



**(A) PROPOSED DISPOSAL OF MOTOR VEHICLES BY PT ENERGY INDONESIA RESOURCES – EXECUTION OF SALE AND PURCHASE AGREEMENT; AND
(B) UPDATE TO THE DEBT SETTLEMENT LETTER**

(A) PROPOSED DISPOSAL OF MOTOR VEHICLES BY PT ENERGY INDONESIA RESOURCES – EXECUTION OF SALE AND PURCHASE AGREEMENT

1. INTRODUCTION

The Board of Directors (the “**Board**” or “**Directors**”) of Resources Prima Group Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that PT Energy Indonesia Resources (“**EIR**”) has on 26 May 2020, entered into a sale and purchase agreement (“**SPA**”) with CV Langgeng Jaya Mobil (the “**Purchaser**”) for the disposal of its entire fleet of motor vehicles consisting of 19 dump trucks and their corresponding licenses (the “**Dump Trucks**”) (the “**Proposed Disposal**”).

2. INFORMATION ON THE PURCHASER

The Purchaser is a sole proprietor located at Jalan Dr. Wahidin 120, Lawang Malang, Jawa Timur, Indonesia, and is principally involved in the trading and dealing in used vehicles.

The Purchaser is an independent and unrelated third party. The Company, its Directors and controlling shareholders are not related to the Purchaser.

3. INFORMATION AND VALUE OF THE DUMP TRUCKS

Based on the Group’s latest unaudited consolidated financial statements for the 3-month financial period ended 31 March 2020 (“**1QFY2020**”), the book values of the Dump Trucks as at 31 March 2020 amounted to US\$28,000. The Proposed Disposal is expected to result in a gain on disposal of approximately US\$124,000. The Dump Trucks were purchased between November 2012 and September 2015 for the hauling of coal.

4. CONSIDERATION

The consideration of Rp 2,550,000,000 (approximately US\$173,000 using an exchange rate of Rp 1 : US\$0.000068) was arrived at after arm’s length negotiations, on a willing-buyer, willing-seller basis and taking into account, *inter alia*, the book value of the Dump Trucks, the prevailing market conditions and the state and condition of the said Dump Trucks. EIR had received 2 quotations from independent and unrelated third parties and the consideration by the Purchaser was the higher of the 2 quotations received. No valuation was conducted on the Dump Trucks.

5. SALIENT TERMS OF THE SPA

The salient terms of the SPA are as follows:

- (i) The payment terms are 10% upon signing of the SPA and 90% upon taking possession of the Dump Trucks; and
- (ii) Execution and full payment is to be no later than 21 calendar days from the date of the SPA.



6. RATIONALE FOR THE PROPOSED DISPOSAL AND USE OF PROCEEDS

The Dump Trucks were initially used to transport coal produced from the mine held by PT Rinjani Kartanegara (“**Rinjani**”). However, in 2017, operations at Rinjani faced dewatering issues which affected the coal production and resulted in Rinjani facing cashflow constraints. Rinjani subsequently faced bankruptcy proceedings and was deconsolidated from the Group. All operations at Rinjani had ceased in June 2017 and the Dump Trucks ceased to be in use. Subsequently, EIR secured a coal hauling service agreement with a third party, PT Coalindo Adhi Nusantara (“**CAN**”) and had commenced coal hauling activities from 1 November 2017 until 13 May 2019 when the coal hauling service agreement was unilaterally terminated by CAN. Ever since, the Dump Trucks have been idle and not put to good use.

The management and the Board have been searching for alternative uses for the Dump Trucks and EIR had, since May 2019 reached out to potential customers to provide coal hauling services but no coal hauling contract was entered into due to, *inter alia*, the inability to agree on key terms and conditions with potential customers and the lack of working capital to consummate a coal hauling contract as resources were directed at completing the proposed acquisition of Kitty Hawk Natural Resources Pte. Ltd. (“**Proposed Acquisition**”) and insufficient manpower to recommence coal hauling operations.

Further, as the Dump Trucks are subject to wear and tear and their values continue to depreciate over time and there is no need of the trucks subsequent to the Proposed Acquisition, and in view of the reasons stated above, the management have strongly recommended to the Board that the Dump Trucks be disposed. Additionally, Mr Nordiansyah Nasrie, the Chief Operating Officer of the Company who is the sole director of EIR, has also strongly recommended the disposal of the dump trucks to facilitate his restructuring of the liabilities of EIR.

In view of the reasons stated above, the Board decided to proceed with the disposal of the Dump Trucks. Should the demand arise, and it is commercially feasible despite the Proposed Disposal, the Group may lease new dump trucks from third parties to provide coal hauling services.

The net proceeds from the Proposed Disposal will be utilised to repay outstanding lease obligations in respect of certain of the Dump Trucks and for working capital purposes of the Group.

7. FINANCIAL EFFECTS OF THE PROPOSED DISPOSAL

The *pro forma* financial effects of the Proposed Disposal set out below are strictly for illustrative purposes only and do not purport to be indicative or a projection of the financial results and financial position of the Company and the Group after the completion of the Proposed Disposal. The financial effects have been prepared based on the Group’s audited consolidated financial statements for FY2019 and have been prepared on the assumption that the expenses in connection with the Proposed Disposal have been disregarded as they are deemed immaterial.

RESOURCES PRIMA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198602949M)

**7.1 Net Tangible Assets (“NTA”)**

The effect of the Proposed Disposal on the consolidated NTA per share of the Group for FY2019, assuming that the Proposed Disposal had been completed as at 31 December 2019 is as follows:

As at 31 December 2019	Before the Proposed Disposal	After the Proposed Disposal
NTA ⁽¹⁾ (US\$'000)	(3,439)	(3,312)
Number of issued shares (excluding treasury shares)	1,832,999,998	1,832,999,998
NTA per share (US cents)	(0.188)	(0.181)

Note:

(1) NTA refers to total assets less total liabilities, non-controlling interests and intangible assets.

7.2 Earnings per Share (“EPS”)

The effect of the Proposed Disposal on the consolidated EPS of the Group for FY2019, assuming that the Proposed Disposal had been completed on 1 January 2019 is as follows:

FY2019	Before the Proposed Disposal	After the Proposed Disposal
Loss attributable to equity holders of the Company (US\$'000)	(2,164)	(2,075)
Weighted average number of issued shares ('000) (excluding treasury shares)	1,832,999,998	1,832,999,998
EPS (US cents)	(0.118)	(0.113)

8. RELATIVE FIGURES COMPUTED BASED ON RULE 1006 OF THE CATALIST RULES

The relative figures for the Proposed Disposal computed on the bases set out in Rule 1006 of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (the “**SGX-ST**”) (the “**Catalist Rules**”) based on the Group’s latest announced unaudited consolidated financial statements for 1QFY2020 are as follows:

Rule 1006	Bases	%
(a)	The net asset value (“ NAV ”) of the assets to be disposed of, compared with the Group’s net asset value	(0.71) ⁽¹⁾
(b)	The net profit attributable to the assets disposed of, compared with the Group’s net profit ⁽²⁾	6.73 ⁽³⁾
(c)	The aggregate value of the consideration received, compared with the Company’s market capitalisation	0.51 ⁽⁴⁾
(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable ⁽⁵⁾
(e)	The aggregate volume or amount proven and probable reserves to be disposed of, compared with the aggregate of the Group’s proven and probable reserves	Not applicable ⁽⁶⁾

RESOURCES PRIMA GROUP LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 198602949M)

**Notes:**

- (1) Based on the NAV of the Dump Trucks amounting to US\$28,000 and the NAV of the Group as at 31 March 2020 of -US\$3,942,000.
- (2) For the purpose of computation of the net profit figures, in compliance with Rule 1002(3)(b) of the Catalist Rules, “net profits” means profit or loss including discontinued operations that have not been disposed and before income tax and non-controlling interests.
- (3) Based on the net loss attributable to the Dump Trucks amounting to US\$38,000 for 1QFY2020 and net loss of the Group amounting to US\$565,000 for 1QFY2020.
- (4) Based on the consideration of Rp 2,550,000,000 (being approximately US\$173,000) and the Company’s market capitalisation of S\$47,658,000 (being approximately US\$33.10 million) on 22 June 2017, being the last day when the shares of the Company were traded prior to the trading halt and suspension. The market capitalisation is computed based on the weighted average price of shares of S\$0.026 and 1,832,999,998 shares in issue.
- (5) Rule 1006(d) of the Catalist Rules is not applicable as the transaction is not an acquisition.
- (6) Rule 1006(e) of the Catalist Rules is not applicable as the Proposed Disposal is not in relation to the disposal of mineral, oil and gas assets.

As the relative figures computed pursuant to Rule 1006 of the Catalist Rules involve negative figures due to the net liability position of the Group as at 31 March 2020 and the Group recording a loss before tax and non-controlling interest for 1QFY2020, the Company has considered Rule 1007(1) of the Catalist Rules and the applicable circumstances in Practice Note 10A. As the relative figures computed on the basis of Rule 1006(a), 1006(b) and 1006(c) do not exceed 50% and the Proposed Disposal will result in a gain on disposal, the Proposed Disposal constitutes a “disclosable transaction” under Chapter 10 of the Catalist Rules.

9. DIRECTORS’ SERVICE CONTRACTS

No person is proposed to be appointed as a director of the Company in connection with the Proposed Disposal. Accordingly, no service contract is proposed to be entered into between the Company and any such person.

10. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

None of the Directors or controlling shareholders of the Company and their respective associates has any interest, direct or indirect, in the Proposed Disposal, other than through their respective shareholdings (if any) in the Company.

11. DOCUMENTS FOR INSPECTION

A copy of the SPA is available for inspection during normal office hours at the Company’s registered office at 10 Collyer Quay #10-01, Ocean Financial Centre, Singapore 049315 for three months from the date of this announcement.



(B) UPDATE ON DEBT SETTLEMENT LETTER

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcement dated 20 May 2020.

The Board refers to the Company's announcement on 20 May 2020 in relation to the receipt of a debt settlement letter from PT. Mitsui Leasing Capital Indonesia ("**Mitsui Leasing**"). Mitsui Leasing has agreed to extend the deadline for EIR to make payment for the outstanding lease obligations amounting to Rp 302,500,000 ("**Outstanding Amounts**") for 5 Dump Trucks to 27 May 2020. The Company will be making full payment of the Outstanding Amounts using, amongst others, the net proceeds from the Proposed Disposal before the stipulated deadline.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman cum CEO
26 May 2020

*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.
