



UPDATES ON APPLICATION FOR EXTENSION OF TIME TO SUBMIT A RESUMPTION OF TRADING PROPOSAL

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcements dated 7 June 2018 and 22 June 2018 ("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 announcement dated 22 June 2018 in relation to the application by the Company's sponsor, on behalf of the Company, to seek approval from the Singapore Exchange Securities Trading Limited ("**SGX-ST**") for a 6-month extension of time to 27 December 2018 to submit its resumption of trading proposal (the "**Extension**").

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

The Company wishes to announce that SGX-ST has, on 5 July 2018, informed the Company 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 is agreeable to grant the Company a 3-month extension till 28 September 2018 to submit its resumption proposal.

The resumption proposal must adequately address both the financial and business viability issues currently faced by the Company and be supported by relevant binding agreements. In the event SGX-ST is not satisfied with the resumption proposal, it is unlikely that SGX-ST will grant a further extension and the Company will be delisted.

The Waiver is subject to the Company:

- a. 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; and
- b. providing regular updates on the progress and execution of binding agreements for the purpose of the resumption proposal.

2. REASONS FOR SEEKING EXTENSION OF TIME

The Company had sought the Extension for the following reasons:

- A. Outstanding documentation in respect of the non-binding Investment Term Sheet (as defined below) announced on 7 June 2018

The Company refers to its announcement on 7 June 2018 in respect of the execution of a non-binding investment term sheet (the "**Investment Term Sheet**") with Mr Ang Liang Kim ("**Investor**"), a substantial shareholder of the Company. With the execution of the Investment Term Sheet, the Company is of the view that the transactions contemplated therein are beneficial to the Company and the Group due to:



- i. the availability of immediate financing via the Convertible Loan of S\$0.5 million which will allow the Company to meet its obligation as and when they fall due within 12 months from the Company's reporting date of 31 December 2017;
- ii. the support from the shareholders of the Company via the rights issue which the Company will undertake. This will strengthen significantly the current financial position of the Company and of the Group as well as allow the shareholders to participate in the recovery of the Company if they so elect to; and
- iii. the availability of Additional Support of S\$1.5 million from the Investor via the convertible loan which will provide additional financing for the Company.

Assuming the above transactions are consummated and approved by the shareholders of the Company, the Company will have up to S\$4.3 million to recapitalise the balance sheet of the Company, the necessary working capital for the short term and potentially sufficient financial resources to expand the coal hauling business of the Group, or pursue other related businesses, provided such businesses are commercially viable, to ensure the sustainability and profitability of the Group which will benefit all shareholders.

As the transactions contemplated in the Investment Term Sheet, are subject to definitive documentation as well as the approval of the shareholders and regulatory authorities, the Company will require some time to negotiate the definitive documentation with the Investor (which is ongoing), seek the necessary approvals from the regulatory authorities, prepare the necessary documents and/or information for the shareholders to vote on these transactions and to call for an extra-ordinary general meeting for this purpose.

B. Turnaround of PT Energy Indonesia Resources (“**EIR**”) Coal Hauling Operations

Subsequent to the loss of control of PT Rinjani, the key operating activity of the Group is that of coal hauling. In October 2017, EIR, a subsidiary of the Company recommenced its coal hauling business under a coal hauling service agreement with PT Coalindo Adhi Nusantara (“**CAN**”). The initial months of the coal hauling business were 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. As a result of the above, the average quantity of coal hauled of 32,206 tonnes per month for the 6-months period November 2017 through April 2018 is significantly less than the 100,000 tonnes per month as set out in the Company's announcement dated 6 October 2017.

As such, EIR made a loss before tax for the 6-month period (i.e. November 2017 to April 2018) whereas for the 6-month period (i.e. November 2017 to April 2018) cashflows were positive albeit marginal.

The Management worked and continues to work with CAN to implement various measures, such as renegotiation for higher rates for the coal hauling services with CAN, identified and resolved certain operational issues faced by EIR to improve efficiency of the operation, review the cost structure as well as implemented



measures to control the cost of service, to improve the efficiency of the operations as well as commercial viability of the contract in view of the continued lower quantities hauled and address the teething problems of the new operations.

With the onset of the dry season and the implementation of these various measures, the amount of coal hauled for May of approximately 42,000 tonnes exceeded the average quantity of coal hauled from November 2017 to April 2018 by approximately 9,800 tonnes or 30.4%. Accordingly, the profitability and cashflows of EIR for May 2018 are expected to be much higher than the average for the 6-month period from November 2017 to April 2018. The Company will make the necessary announcement in its monthly update once the numbers are finalised for the month of May 2018.

Further, based on the flash estimate for the first 13 days of June, prior to the Lebaran holidays from 14 to 17 June 2018, the total coal hauled is approximately 30,000 tonnes. Full operations were resumed on 18 June 2018 after the Lebaran holidays. The management is optimistic that the coal hauled for June 2018 will be higher than 42,000 tonnes hauled in May 2018. The Company will make the necessary announcement in its monthly update once the numbers are finalised for the month of June 2018.

As the coal hauling quantities are expected to continue to increase the Company expects EIR's profitability and cashflow will continue to improve in the coming months, subject to CAN meeting its monthly coal production forecasts. The Management is cautiously optimistic that the Group's business will be sustainable in view of the above. As such more time is required for management to confirm that the EIR's operations have indeed turned the corner and are sustainable

In view of the above reasons, the Company has sought an extension of 6 months to submit its resumption of trading proposal.

The Directors are of the opinion that the transactions contemplated in the Investment Term Sheet, together with the current bank facilities, cash and bank balances of the Group and cashflows generated from EIR's improved operations will be sufficient to (i) meet the Company's and the Group's working capital requirements for the 12-month period from the reporting date of 31 December 2017, and (ii) implement sustainable operations through the potential expansion of its coal hauling operations or to pursue other related business opportunities.

3. FURTHER ANNOUNCEMENTS

The Company will update the shareholders and make such further announcements to keep its shareholders updated on any material developments in the above as and when appropriate.

4. CONFIRMATIONS BY THE COMPANY

The Company confirms that the Waiver granted does not contravene any laws and regulations governing the Company and the constitution of the Company (or equivalent in the Company's country of incorporation). The Company will make an immediate disclosure via SGXNET if such contravention arises.

RESOURCES PRIMA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198602949M)



5. CAUTIONARY STATEMENT

Shareholders and potential investors are advised to exercise caution when dealing in the shares of the Company. Shareholders should note that there is no certainty or assurance that the shares of the Company will eventually resume trading on the SGX-ST. Shareholders and potential investors are advised to read all further announcements by the Company carefully and to consult their stockbrokers, bank managers, solicitors or other professional advisers if they have any doubt about the actions they should take.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
5 July 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.
