	1,238	(29)	1,209
At 31 March 2016	**100,480**	**(588)**	**(81,485)**	**18,407**	**(3,850)**	**14,557**

[(1)]Adjustment to the 4QFYE03/15 profit following finalisation of audit.

Statement of Changes in Equity (continued)

Company	Share capital US$'000	Currency translation reserve US$'000	Accumulated losses US$'000	Total equity US$'000
At 1 January 2015	**236,508**	**(2,467)**	**(26,282)**	**207,759**
Profit for the 3 months ended 31 March 2015	-	-	2,507	2,507
Other comprehensive loss:				
- Currency translation differences	-	(8,979)	-	(8,979)
Profit/(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2015	-	(8,979)	2,507	(6,472)
At 31 March 2015	**236,508**	**(11,446)**	**(23,775)**	**201,287**
At 1 January 2016	**236,508**	**(16,759)**	**(156,686)**	**63,063**
Loss for the 3 months ended 31 March 2016	-	-	(285)	(285)
Other comprehensive income:				
- Currency translation differences	-	2,920	-	2,920
Profit /(loss) and total comprehensive income/(loss) for the 3 months ended 31 March 2016	-	2,920	(285)	(2,635)
At 31 March 2016	**236,508**	**(13,839)**	**(156,971)**	**65,698**

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

	No. of Ordinary Shares	Issued Share Capital (S$)
At 31 March 2016 and 31 December 2015	1,832,999,998	307,306,455

As at 31 March 2016 and 31 December 2015, the Company had no outstanding share options, other convertibles or treasury shares.

1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	31.03.16	31.12.15
Total number of issued shares (excluding treasury shares)	1,832,999,998	1,832,999,998

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable. The Company does not have any treasury shares.

2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard or practice.

The figures have not been audited or reviewed by the Company’s auditors.

3. Where the figures have been audited or reviewed, the auditors’ report (including any qualifications or emphasis of matter).

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer’s most recently audited annual financial statements have been applied.

Except as disclosed in item 5 below, the Group and the Company have applied the same accounting policies and methods of computation for the current reporting period as compared with the audited financial statements of the Group and the Company for the preceding financial year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

The Group and the Company have adopted all the new and revised standards and interpretations of the Singapore Financial Reporting Standards that are effective for annual periods beginning on or after 1 January 2016. The adoption of these standards and interpretations had no significant effect on the financial performance or position of the Group and the Company for the 3-month financial period ended 31 March 2016.

6. Earnings per ordinary share of the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	Group	
	3 months 31.03.16	**3 months 31.03.15**
Earnings per ordinary share:-		
Basic (US$ cents)	0.04	0.28
Diluted (US$ cents)	0.04	0.28
Weighted average number of ordinary shares for basic earnings per share	1,832,999,998	1,832,999,998

Diluted earnings per share is the same as basic earnings per share for both the financial periods ended 31 March 2016 and 31 March 2015 as there were no outstanding convertible instruments.

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the (a) current period reported on and (b) immediately preceding financial year.

	Group	
	31.03.16	**31.12.15**
Net asset value per ordinary share (US$ cents)	1.00	0.94
Number of ordinary shares issued (excluding treasury shares)	1,832,999,998	1,832,999,998

	Company	
	31.03.16	**31.12.15**
Net asset value per ordinary share (US$ cents)	3.58	3.44
Number of ordinary shares issued (excluding treasury shares)	1,832,999,998	1,832,999,998

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8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

INTRODUCTION

The main factors affecting the Group's financial performance are:

(a) **Coal production and sales**. Coal production increased by 88,030 tonnes or 24.1%, to 452,740 tonnes for 1QFYE12/16 from 364,710 tonnes for 4QFYE03/15. The main determinant of coal production is the mine plan and related stripping ratio. Mining activity and the stripping ratio for 1QFYE12/16 were in accordance with the mine plan. Coal sales increased by 146,159 tonnes or 42.6%, to 489,374 tonnes for 1QFYE12/16 from 343,215 tonnes for 4QFYE03/15.

(b) **Coal sales price**. The Indonesian coal index (FOB Mother Vessel) for Indonesian 5,800 kcal/kg coal declined by US$13.8 per tonne or 23.2% to US$45.8 per tonne at the end of March 2016 from US$59.6 per tonne at the end of March 2015. The average selling price (FOB Barge) of the Group's coal decreased by US$12.4 per tonne or 24.8%, to US$37.6 per tonne for 1QFYE12/16 from US$50.0 per tonne for 4QFYE03/15.

(c) **Cost of waste mining operations**. Waste mining is contracted out to a third party waste mining contractor. Although waste mining costs, which represent the single largest component of the cost of goods sold, are set by long-term contract, the Group continues to have regular dialogue with its waste mining contractor to ensure rates are adjusted to reflect changes in market conditions.

(d) **Stripping ratio**. The stripping ratio, which is the key determinant of operating cost, and the mine plan are continually reviewed and updated based on current and future market considerations. In accordance with the mine plan, the average stripping ratio increased by 0.1 bank cubic metres of overburden per tonne of coal ("**bcm/t**") to 7.7 bcm/t in 1QFYE12/16 from 7.6 bcm/t in 4QFYE03/15. The stripping ratio will continue to be managed through a dynamic mine plan.

(e) **Efficient operation cost**. The Company is cost competitive as a result of its own fully integrated coal mining facilities such as the coal stockpile, coal crushers, coal conveyor system and jetty facilities. This cost competitiveness when coupled with cost and operational efficiencies from having its own coal hauling road and trucks provides a competitive advantage for the Group in the current low coal pricing environment. Costs are controlled through competitive bidding and the introduction of new suppliers when appropriate. The cost of goods sold per tonne decreased by 10.2% to US$31.7 per tonne in 1QFYE12/16 from US$35.3 per tonne in 4QFYE03/15.

(f) **Additional recurring income.** The Group generates additional income and cash flow through provision of its coal mining facilities to a third party mine owner. For 1QFYE12/16 and 4QFYE03/15, this recurring income contributed 0.4% and 3.1% of revenue, respectively.

(g) **Working capital**. Sufficient cash flow for operations under the current low coal pricing environment is a priority for the Group. The Group has focused on maintaining sufficient cash for operations and the development of a second "borrow-use" permit ("**IPPKH2**") through the restructuring of the outstanding debt owed to its waste mining contractor and the application of a conservative approach to other investment activities.

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8.1 INCOME STATEMENT

8.1.1 Revenue

Revenue is generated primarily by Rinjani, through the sale of coal from its coal mining activities. Rinjani currently sells its coal through an offtake agreement with a sole trader and since November 2015 commenced sales through its subsidiary, RPG Trading Pte. Ltd. ("**RPG Trading**"). The price of such coal sales is based on international prices. Additional revenue is generated from the use of Rinjani's facilities by a third party mine owner.

	Group		
	3 months 31.03.16 US$'000	**3 months 31.03.15 US$'000**	**Inc/ (Dec) %**
Revenue by division			
Coal sales	18,596	17,816	4.4
Facility usage income	80	579	(86.2)
Total	**18,676**	**18,395**	**1.5**

In 1QFYE12/16, revenue increased by 1.5% (US$0.3 million) to US$18.7 million from US$18.4 million in 4QFYE03/15. Revenue from coal sales increased by 4.4% (US$0.8 million) to US$18.6 million from US$17.8 million in 4QFYE03/15 due to the increase in sales quantity by 42.6% which was largely offset by a decrease in average sales price of 24.8%. Facility usage income decreased by 86.2% (US$0.5 million) to US$0.1 million in 1QFYE12/16 from US$0.6 million in 4QFYE03/15 as a result of lower throughput of coal from a third party mine owner.

8.1.2 Cost of Goods Sold

	Group		
	3 months 31.03.16 US$'000	**3 months 31.03.15 US$'000**	**Inc/ (Dec) %**
Waste mining costs	7,621	7,494	1.7
Coal hauling costs	1,242	2,219	(44.0)
Heavy equipment rental cost	437	465	(6.0)
Fuel	301	537	(43.9)
Staff costs	769	813	(5.4)
Depreciation and amortisation	1,415	1,416	(0.1)
Other	2,555	(84)	N.M.
Total	**14,340**	**12,860**	**11.5**

Cost of goods sold for 1QFYE12/16 comprised mainly waste mining costs, which accounted for 53.1% of the total cost of goods sold. The other main costs included coal hauling costs as well as depreciation and amortisation, which in total accounted for 8.7% and 9.9% of the total cost of goods sold, respectively. Waste mining and coal hauling costs are contracted through specific agreements.

In 1QFYE12/16, cost of goods sold increased by 11.5% (US$1.4 million) to US$14.3 million from US$12.9 million in 4QFYE03/15 due to an increase in the coal sales quantity. Despite the increase in cost of goods sold, the cost of goods sold per tonne decreased by 10.2%, as mentioned in 8(e) above. The increase in cost of goods sold was mainly attributable to increases in: (i) other of US$2.6 million and (ii) waste mining costs of US$0.1 million, partially offset by a decrease in: (i) coal hauling costs of US$1.0 million and (ii) fuel costs of US$0.2 million.

The increase in waste mining cost arose from the increase in coal production quantity. Coal hauling costs decreased despite the increase in sales quantity due to the addition of certain costs in the comparative balance which was credited in other costs in 4QFYE03/15. Other costs increased due to changes in inventory value at year end, i.e. lower balance of ending inventories compared to beginning inventory as well as the credit as noted above which was included in the balance for 4QFYE03/15. The lower ending inventory was a result of higher sales compared to production in 1QFYE12/16.

8.1.3 Gross Profit

	3 months 31.03.16	3 months 31.03.15	Inc/ (Dec) %
Gross profit (US$'000)	4,336	5,535	(21.7)
Gross profit margin (%)	23.2	30.1	

In 1QFYE12/16, the gross profit decreased by US$1.2 million as the increase in cost of goods sold was greater than the increase in revenue from increased sales quantities. The increase in revenue was impacted by a decline in the average selling price of coal (refer to item 8(b)).

8.1.4 Other income

In 1QFYE12/16, other income decreased by 99.6% (US$4.7 million) to approximately US$20,000 from US$4.7 million in 4QFYE03/15 due to: (i) no recurring gain on waiver of amount due to former subsidiary of Sky One Network (Holding) Ltd, and waiver of interest payable on convertible bonds both of which occurred during 4QFYE03/15 and (ii) a decrease in foreign exchange gain of US$0.7 million in 1QFYE12/16.

8.1.5 Administrative expenses

Administrative expenses comprise mainly staff costs, professional fees, travelling and transportation, office rental, listing fees, sponsorship fees and investor relation costs.

In 1QFYE12/16, administrative expenses increased by 112.8% (US$0.5 million) to US$1.0 million from US$0.5 million in 4QFYE03/15. The increase was primarily due to (i) an increase in legal expenses and (ii) reclassification of depreciation expense to cost of goods sold in 4QFYE03/15.

8.1.6 Finance costs

Finance costs comprise interest expenses incurred mainly in relation to: (i) the debt due to Rinjani's waste mining contractor; and (ii) amortised interest on the loan from a related party, Forrest Point Enterprises Limited.

In 1QFYE12/16, finance costs increased by 157.9% (US$0.8 million) to US$0.3 million from negative US$0.5 million in 4QFYE03/15 as there was a credit from the reclassification of amortised interest from convertible bonds to other expenses in 4QFYE03/15.

8.1.7 Other expenses

In 1QFYE12/16, other expenses decreased by 67.5% (US$1.7 million) to US$0.8 million from US$2.5 million in 4QFYE03/15. Despite incurring a foreign exchange loss, other expenses decreased as there was no fair value loss on derivative financial liability in 1QFYE12/16.

8.1.8 Tax expense

The tax expense is calculated based on the current statutory income tax rates in Singapore and Indonesia. During 1QFYE12/16 and 4QFYE03/15, the applicable tax rates in Singapore and Indonesia were 17% and 25% respectively. The tax expense in 1QFYE12/16 arose from the generation of taxable income in subsidiaries.

8.2 ASSETS, LIABILITES AND EQUITY

8.2.1 Property, plant and equipment

Property, plant and equipment ("**PP&E**") decreased by US$0.3 million to US$23.4 million as at 31 March 2016 from US$23.7 million as at 31 December 2015. The decrease was mainly due to current period depreciation.

8.2.2 Investment in subsidiaries (Company Only)

Investment in subsidiaries increased by US$2.4 million to US$53.0 million as at 31 March 2016 from US$50.6 million as at 31 December 2015 due to the weakening of the United States Dollar against the Singapore Dollar as the investment was converted to the reporting currency as at 31 March 2016.

8.2.3 Mining properties

Mining properties include costs transferred from deferred exploration and evaluation following the completion of technical feasibility and commercial viability of IPPKH1 as well as mine development costs and certain costs related to IPPKH2. As at 31 March 2016, the balance decreased by US$0.5 million to US$5.4 million from US$5.9 million at 31 December 2015. This was due to normal amortisation charges of US$0.7 million offset with additional mining properties expenditure for technical services, licenses and permits related to IPPKH2 during 1QFYE12/16. Amortisation of mining properties is based on the units-of-production method based on estimated Coal Reserves as at 31 March 2015. The amortisation of mining properties for the full year ended 31 December 2016 will be based on estimated Coal Reserves as at 31 December 2015 in accordance with the updated Independent Qualified Person's Report ("**IQPR**") which was announced on 11 April 2016.

8.2.4 Deferred tax assets

A deferred tax asset is an item that may be used to reduce taxable income. A deferred tax asset is recognised on carried forward tax losses to the extent there are sufficient estimated future taxable profits and/or taxable temporary differences against which the tax losses can be utilised. The Group through its subsidiaries had utilised the balance of its carry forward tax losses. The increase in the deferred tax assets balance by US$0.1 million to US$1.0 million as at 31 March 2016 from US$0.9 million as at 31 December 2015 was mainly due to an increase in taxable temporary differences which have the potential to reduce taxable income in a future period.

8.2.5 Inventories

Inventories include coal on hand, fuel and spare parts and are stated at the lower of cost and net realisable value. Inventories decreased by US$1.2 million to US$1.2 million as at 31 March 2016 from US$2.4 million as at 31 December 2015, due to a decrease in the quantity of coal on hand by 53,726 tonnes to 23,352 tonnes as at 31 March 2016 from 77,078 tonnes as at 31 December 2015 as the sales volume exceeded the production volume for the 3 months ended 31 March 2016.

8.2.6 Cash and cash equivalents

	Group	
	3 months ended 31.03.16 US$'000	**3 months ended 31.03.15 US$'000**
Cash and cash equivalents at beginning of period	4,714	1,293
Cash flows generated from Operating Activities	3,268	3,184
Cash flows used in Investing Activities	(361)	(357)
Cash flows (used in)/generated from Financing Activities	(1,140)	1,415
Net increase in cash and cash equivalents	1,767	4,242
Cash and cash equivalents at end of period	**6,481**	**5,535**

Cash flows from operating activities

Cash flows generated from operating activities before working capital amounted to US$2.7 million for 1QFYE12/16. The cash generated was further increased by US$0.6 million for 1QFYE12/16, due primarily to the sale of inventories and currency translation adjustments, net off with payment to vendors. As a result, net cash generated from operating activities amounted to US$3.3 million for 1QFYE12/16.

Cash flows used in investing activities

Net cash flows used in investing activities amounted to US$0.4 million for 1QFYE12/16. The cash was mainly used to secure licenses and permits of IPPKH2.

Cash flows used in financing activities

Net cash used in financing activities of US$1.1 million for 1QFYE12/16, was mainly in relation to the repayment of loans from related and third parties and finance leases.

8.2.7 Currency translation reserve

The currency translation reserve represents the balance of translation from the Company's functional currency (in SGD) to its presentation currency (in USD) as at 31 March 2016.

8.2.8 Non-controlling interests

The negative balance for non-controlling interests increased due to the loss attributable to non-controlling interests of approximately US$29,000.

8.2.9 Trade and other payables (current and non-current)

Trade and other payables (current portion) decreased by US$16.2 million to US$21.5 million as at 31 March 2016 from US$37.7 million as at 31 December 2015 mainly due to reclassification of Rinjani's payable to its waste mining contractor to non-current and repayment of loans to related and third parties (as mentioned in item 1(c)). The latest amendment to the debt settlement agreement dated 29 March 2016 with Rinjani's waste mining contractor requires Rinjani to make installments based on sales quantities over a 3-year period. The installments are to commence from 1 January 2016 but payment is conditional upon an average selling floor price of US$38.0 per tonne and maximum stripping ratio of 9.0 bcm/t.

The trade and other payables (non-current) increased by US$14.5 million to US$14.6 million from approximately US$40,000 mainly due to the abovementioned reasons.

8.2.10 Finance lease liabilities (current and non-current)

Finance lease liabilities represent the outstanding obligation for the lease of light vehicles and motor vehicles of Rinjani and hire purchase of coal hauling trucks by PT Energy Indonesia Resources (a subsidiary of the Company). Finance lease liabilities (both current and non-current) decreased by US$0.04 million to US$1.45 million as at 31 March 2016 from US$1.49 million as at 31 December 2015 primarily due to lease payments during the period which was partially offset by additional finance leases for the purchase of heavy equipment.

8.2.11 Tax payable

Tax payable increased by US$0.2 million as at 31 March 2016 based on estimated tax payable for the current period by the Group's subsidiaries.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

No forecast or prospect statement has been previously disclosed to shareholders.

10. A commentary at the date of the announcement of the competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The coal industry remains challenging due to prevailing market conditions and the continued weakening of export prices for coal during 1QFYE12/16. Export prices are expected to remain under pressure for the foreseeable future.

Other factors that may impact the Group in the next 12 months include:

1) **Cost maintenance and reduction programme**

   The Group is continuously monitoring all costs. Management is confident that its existing cost advantage enjoyed through the usage of its own fully integrated coal mining facilities such as the coal stockpile, coal crushers, coal conveyor system and jetty facilities as well as control over its coal hauling road and trucks, will allow the Group to continue to maintain tight control of its operating costs in view of declining market prices to minimise the impact on its profitability.

2) Stripping ratio maintenance

With the on-going decline in coal prices, the Group continuously reviews and manages its stripping ratio through a dynamic mine plan. The stripping ratio will be closely managed during the next 12 months to enable Rinjani to further reduce its stripping cost and maintain positive margins.

3) Diversification and additional source of income

The Company continues to explore all possibilities to diversify its recurring income through the provision of its coal mining facilities to additional third party mine owners.

4) Application for the second "borrow-use" permit which could lead to an increase in coal reserves and resources

The Company's subsidiary, Rinjani, had secured a "borrow-use" permit in respect of an area covering 308.54 ha ("**IPPKH1**") of the total mining concession area of 1,933 ha. Rinjani's Coal Reserves and Coal Resources estimates as at 31 December 2015 are shown in section 17 of this announcement. The Group previously announced that it had commenced the process to secure IPPKH2 for the remainder of the mining concession area. Approval in principle for a portion (899.49 ha) of the remaining area was received by the Group on 6 January 2016 and announced via SGXNet on 8 January 2016. The procedures for the issuance of IPPKH2 are ongoing and Rinjani continues to monitor and assist with such procedures to ensure completion as soon as possible.

Once IPPKH2 is secured, the Company shall make the necessary announcement and commence further exploration which could lead to an increase in the Group's coal reserves and resources as well as production from the additional area of 899.49 ha.

5) Production of higher quality coal

Based on outcrop data, IPPKH2 is expected to produce coal with a higher calorific value than IPPKH1 and consequently lead to an improvement in the average unit price received for the Group's coal.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period/year reported on?

No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period/year of the immediately preceding financial year?

No.

(c) Date payable

Not applicable.

(d) *Books closure date*

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect.

No dividend has been declared or recommended for 1QFYE12/16.

13. Interested Person Transactions

The Group does not have a general mandate from shareholders for interested person transactions pursuant to Rule 920(1)(a)(ii) of the Listing Manual Section B: Rules of Catalist of the SGX-ST (the "**Catalist Rules**").

There were no interested person transactions of S$100,000 or more entered into by the Group during 1QFYE12/16

Additional Information Required for Mineral, Oil and Gas Companies

14. Rule 705(6)(a) of the Catalist Rules

1) Use of funds/cash for the quarter ended 31 March 2016:

The forecast use of funds for exploration, evaluation and development activities for the quarter ended 31 March 2016 and actual usage for IPPKH2 are as follows:

#	Activity	Remarks	Forecast use of funds (US$'000)	Actual use of funds (US$'000)
1	Land acquisition compensation	Land acquisition for drilling, pit and waste dumps	90	Nil
2	Commencement of drilling and logging	Drilling rigs and logging equipment (mobilisation)	198	3
3	Exploration and development support	Camp facilities, manpower, technical consultants and coal core analysis and geotechnical laboratory analysis	-	210
	Total		**288**	**213**

Actual use of funds for exploration, evaluation and development activities in the quarter ended 31 March 2016 amounted to approximately US$213,000 which was US$75,000 lower than the forecast use of funds. This was due to a delay in the approval of IPPKH2. As such, the Group was unable to move onto the new mining concession area and commence its primary exploration, evaluation and development activities. The expenditure incurred in the 1QFYE12/16 was for technical consultancy fees, licences and permits.

2) Projection on the use of funds/cash for the next immediate quarter, including principal assumptions:

The Group will continue with its existing mine operations in IPPKH1. Following receipt of the in-principle approval for IPPKH2 in early January 2016, Rinjani will continue to assist with the procedures for issuance of IPPKH2. Assuming IPPKH2 is issued during the next immediate quarter the exploration, evaluation and development assumptions for the quarter ending 30 June 2016 include:

- Land acquisition commences to allow access to carry out the necessary exploration, evaluation and development activities in respect of IPPKH2;
- Mobilisation of drilling rigs and commencement of drilling (including coring and non-coring) and logging; and
- Preparation of a detailed mine plan to identify mining sequence (pit locations and waste dumps).

The anticipated use of fund/cash for the above activities is as follows:

#	Activity	Forecast use of funds in the quarter ending 30 June 2016 (US$'000)
1	Land acquisition for drilling, pit and waste dumps	810
2	Drilling and logging (exploration and evaluation activities)	457
3	Camp facilities, manpower, technical consultants (including AMDAL feasibility study report) and coal core analysis and geotechnical laboratory analysis as well as licences and permits	150
	Total	**1,417**

15. Rule 705(6)(b) of the Catalist Rules

Please see confirmation on page 19 of this announcement.

16. Rule 705(7)(a) of the Catalist Rules

Details of exploration (including geophysical surveys), mining development and/or production activities undertaken by the issuer and a summary of the expenditure incurred on those activities, including explanations for any material variances with previous projections, for the period under review. If there has been no exploration, development and/or production activity respectively, that fact must be stated.

There were no primary exploration (including geophysical studies) and/or development activities during 1QFYE12/16 other than as noted in item 14.1 above.

In relation to production activities, the Group continues to update its mine plan in response to the ongoing difficult market conditions in order to manage its costs, profit margins and cash flows. All production costs incurred during 1QFYE12/16 are described in item 8.1.2 above.

17. Rule 705(7)(b) of the Catalist Rules

An update on its reserves and resources, where applicable, in accordance with the requirements as set out in Practice Note 4C including a summary of reserves and resources as set out in Appendix 7D.

On 11 April 2016, the Company announced and published an updated IQPR prepared by the Company's independent consultant, SMG Consultants ("**SMGC**"), which included an estimate of Coal Reserves and Coal Resources for the 1,933 ha mining concession area of Rinjani ("**PT Rinjani Mining Concession Area**") as at 31 December 2015.

The Coal Reserves and Coal Resources estimates for the PT Rinjani Mining Concession Area as disclosed in the IQPR are shown in Table 1 below, in the format specified in Appendix 7D of the Catalist Rules. For full and complete disclosure in accordance with the JORC Code the information contained in the table must be read in conjunction with the entire IQPR including appendices which are available on the Company's website at www.resourcesprima.com.sg.

Table 1: Coal Reserves and Coal Resources Estimates for the PT Rinjani Mining Concession Area as at 31 December 2015

Category	Mineral Type	Gross Attributable to Licence(1)		Net Attributable to the Company(4)		
		Tonnes (millions)	Grade	Tonnes (millions)	Grade	Change from previous update(2) (%)
RESERVES(5)						
Proved	Coal	1.4	Sub-bituminous B	1.1	Sub-bituminous B	-57%
Probable	Coal	1.3	Sub-bituminous B	1.0	Sub-bituminous B	15%
Total	**Coal**	**2.7**	**Sub-bituminous B**	**2.2**	**Sub-bituminous B**	**-38%**
RESOURCES(3&5)						
Measured	Coal	11.3	Sub-bituminous B	9.0	Sub-bituminous B	-19%
Indicated	Coal	3.6	Sub-bituminous B	2.9	Sub-bituminous B	-10%
Inferred	Coal	4.7	Sub-bituminous B	3.8	Sub-bituminous B	-1%
Total	**Coal**	**19.6**	**Sub-bituminous B**	**15.6**	**Sub-bituminous B**	**-14%**

Notes:
(1) Licence refers to Rinjani's Production Operation IUP.
(2) Previous Coal Reserves and Coal Resources estimates were reported as at 31 March 2015.
(3) Coal Resources are inclusive of Coal Reserves.
(4) The results presented are rounded to reflect the accuracy of the estimates. Minor discrepancies are due to rounding and are not considered material by SMGC.
(5) Resources and Reserves reported in accordance with SMGC's interpretation of the JORC Code 2012 Edition.

Name of Qualified Person: Keith Whitchurch

Date: 31 December 2015
Professional Society Affiliation/Membership: BE(Hons) MengSci MAusIMM CP(min) RPEQ. PERHAPI

Save for the normal depletion in the Coal Reserves as a result of production since 31 December 2015, the Group confirms that:

- all material assumptions and technical parameters underpinning the estimates in the IQPR continue to apply and have not materially changed; and
- the form and context in which the Competent Person's findings are presented have not been materially modified.

18. Confirmation by the Company pursuant to Rule 720(1) of the Catalist Rules

The Company confirms that it has procured all the required undertakings (in the format set out in Appendix 7H of the Catalist Rules) from all its Directors and Executive Officers pursuant to Rule 720(1) of the Catalist Rules.

19. Confirmation by the Board of Directors pursuant to Rule 705(5) and Rule 705(6)(b) of the Catalist Rules

We, Agus Sugiono and Gabriel Giovani Sugiono, being Directors of the Company, do hereby confirm on behalf of the Board of Directors of the Company (the "**Board**"), that, to the best of our knowledge, nothing has come to the attention of the Board which may render:

- the interim financial statements, and
- the additional information provided for mineral, oil and gas companies

to be false or misleading in any material aspect.

On behalf of the Board

Agus Sugiono	Gabriel Giovani Sugiono
Executive Chairman and Chief Executive Officer	Director

12 May 2016