



UPDATE ON THE APPLICATION FOR (I) FURTHER EXTENSION OF TIME TO SUBMIT THE GROUP'S RESUMPTION OF TRADING PROPOSAL; (II) FURTHER EXTENSION OF TIME TO COMPLY WITH RULE 704(7) OF THE CATALIST RULES; AND (III) EXTENSION OF TIME TO PUBLISH THE SUSTAINABILITY REPORT IN ACCORDANCE TO RULE 711A OF THE CATALIST RULES

Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcements dated 1 June 2018, 5 July 2018, 27 August 2018, 12 November 2018, 29 April 2019, 27 September 2019, 18 October 2019 and 27 March 2020.

The board of directors (the "**Board**" or "**Directors**") of Resources Prima Group Limited (the "**Company**", and together with its subsidiaries, the "**Group**"), refers to its announcements dated 27 March 2020, in which it announced that the Company will be writing, through its sponsor, to the Singapore Exchange Securities Trading Limited ("**SGX-ST**") to seek:

- a. a further 6-month extension of time from 28 March 2020 till 28 September 2020 for the Company to submit its resumption of trading proposal;
- b. a further 6-month extension of time from 28 March 2020 till 28 September 2020 to fill the vacancy in its Audit and Risk Management Committee ("**ARMC**"); and
- c. a 6-month extension of time from 31 May 2020 till 30 November 2020 to publish its sustainability report for the financial year ("**FY**") ended 31 December 2019,

(collectively, the "**Waivers**").

1. GRANT OF THE WAIVERS

The Company wishes to announce that SGX-ST has, on 17 April 2020, informed the Company that based on the submissions and representations provided to the SGX-ST, the SGX-ST has no objection to granting the Waivers, subject to the following:

- a. the Company announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Catalist Rule 106 and if the Waiver conditions have been satisfied. If the Waiver conditions have not been met on the date of the announcement, the Company must make an update announcement when the conditions have all been met;
- b. submission of a written confirmation from the Company that the Waivers do not contravene any laws and regulations governing the Company and the Constitution of the Company; and
- c. providing regular updates to the SGX-ST and the investors via SGXNET on the Company's progress in meeting key milestones of the RTO and the resumption proposal submission to the SGX-ST,

(collectively, the "**Waiver Conditions**").

The SGX-ST will not grant any further extension if the RTO does not proceed to completion. The SGX-ST will also not be granting any further extension for the execution or completion of the RTO. The Company will thus face delisting if it is unable to meet the extended deadline to submit its resumption proposal by 28 September 2020.



2. REASONS FOR FURTHER RESUMPTION PROPOSAL EXTENSION

Recap and update on the reasons for the resumption proposal extension in 18 October 2019 announcement

2.1 Company's strong commitment to restructure the Company

The Company has taken a number of concrete steps to restructure and turn around the Company with:

- a. the appointment of the current independent directors who have extensive experience in restructuring to guide the Company through this critical period;
- b. dealing with the aftermath from the loss of control of its principal subsidiary, PT Rinjani Kartanegara ("**Rinjani**"); and
- c. addressing the urgent and pressing needs of stabilizing the Company and the Group by generating cashflow for the Group through its remaining assets, i.e. the coal hauling assets till the recent termination in May 2019.

2.2 Company complied with deadlines imposed

Further, in spite of the above circumstances the Company was committed and has complied with the tight deadlines imposed on them with the limited resources at its disposal, including, *inter alia*:

- a. announcement of the Group's unaudited financial statements for the third quarter ended 30 September 2017 by 15 December 2017;
- b. announcement of the Group's unaudited financial statements for FY2017 by 7 June 2018;
- c. announcement of the Group's unaudited financial statements for the first quarter ended 31 March 2018 by 31 July 2018;
- d. holding of the Company's FY2017 AGM by 30 September 2018; and
- e. holding of the Company's FY2018 AGM by 30 June 2019.

The Company also announced the Group's interim and full year unaudited financial statements for FY2019 within the stipulated deadline of the Catalist Rules.

2.3 Additional funding for the Company's operating expenses through investment agreement with a substantial shareholder

- a. The securing of additional funds for the Company by the entry into **an investment agreement** with Mr Ang Liang Kim ("**Mr Ang**"), a substantial shareholder of the Company as announced on 6 August 2018 whereby Mr Ang has committed not less than S\$4 million by way of convertible loan (of up to S\$2 million) and rights issue ("**Ang Investment Agreement**"). The entry of the Ang Investment Agreement addressed the immediate financial issue and accordingly widened the opportunities and also improved the Company's negotiating position.
- b. As at the date of this announcement, approximately S\$1 million has been drawn down under the Ang Investment Agreement for general working capital purposes (including payment of professional fees and salaries of certain finance staff, including but not limited to Mr Thng Tien

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Lung, the former CFO of the Company) and a one-time drawdown for the repayment of the outstanding Directors' fees for FY2018.

2.4 Additional funding for the Company through the Yadi Investment Agreement (as defined below) and execution of a joint operations agreement between the Company and PT Prima Dharma Karsa ("PT Prima") ("PT Prima JOA")

- a. The Company and an investor, Mr Xu Shun Cheng @ Perman Yadi ("**Mr Yadi**") executed another investment agreement ("**Yadi Investment Agreement**") as announced by the Company on 31 March 2019. The Yadi Investment Agreement comprises a loan for US\$2 million by way of a convertible loan. The convertible loan extended by Mr Yadi to the Company is mainly for the Company to undertake business operations and projects that are approved by Mr Yadi. The PT Prima JOA is the first project approved by Mr Yadi.
- b. The entry of the PT Prima JOA was announced on 31 March 2019 by the Company. RPG Logistics Pte Ltd ("**RPGL**"), a wholly-owned subsidiary of the Company, was to provide, *inter alia*, transportation of nickel, supervision of mining operations and provision of mining equipment and services to PT Prima under the PT Prima JOA. In return for these services, PT Prima shall pay a royalty to RPGL for each tonne of nickel sold by PT Prima from a mining area in Indonesia. A supplemental agreement was entered into between RPGL and PT Prima on 21 February 2020 detailing, amongst others, PT Prima to bear the costs and expenses incurred by RPGL in respect of the services provided under the PT Prima JOA.
- c. The entry into the PT Prima JOA is a means to improve the business viability of the Group as it will generate revenue and cashflow for the Group, and potentially provide a viable and sustainable business which will strengthen the current financial position of the Group.
- d. As at the date of this announcement, approximately US\$1.3 million has been drawn down under the Yadi Investment Agreement mainly for the rental of barge for transportation of nickel to a loading port, rental of mining equipment such as excavators/dozers and labour for the mining operations in respect of the services provided under the PT Prima JOA. This amount is fully recoverable from PT Prima.

Company's continual commitment to restructure the Group

In addition to the above, the Company continues and is committed to step-up restructuring and governance efforts:

2.5 Follow up on dispute on coal hauling service agreement between PT Energy Indonesia Resources ("EIR") and PT Coalindo Adhi Nusantara ("CAN")

- a. The Company continues to follow up closely on the following with respect to the dispute between EIR and CAN:
 - i. The outstanding receivables due from CAN remains at US\$85,000 as at the date of this announcement (a decrease from US\$115,800 in the 18 October 2019 announcement) for work done prior to wrongful termination of the Contract (as defined below);
 - ii. Under the coal hauling contract with CAN ("**Contract**"), the monthly shortfalls of coal hauled arising from CAN's failure to provide a minimum of 100,000 tonnes per month to EIR ("**Shortfall**") for the period from November 2017 to May 2019 is estimated at some US\$2.7 million.

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- iii. In addition, claim for damages due to breach of Contract by CAN for early termination of the Contract, as set out in the Company announcement dated 15 May 2019, is estimated at US\$460,000.

In total, EIR can claim about US\$3.16 million from CAN.

- b. As advised by its Indonesian Legal Counsel, Yang & Co (“**Y&C**”), EIR has taken various actions to protect and enforce its rights under the Contract, including, *inter alia*, sending sets of notification letters in accordance to Indonesian Laws prior to any legal proceedings and is contemplating the issuance of a letter of demand and as well as commencing legal action against CAN. Additional funding is likely to be required should EIR commence legal action against CAN.

2.6 Follow up with curators of Rinjani

- a. The Company having sought professional advice from its Indonesian legal counsel, has instructed its Indonesian legal counsel to write as well as wrote letter to the curators in respect of the development and sought information on, *inter alia*, the selection criteria for coal contractors, terms with the selected coal contractor, repayment arrangement between Rinjani and the coal contractor, the progress of mining operations, the expected/forecast profitability by the appointed mine contractor and the repayment and distribution arrangement to the creditors of Rinjani. Rinjani owed some S\$32.9 million to the Group.
- b. The Company continues to pursue its rights as a creditor of Rinjani and will take any action, if deemed necessary, to protect its interests in the debt owing by Rinjani of approximately S\$32.9 million to the Group, in accordance to Indonesian Law to safeguard the interests of the Group and its shareholders. Additional funding may also be required for this purpose, subject to the response of the curators.

2.7 Appointment of Internal Auditor

- a. Notwithstanding that the decision by the then Board and/or ARMC to suspend the internal audit review following the loss of control of Rinjani, the current Board is mindful of the recent changes to the Catalist Rules, in particular Rule 719(3). Accordingly, to continue to strengthen the corporate governance in the Group, the Company has appointed BDO LLP as the Internal Auditor for the Group.
- b. The Internal Auditor completed its internal audit review for the financial year ended 31 December 2019 and has reported its findings to the AC. While there are no high risk items noted in the findings, the Management has rectified all major points noted by BDO LLP as instructed by the AC. The AC supports the continual appointment of BDO LLP as the Internal Auditor for FY2020 with the scope to be agreed, subject to the completion of the Proposed Acquisition (as defined below).

Reverse takeover (“RTO”) opportunities to provide sustainable financial and business viability for the Company

- 2.8 The Directors, Management and stakeholders of the Company relentlessly continue to look out for and evaluate other potential deals that will generate revenue and provide a viable business for the Group while the Group continues to work on a RTO and eventually a resumption of trading. After prudent deliberation and exploration of the various opportunities, the Board considered the deal relating to the coal mine majority owned by a Singapore company to be the most advantageous to



the Company. Accordingly, as announced on 27 September 2019, the Company entered into a sales and purchase agreement to acquire 100% of Kitty Hawk Natural Resources Pte. Ltd. ("**Target**") (a holding company incorporated in Singapore) which operates a coal mine in Indonesia through the Target's 95%-owned subsidiary, PT Rizky Barito Timur ("**PT Rizky**"), from Trilax Multi Investments Ltd and Anant Finance Corporation (each a "**Vendor**" and together the "**Vendors**") ("**Proposed Acquisition**").

- 2.9 Notwithstanding that the Company currently has 2 other investment agreements in place, being the Ang Investment Agreement as announced on 6 August 2018 and the Yadi Investment Agreement as announced on 31 March 2019, each investment agreement was entered into with a different purpose. The Ang Investment Agreement was mainly to provide financial support for the Company's day-to-day operations, including, *inter alia*, payment to professionals and other administrative expenses but excluding key Management salaries and Director fees, save as set out in paragraph 2.3(b) above. However, as announced by the Company on 13 August 2019, Mr Ang has allowed the drawdown of S\$200,000 for the payment of the fees to the independent Directors for FY2018 on 3 July 2019. The Yadi Investment Agreement was to provide financial support for the PT Prima JOA.
- 2.10 Therefore, to fund the RTO expenses in respect of the Proposed Acquisition of the Target, the Company also entered into a third investment agreement with Mr Chaw Chong Foo ("**Mr Chaw**") ("**Chaw Investment Agreement**") as announced by the Company on 27 September 2019. The Chaw Investment Agreement comprises a loan with a principal amount of S\$1.35 million (the amount of which may be increased by mutual agreement between the Investor and the Company) by way of convertible loan. An amount of S\$1.35 million from the convertible loan are extended to the Company for, *inter alia*, costs and expenses in relation to the Proposed Acquisition with the Target. Mr Chaw may also extend an additional loan amount in excess of S\$1.35 million to accommodate any working capital requirements set out in the Catalist Rules. As at the date of this announcement, approximately S\$230,000 have been drawn down under the Chaw Investment Agreement and paid to the various professionals in relation to the Proposed Acquisition. Another S\$665,000 drawdown notice was issued to Mr Chaw on 13 March 2020 and the Company is working with Mr Chaw to resolve his queries.
- 2.11 The Board considers the RTO opportunity with the Target (based on the information provided by the Target and Vendors) to be advantageous due to:
- a. PT Rizky is sub-divided into 2 blocks, the Sirau Block in the west and the Mantarah Block in the east. The JORC report only includes the Sirau Block, which covers about 40% (or around 400 Ha) of the total Mining Concession. Currently, the Target Group has only started mining activities at the Sirau Block. There are evidences of coal identified in a number of locations in the Mantarah Block which comprises the remaining 60% (or around 780 Ha) of the Mining Concession and is currently unexplored. This unexplored Mining Concession area will allow the Target to further increase its capacity for its subsequent business growth.
 - b. PT Rizky has a ready list of established local clients and some are affiliated to large Indonesian conglomerate including, *inter alia*, PT Multi Mekar Lestari, PT Bara Anugerah Aneka Tritunggal, PT Mega Karya Sakti, PT Pabrik Kertas Tjiwi Kimia and PT Pindo Deli Pulp & Paper Mills, from Jakarta and Surabaya, Indonesia. PT Rizky is also exploring export opportunities for its growth.
 - c. The commercial terms that are put forth by owners of the Target are more reasonable as compared to other RTO opportunities especially on the agreed valuation of the Company.

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The Target is in a business that the Company is familiar with and that the Target will generate revenue and provide a viable business for the Group, thereby addressing the viability and sustainability of the Group.

- 2.12 Salva Mining Pty Ltd, the qualified person under the Catalist Rules was appointed on 18 September 2019 to refresh the JORC report and the qualified person had since commenced work on 23 September 2019. The qualified person appointed has also conducted its site visit in late October 2019.
- 2.13 The Company appointed various relevant professionals in October/November 2019, including SAC Capital as the full sponsor and financial adviser, Baker Tilly TFW LLP as the reporting accountant and auditors, Drew & Napier as the Singapore legal counsel and ABNR as the Indonesia legal counsel and most of these professionals commenced their due diligence on the Proposed Acquisition subsequently. There was an initial delay in the commencement of the due diligence due to certain protests along the hauling road used by the Target which resulted in restricted access to the area. The protest was subsequently resolved with the involvement of the relevant government officials and state owned enterprises and the Management (Mr Agus Sugiono and our former CFO Mr Thng Tien Lung) conducted a site visit to the said mine in November 2019 together with the relevant professionals and have had various discussions with the management of the Target.
- 2.14 Certain of the professionals have completed substantially their due diligence work and have issued draft reports in respect of the work conducted. These drafts are currently being reviewed by the Company and its professionals. Concurrently, the Company together with its professionals and the vendors of the Target are in the midst of addressing certain issues highlighted in the draft reports.
- 2.15 While much progress has been made with respect to the Proposed Acquisition since 18 October 2019 announcement including the appointment of the various professional parties as well as material progress in respect of the due diligence process as mentioned above, the Company requires more time to complete the following:
- a. Finalise various due diligence reports issued including but not limited to the legal and financial due diligence, JORC and valuation reports;
 - b. Finalise the drafting of RTO circular for submission to the SGX-ST; and
 - c. Finalise the drafting of resumption proposal for submission to the SGX-ST.

As the said matters are crucial to determine the financial and operational viability of the Target post acquisition, the Company is unable to complete the Proposed Acquisition and submit the resumption of trading before 28 March 2020.

- 2.16 The Covid-19 situation was simply unexpected and its development over the past few months has significantly delayed the work flow and processes of the various professionals in particular with the measures taken by the governments from the various countries including but not limited to the Singapore government as well as the government agencies in Indonesia. These measures have greatly hindered the progress of the Proposed Acquisition since early March 2020 and is expected to continue to significantly affect the progress, even as the Company together with the Vendors of the Proposed Acquisition continue to press forward on the Proposed Acquisition (subject to further measures that may be adopted by the various countries to fight against the Covid-19 pandemic and the other developments of pandemic).

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2.17 In view of the above, the Company, through its sponsor sought approval from SGX-ST for a further 6-month extension of time till 28 September 2020. The extension is required for the Company to meet the following timelines and/or milestones:

Due diligence: The draft legal due diligence report as well as the draft updated JORC report and the draft valuation report on the Proposed Acquisition have been received and reviewed by the Company and other professionals. The ground work for the financial due diligence has also commenced. Barring any unforeseen circumstances, the Company expects due diligence pertaining to the Proposed Acquisition to be completed by end August 2020.

Submission of the RTO circular and resumption proposal: Subsequent to the completion of the due diligence, the Company will look to submit the RTO circular and resumption proposal to the SGX-ST by 28 September 2020, barring any unforeseen circumstances including, *inter alia*, the developments relating to the Covid-19 pandemic.

3. REASONS FOR FURTHER ARMC EXTENSION

The reasons for the Further ARMC Extension some of which are a repeat of those noted in the Company's previous ARMC extension approval announcements dated 27 August 2018, 12 November 2018, 29 April 2019 and 18 October 2019 are as follows:

- 3.1 Trading in the shares of the Company have been suspended since 29 June 2017 as the Board was of the view that the Company could not continue as a going concern nor could the Group's financial position be reasonably assessed due mainly to the Group's main operating subsidiary, Rinjani, having forecasted negative results for the 3-month period ended 30 June 2017. The negative results forecast resulted from the above average rainfall and related dewatering issues as well as cessation of waste mining operations and consequently cessation of coal production from Rinjani's mine site as Rinjani had failed to settle outstanding debts owed to its waste mining contractor. Since the trading suspension, Rinjani was declared bankrupt as of 9 October 2017 and the board of directors of Rinjani and the Company no longer have control over Rinjani.
- 3.2 The remaining active subsidiary of the Group then is EIR which carries out coal hauling activities. EIR had entered into a coal hauling service agreement with CAN and recommenced coal hauling operations in October 2017 (briefly stopped its operation on 1 January 2019 and recommenced on 25 February 2019). However, the average quantity of coal hauled is significantly less than the 100,000 tonnes per month as stipulated under the agreement with CAN due to ongoing heavy rainfall, poor condition of the coal hauling road and operational disruptions experienced by CAN. In addition, as the Company announcement dated 15 May 2019, CAN had early terminated the coal hauling contract with EIR.
- 3.3 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 and early termination of coal hauling contract with CAN, as set out in the Company announcement dated 15 May 2019 has added more uncertainty to the cash flows that can be generated by the Group.
- 3.4 Given the current cashflow constraints, the Directors and Management of the Company have been focusing its efforts on generating revenue and rebuilding the Group's business, as well as continuing to evaluate various options (including but not limited to obtaining financial support from the current shareholders and introduction of new investors to the Company). Further, as previously announced in the announcement dated 6 April 2018, as an interim measure to the Group's financial position, the independent directors, the executive chairman cum chief executive officer, the chief

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operating officer and the former chief financial officer have all agreed not to take any fees or remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation. Hence, it would be challenging for the Group to attract suitable candidates to act as an additional independent director on the same basis.

3.5 Although the Company had, on 6 August 2018, announced the entry of the Ang Investment Agreement whereby Mr Ang (currently a substantial shareholder of the Company), has committed not less than S\$4 million of investment in the Company by way of a convertible loan (of up to S\$2 million) and rights issue, these funds are for the purpose of general working capital (excluding salary and fees of Management and Directors) and where necessary, capital expenditures (including but not limited to potential business opportunities). While Mr Ang has given a one-time approval of the payment of the Director fees of the two independent Directors for FY2018 as announced on 13 August 2019, there is no certainty at this juncture that Mr Ang will continue to approve the Director fees of the independent directors. The difficulties in attracting suitable candidates to be appointed to the Board, Board Committees and in particular, the ARMC therefore still remain. With the profits and cashflow to be generated from *inter alia* the PT Prima JOA and/or the submission of a Trading Resumption Proposal that is agreeable to by SGX-ST for a viable business and/or injection of cash generating assets, the Board believes that the Company will be in a better position to attract suitable candidates. Further, the Vendors of Proposed Acquisition has also informed the Company that the Board will be reconstituted in conjunction with the Proposed Acquisition and accordingly the respective Board committees, including the ARMC will be reconstituted. In this regard, the Company sought a further extension of time till 28 September 2020.

3.6 Notwithstanding the absence of a third member, the ARMC of the Company is able to function effectively.

4. REASONS FOR SUSTAINABILITY REPORT EXTENSION

4.1 The Company sought a 6-month extension from 31 May 2020 to 30 November 2020 for the publishing of its sustainability report for FY2019 on the following basis:

- i. Of the total revenue amounting to US\$114,000 recorded by the Group for FY2019, around 75% or US\$86,000 was contributed by the coal hauling contract with CAN while the remaining US\$28,000 was royalty fees contributed by the PT Prima JOA.
- ii. The coal hauling contract with CAN has ceased in May 2019, leaving the only operations of the Group to be the PT Prima JOA.
- iii. The PT Prima JOA took time to be implemented due to logistical and practical issues and only 1 shipment of nickel ore has been shipped on 30 May 2019. In addition, PT Prima is looking to expand their distribution network following the recent export ban by Indonesia of nickel ore from 1 January 2020.
- iv. Due to the circumstances above, the Group did not have substantial operations in FY2019 and will not be able to meaningfully issue its sustainability report for the financial year. As the Management and Directors are focusing their resources and efforts on the completion of the RTO to effectively turnaround the Group, the Company sought a 6-month extension of time till 30 November 2020 to issue a sustainability report that will cover the coal mining operations of the Target Group following the completion of the Proposed Acquisition, which will serve as a better reflection of the business of the Group.



5. CONFIRMATIONS BY THE COMPANY

The Company confirms that the Waivers granted do not contravene any laws and regulations governing the Company and the Constitution of the Company. The Company will provide the written confirmation required under paragraph 1(b) above to the SGX-ST accordingly. The Company will make an immediate disclosure via SGXNET if such contravention arises.

The Company will continue to provide regular updates to the SGX-ST and the investors via SGXNET on the Company's progress in meeting key milestones of the RTO and the resumption proposal submission to the SGX-ST as required under paragraph 1(c) above.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
17 April 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 ("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.
