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**APPROVAL FOR (I) FURTHER EXTENSION OF TIME IN RELATION TO RULE 704(7) OF THE CATALIST RULES; AND (II) EXTENSION OF TIME FOR THE GROUP'S UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018**

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*Unless otherwise defined, capitalised terms shall have the same meaning as ascribed to them in the Company's announcements dated 11 May 2018, 1 June 2018 and 10 August 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 10 August 2018 in relation to an application to the SGX-ST for (i) a further 4-month extension to 10 December 2018 to fill the vacancy in its Audit and Risk Management Committee ("**ARMC**") (the "**Further ARMC Extension Application**") and (ii) a 2.5 month extension to 31 October 2018 to announce its unaudited financial results for the second quarter ended 30 June 2018 ("**2QFY2018**") ("**2QFY2018 Financial Results Extension Application**").

**1. GRANT OF FURTHER EXTENSION OF TIME FOR THE COMPANY TO FILL THE VACANCY IN THE ARMC AND ANNOUNCE ITS UNAUDITED FINANCIAL RESULTS FOR 2QFY2018 ("**WAIVER**")**

The Company wishes to announce that SGX-ST has, on 27 August 2018, informed the Company that, based on the information provided by the Company, the SGX-ST has no objection to granting the Company the following:

- a. 1.5-month extension, till 28 September 2018, to fill the vacancy in the ARMC, and
- b. a 2.5-month extension, till 31 October 2018, to announce the 2QFY2018 results

The Waiver is subject to the Company:

- a. announcing the Waiver granted, the reasons for seeking the Waiver, the conditions as required under Catalist Listing 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; and
- b. submission of a written confirmation from the Company that it is not aware of any information that will have a material bearing on investors' decision which has yet to be announced by the Company

**2. REASONS FOR FURTHER ARMC EXTENSION APPLICATION**

The reasons for the Further ARMC Extension Application are as follows:

- 2.1 Trading in the shares of the Company have been suspended since 28 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, PT Rinjani Kartanegara ("**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.

- 2.2 The remaining active subsidiary of the Group is PT Energy Indonesia Resources ("EIR") which carries out coal hauling activities. EIR had entered into a coal hauling service agreement with PT Coalindo Adhi Nusantara ("CAN") and recommenced coal hauling operations in October 2017. 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 and poor condition of the coal hauling road.
- 2.3 Although EIR's operations for the months of May and June 2018 have improved with 41,316 tonnes and 46,688 tonnes hauled respectively, the operations continued to be affected by rainfall even with the onset of the dry season. The average quantity of coal hauled of 35,531 tonnes for the 8-months November 2017 through June 2018 continues to be lesser than the 100,000 tonnes per month as set out in the Company's announcement dated 6 October 2017.
- 2.4 Management worked and continues to work with CAN 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 recommenced hauling operations with CAN, including meeting with CAN in July 2018 to further assess production targets of CAN for the following months. The Company's Management is cautiously optimistic that sufficient quantities of coal will be available from CAN in the near term to achieve higher coal hauling quantities than those achieved during the past months subject to, *inter alia*, external factors such as the rainfall and wet and slippery conditions in the area. The Management continues to monitor closely the performance of EIR.
- 2.5 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.
- 2.6 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 operating officer and the 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.



- 2.7 Although the Company had, on 6 August 2018, announced the entry of an investment agreement whereby the investor, Mr Ang Liang Kim (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). As such, the Management and Directors will continue, as an interim measure, not to take any fees or remuneration or to take only nominal salaries. The difficulties in attracting suitable candidates to be appointed to the Board, Board Committees and in particular, the ARMC therefore still remain and the Board believes that the Company will be in a better position to attract suitable candidates after it submits a resumption proposal that is agreeable to by SGX-ST for a viable business and/or injection of cash generating assets.
- 2.8 The Company was granted a 3-month extension of time from 28 June 2018 till 28 September 2018 to submit a resumption proposal ("**Resumption Proposal Deadline**") to the SGX-ST. In this regard, the Company has sought for a further extension of time to appoint the third ARMC member till 10 December 2018 to be beyond the Resumption Proposal Deadline, to allow sufficient time for the review and approval of the resumption proposal and subsequently to attract and identify suitable candidates.
- 2.9 Notwithstanding the absence of a third member, the ARMC of the Company is able to function effectively and as such we submit this Further ARMC Extension Application.

### **3. REASONS FOR 2QFY2018 FINANCIAL RESULTS EXTENSION APPLICATION**

The reasons for the extension of time sought in respect of the 2QFY2018 Financial Results are set out below:

- 3.1 Following the approval of the suspension of payment on 24 August 2017, the management and board of directors of Rinjani no longer had sole authority to administer or represent Rinjani or exercise any management or ownership decisions over the assets and operations of Rinjani. As such, the Company no longer had control over Rinjani.
- 3.2 Subsequently, on 9 October 2017, the Composition Plan presented by Rinjani was rejected and Rinjani entered into bankruptcy with effect from that date and the Commercial Court of Jakarta had appointed 2 curators to administer the bankruptcy estate and a supervisory judge to supervise the bankruptcy process.
- 3.3 As the Company had lost control of Rinjani on 24 August 2017 (the date of loss of control), the Company had sought for an audit to be done on Rinjani from 1 January 2017 to 24 August 2017 (the "**Financial Period**"). Despite a series of attempts taken by the Company to engage the curators to request permission for, *inter alia*, the auditors to obtain the relevant financial documents and allow for the audit of Rinjani, the curators had firmly rejected the Company's repeated requests in writing twice.

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- 3.4 Following the second firm rejection in May 2018 by the curators in granting the request for access to the financial information of Rinjani, the Company has experienced difficulties in obtaining all the details required for inter alia the deconsolidation of Rinjani and re-presentation of the relevant financial results. As a result, the Company had previously requested for time extensions for publishing its (i) unaudited financial results for the full year ended 31 December 2017 (“**FY2017**”); (ii) FY2017 annual report and hold its annual general meeting; and (iii) unaudited financial results for the first quarter ended 31 March 2018 (“**1QFY2018**”).
- 3.5 The Company requires further time to *inter alia* extract, reconstruct and re-present from the information available to the Company, the relevant information and disclosure required under the the relevant accounting standards for 2QFY2018 and allow time for the auditor’s review.
- 3.6 The Company has published its unaudited financial results for FY2017 and 1QFY2018 and is currently working towards the completion of its audit (excluding Rinjani) for FY2017 and to publish and hold its annual general meeting for FY2017 by 31 August 2018. Separately, the Company had on 1 August 2018 applied to the SGX-ST for a further 1-month extension to 30 September 2018 to hold its FY2017 annual general meeting.
- 3.7 As the Directors and Management of the Company are focusing their efforts at finalising the audit for FY2017, the preparation of the FY2017 annual report, and implementation, including the necessary approvals for the transactions contained in the Investment Agreement as well as representing the prior period financial results for 2QFY2017 the Company has requested a 2.5-month extension to 31 October 2018 to announce its 2QFY2018 financial results.

**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.

BY ORDER OF THE BOARD

Agus Sugiono  
Executive Chairman and Chief Executive Officer  
27 August 2018

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*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.*

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