



RESPONSE TO SGX-ST'S QUERIES IN RESPECT OF THE COMPANY'S ANNOUNCEMENT DATED 1 NOVEMBER 2019 AND TITLED RESIGNATION OF CHIEF FINANCIAL OFFICER

Unless otherwise defined herein, capitalised terms have the same meanings as defined in the Company's announcement dated 1 November 2019 (the "Announcement").

The board of directors (the "**Board**" or "**Directors**") of Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, collectively, the "**Group**") would like to provide the following responses to queries from the Singapore Exchange Securities Trading Limited (the "**SGX-ST**") in respect of the Company's announcement dated 1 November 2019 titled "Resignation of Chief Financial Officer".

Introduction

As disclosed in the aforementioned Announcement, Mr Thng Tien Lung ("**Mr Thng**") has tendered his resignation as Chief Financial Officer of the Company ("**CFO**") on 8 October 2019 and re-affirmed his decision to leave in end of October 2019 after being given some time by the Board to reconsider his decision to resign. He is currently serving a 2-month notice period.

Query from the SGX-ST:

1. **Subsequent to Mr Thng's departure, who will be the next most senior finance person overseeing the finance function – how is this person adequate for such role? What is the current size and composition/experience of the current finance team? Have there been recent joiners/leavers in the finance team as well?**

Company's Response to SGX-ST Query:

As a result of the liquidation of the Company's principal subsidiary, PT Rinjani Kartanegara ("**Rinjani**"), in August 2017, the various employees, including the majority of the finance team, came under the control of the curators of Rinjani. Further, the Group has been operating under severe cashflow constraints since the Rinjani situation. Accordingly, the finance team after the Rinjani situation was led by the then CFO, Mr John Watson with support from an accounting clerk and an outsourced accounting team in Singapore which is staffed by employees who had previously worked with the Company. The accounting team had assisted the Company's FY2018 and 1QFY2019 accounts.

Mr Thng took over the structure that was put in place since the Rinjani situation in February 2019 after Mr John Watson resigned due to health issues in November 2018. However, due to the issue surrounding the coal hauling contract between PT Energy Indonesia Resources and PT Coalindo Adhi Nusantara ("**PT CAN**") (including without limitation the various disruptions as well as the subsequent unilateral termination of the contract by PT CAN) as well as the view of Mr Thng, the services of the outsourced accounting team was ceased.

With the imminent departure of Mr Thng, the Company has taken the following steps to address the situation:

- a. Stepping up the search of suitable candidate through, *inter alia*, networks of directors, sponsor, and business associates. The Company may also consider engaging professional recruitment agencies to enhance the recruitment drive;

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- b. Reaching out to the accounting firms to provide accounting and finance support to the Board while the search of a replacement of the CFO is in progress; and
- c. Re-engaging Mr John Watson as a consultant to assist during the interim period. In addition, Mr John Watson had been involved in the earlier RTO transaction when Sky One Holdings Limited acquired the Group.

Besides the departure of Mr John Watson as CFO of the Group in November 2018 (as set out above) and the employment of Mr Thng as the replacement CFO, there is no other recent senior joiner or leaver in the finance team since the Rinjani situation.

Query from the SGX-ST:

- 2. How long does the Company anticipate it will take before a new FC/CFO is appointed? Are there identified potential candidates currently?**

Company's Response to SGX-ST Query:

Based on last experience that the Company had when Mr Thng was recruited to take over his predecessor, the Company expects that it will take at least three months to find a suitable replacement. Taking into consideration year end period, the Company foresees that the recruitment may take slightly longer. With the finalization of the appointment of the various professionals for the reverse takeover of Kitty Hawk Natural Resources Pte Ltd ("RTO") and the commencement of the due diligence process by these professionals shortly, the Board will now be able to focus on the recruitment of a replacement CFO.

As set out in Query 1 and disclosed in the Announcement, the Company is still in search for suitable candidate.

Query from the SGX-ST:

- 3. Separately, in view of the sale and purchase agreement entered into on 27 September 2019 to acquire 100% of Kitty Hawk Natural Resources Pte Ltd which operates a coal mine in Indonesia, which is expected to constitute an RTO – how are such plans affected by the departure of the CFO?**

Company's Response to SGX-ST Query:

As set out above, the various professionals required for the RTO have been appointed or expected to be appointed shortly and the due diligence process will commence shortly with the exception of the Independent Qualified Person (as defined under the Catalist Rules), who has been appointed in September 2019 and has commenced work and visited the site in late October 2019. The Board has instructed Pak Agus Sugiono, the Company's CEO, and Pak Nordiansyah, the Company's COO to lead the RTO exercise with the assistance from, in particular, SAC Capital Private Limited as the proposed financial adviser to the Company on the RTO. Both the CEO and the COO are familiar with the Target business and are based in Indonesia where the mine site is located.

The independent directors, Mr Chow Wai San and Mr Jeffrey Khoo, who are financial professionals will also provide more guidance on financial aspects of the RTO to the Company's CEO and COO without compromising their independence during this interim period till the replacement CFO has joined the Group.

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Query from the SGX-ST:

4. **What is the current status and updates of the restructuring and of the Company? Is the Company on track with regards the timeline and milestones provided pursuant to its extension of time application for submission of trading resumption proposal, and why?**

Company's Response to SGX-ST Query:

The Company has appointed the following professionals for the RTO transactions earlier this week. These include:

- a. Baker Tilly TFW LLP as the reporting accountant and auditors;
- b. Drew & Napier LLC as the Singapore legal counsel; and
- c. ABNR as the Indonesia legal counsel.

The appointment of the full sponsor and financial adviser, SAC Capital Private Limited, is expected to be finalised shortly.

The Company took longer time to finalise the scope of work for the above stated professionals and also the commercial terms of the various engagements than expected due to, *inter alia*, ensuring the scope of work is acceptable to the proposed financial adviser to the Company and the complication of certain outstanding professional fees which is now resolved. The Company is currently collating the various information requests of the various professionals for its due diligence exercise and the kick-off meeting is scheduled for the week commencing 11 November 2019.

Separately, the Independent Qualified Person has commenced its technical work and visited the site in late October 2019 and spent about a week there.

Currently, the Company is only about a week or so behind the timeline provided by the Company pursuant to its extension of time application for submission of the trading resumption proposal. However, the Company will work with the various professionals to catch up for lost time and believes that it is currently still on track with regards to overall timeline and milestones for the purpose of submission of resumption proposal.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
7 November 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 Lee Khai Yinn, at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542, telephone (65) 6232 3210.
