



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, 29 December 2017, 22 January 2018, 29 January 2018, 31 January 2018, 9 February 2018, 12 February 2018, 13 February 2018, 23 February 2018, 1 March 2018 and 29 March 2018 (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) Bankruptcy proceedings – PT Rinjani Kartanegara ("Rinjani")

Further to the announcement dated 22 January 2018 in relation to the update pursuant to Rule 704(22) of the Catalist Rules ("**January 2018 monthly update**"), the Company understood verbally from the curators that the curators have finalized the amount owed to the Indonesian tax authorities by Rinjani in favour of an amount lower than that claimed by the Indonesian tax authorities. However, the Company is not aware and have not been formally informed of the amount finalized by the curators. The Company understands that the amount claimed by the Indonesian tax authority includes, *inter alia*, the tax assessment of approximately US\$5.0 million in corporate taxes (as set out in part vi of the Company's announcement dated 28 June 2017, which Rinjani had objected to prior to the declaration of bankruptcy). The Company is uncertain if the Indonesian tax authorities will be appealing against the decision of the curators or attempt to recover the portion of the tax liabilities rejected by the curators via other means. It is also the Company's understanding that one other creditor is appealing against the decision of the curators in respect of the amount owed to this creditor by Rinjani.

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 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**"),

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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.

The Company in conjunction with Pilar Mas, the Defendants II and IV is seeking additional professional advice on the merits of the claim and will make further announcements on the matter as necessary.

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

(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 month of February 2018, EIR’s coal hauling activities under the coal hauling service agreement with CAN continued to be adversely affected by the ongoing heavy rainfall and 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. These factors have resulted in a substantial decrease in the quantities of coal obtained from CAN’s operations.

As a result of the above, the actual coal hauled by EIR for February 2018 amounted to 34,818 tonnes (January: 33,157 tonnes). The average quantity of coal hauled of 33,537 tonnes per month for the 4-months November 2017 through February 2018 is significantly less than the 100,000 tonnes per month as set out in the Company’s announcement dated 6 October 2017.

Management has taken the various steps set out in the announcement dated 22 January 2018 to address the situation set out above, including *inter alia*:

1. Renegotiated with CAN for higher rates for the coal hauling services;
2. Identified and resolved certain of the operational issues faced by EIR which is expected to improve efficiency of the operation;
3. Reviewed EIR’s cost structure and implemented measures to control the cost involved in providing the coal hauling services to CAN.

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In spite of implementing the above steps, the profitability of the coal hauling contract with PT CAN has not improved significantly due to the substantial difference in the actual quantity of coal hauled from initial expectations. EIR made a small loss before tax for February and for the 4-months period (i.e. November 2017 to February 2018), EIR's operations generated a slight loss before tax. Cashflows for the month of February 2018 and for the 4-months period (i.e. November 2017 to February 2018) are positive albeit marginal.

The Management continues to work with PT CAN to try to improve the efficiency of the operations as well as commercial viability of the contract in view of the continued lower quantity hauled. The main areas currently being addressed are regular road maintenance especially following usage after heavy rainfall and effective communications to improve the scheduling of coal loading at the pit. There continues to be no assurance that such efforts will result in a positive outcome for EIR's operations and/or for EIR to contribute significantly to the cashflows of the Group. As announced on 22 January 2018, the Board has instructed the Management to explore other options and alternatives for EIR (including but not limited to the winding up of EIR). In this respect Management continues to explore the provision of EIR's coal hauling services to other coal mining companies in East Kalimantan in order to improve EIR's future profitability and cashflows. However, parties are still in discussions in this regard.

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 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 (first half of 2018) 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 continue to follow up on and evaluate various options (including but not limited to obtaining financial support from current shareholders and introduction of new investors to the Company), and will bear in mind the best interest of stakeholders of the Company and will provide an update to the shareholders where there is significant development in this aspect.

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In the meantime, as an interim measure,

1. the current Independent Directors (since their respective dates of appointment) and the previous Independent Directors of the Company since end of September 2017;
2. the Chief Executive Officer, Chief Operating Officer and Chief Financial Officer since the end of October 2017, and
3. the Executive Director since end of December 2017

have agreed not to take any fees/remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation.

(E) Board and board committee changes

Further to 1 March 2018 monthly update, and the changes to the Company's Board and Board Committees as set out therein, the Company will be unable to meet the minimum requirement under Catalist Rule 704(7) in respect of the ARMC. The Company will endeavour to fill the positions within 2 months, but in any case, not later than 3 months from 13 February 2018 and make the necessary announcements in due course.

(F) Application for extension of time to announce the Group's unaudited financial statements for the full year ended 31 December 2017, hold the Company's annual general meeting in respect of the financial year ended 31 December 2017 and announce the Group's unaudited financial statements for the first quarter ended 31 March 2018.

On 23 February 2018 the Company announced, that the Company has, through its sponsor, made an application to the Singapore Exchange Securities Trading Limited (the "SGX-ST") for a 6-month extension to 31 August 2018 to announce its unaudited financial statements for the full year ended 31 December 2017 ("**FY2017 Results Announcement**"), an extension of 8 months to 31 December 2018 to hold the Company's annual general meeting ("**AGM**") and an extension of 5-months to 15 October 2018 to announce the Group's unaudited financial statements for the first quarter ended 31 March 2018 ("**1QFY2018 Results Announcement**"). (the "**Extension Application**").

On 29 March 2018, the Company announced that it was informed by the SGX-ST that the SGX-ST has no objection to granting, subject to the fulfilment of certain conditions (as disclosed in the announcement made on 29 March 2018), a shorter extension period than as stated in the Extension Application being:

- a. a 3-month extension, till 31 May 2018, to announce its FY2017 Results Announcement;
- b. a 4-month extension, till 31 August 2018, to hold its AGM for FY2017; and
- c. a 2.5-month extension, till 31 July 2018 to announce its 1QFY2018 Results Announcement.

The Company is currently working towards the deadlines set by the SGX-ST and will also apply to ACRA for the relevant extension for holding the AGM.

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(G) Trading resumption

The Board and Management are concurrently working towards submitting a trading resumption proposal to the SGX before 28 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.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
6 April 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.
