

---

## **UPDATE PURSUANT TO RULE 704(22) OF THE CATALIST RULES**

---

*Unless otherwise defined herein, capitalised terms have the same meanings as defined in the Company's announcements dated, inter alia, 13 July 2018, 31 July 2018, 1 August 2018, 6 August 2018, 10 August 2018, 21 August 2018, 27 August 2018, 30 August 2018, 4 September 2018, and 13 September 2018 (collectively, the "**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 Previous Announcements and wishes to provide the following update pursuant to Catalist Rule 704(22).

### **(A) Group's future direction and other material developments that may have a significant impact on the Group's financial situation**

#### Ongoing Operations:

As previously announced, PT Energy Indonesia Resources ("**EIR**") recommenced coal hauling operations in October 2017, prior to the contracted start date of 1 November 2017, under a coal hauling service agreement ("**Coal Hauling Agreement**") with PT Coalindo Adhi Nusantara ("**CAN**"). Commencement of coal hauling operations prior to the contracted start date was at the request of CAN.

For the month of July 2018, EIR's coal hauling activities under the coal hauling service agreement with CAN continued to be affected in early July by the rainfall and accordingly 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 or when the coal hauling road is wet and slippery. During the month EIR's coal hauling activities were also negatively impacted by major maintenance work carried out by CAN on the coal hauling road.

While July's operations were affected by the above, the actual coal hauled for July 2018 amounted to 43,714 tonnes (June 2018: 46,688 tonnes). The average quantity of coal hauled of 36,328 tonnes per month for the 9-months November 2017 through July 2018 continues to be lesser than the 100,000 tonnes per month as set out in the Company's announcement dated 6 October 2017.

EIR is expected to make only a small profit before tax for July 2018 as the increase in revenue is offset by the increase in repair and maintenance costs of the dump trucks as a result of working in the environment set out above. Although EIR made a loss before tax for the 9-month period (i.e. November 2017 to July 2018), cashflows for the month of July 2018 and for the 9-month period (i.e. November 2017 to July 2018) were positive.

In August 2018, the operations of EIR were negatively affected by, *inter alia*, the rainfall and maintenance of the coal hauling road as a result thereof, as well as CAN's stockpile being full due to problems experienced by CAN with its mother vessel loading and shipping schedule. For clarity purpose, pursuant to the Coal Hauling Agreement, EIR would haul coal from CAN's mine pit to the said stockpile. Thereafter, CAN would transfer the coal at the stockpile to their mother vessel for shipping out of East Kalimantan. As a result, EIR only hauled a total of 22,924 tonnes of coal.



Subsequently, as mentioned in the Company's announcement dated 13 September 2018, CAN had ordered EIR to stop all coal hauling activities from 5 September 2018 to 17 September 2018 as CAN's stockpile remained full and sporadic fires had broken out within the stockpile due to the highly volatile nature of the coal. As such CAN requires additional time to clear the stockpile, isolate the burning coal and extinguish the fires.

The management is in discussions with CAN on possible recourse resulting from the above disruptions. Management is exploring how EIR can be protected against such disruptions in the future and will be meeting CAN in this regard.

The Company will continue to update shareholders via SGXNET in respect of the above and other matters concerning the Group through its monthly update pursuant to Rule 704(22) of the Catalist Rules.

Cashflow analysis:

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 cashflows for the period from July to October 2017. The severe underperformance of the coal hauling agreement with CAN as set out above added more uncertainty to the cash flows that can be generated by the Group. The Board also announced on 28 June 2017 that the Board is of the view that the Company is currently unable to demonstrate its ability to continue as a going concern or reasonably assess its financial position. As such the Board recommended that in the best interests of the Company, the trading halt of the Company's shares be converted to a trading suspension of the shares with immediate effect. Since 29 June 2017, the Board and Management have been concurrently working towards submitting a trading resumption proposal to the SGX-ST on or before 28 June 2018.

On 5 July 2018, the Company announced that it was informed by the Singapore Exchange Securities Trading Limited (the "SGX-ST") 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 has agreed to grant the Company a 3-month extension till 28 September 2018 for the Company to submit its resumption proposal.

Having regard of the deadline imposed by the SGX-ST, the Company announced on 6 August 2018, the entry of an investment agreement ("**Investment Agreement**") with Mr Ang Liang Kim ("**Investor**"), a substantial shareholder of the Company. The Investor has, pursuant to the Investment Agreement, 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 a 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, and as announced on 6 April 2018 the Management and Directors will continue, as an interim measure, not to take any fees or remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation.

The Company will be holding a general meeting to seek shareholders' approval for the convertible loan in due course.

The Company is and has been looking into the injection of a sustainable business and will update the shareholders should there be any major development in this aspect.



**(B) Bankruptcy proceedings – PT Rinjani Kartanegara (“Rinjani”)**

Please refer to the announcements dated 22 January 2018 in relation to the update pursuant to Rule 704(22) of the Catalist Rules (“**January 2018 monthly update**”) and dated 6 April 2018 for updates on this matter.

There have been no further developments with regard to the bankruptcy proceedings since the last update on 31 July 2018. The Group however continues to monitor the bankruptcy process and will update the shareholders should the Group be aware of any significant development in respect of the bankruptcy proceedings of Rinjani.

**(C) State of negotiations between the Company and its principal bankers or trustee**

The Company currently has no credit lines or facilities with its bankers or trustee.

**(D) Litigation**

The Company refers to its announcement dated 9 February 2018 and advises that the Group’s subsidiary, PT Pilar Mas Utama Perkasa (“**Pilar Mas**”), received a notice dated 24 January 2018 from the State Court of West Jakarta, Indonesia (the “**Notice**”) in relation to a statement of claim filed by a former shareholder of PT Rinjani Kartanegara (“**Rinjani**”), being Ruznie Oms., S.H. M.Hum (“**Ruznie**”). The statement of claim is filed against, Pilar Mas, Agus Sugiono, the Group’s Executive Chairman and Chief Executive Officer (“**Defendant II**”), Rinjani (“**Defendant III**”), Nordiansyah Nasrie, the Group’s Chief Operating Officer (“**Defendant IV**”) and other third parties (collectively, the “**Defendants**”).

The statement of claim against the Defendants, claims, *inter alia*, losses arising from events and transactions pertaining to the sale and purchase of Rinjani’s shares from its original shareholders prior to the reverse takeover back in 2014, one of which being Ruznie. The amount being claimed of Rp665 billion (approximately US\$50 million), represents, amongst others, Ruznie’s loss of rights from the sale of Rinjani’s shares and loss of opportunity to profit from the sale of Rinjani coal.

Following a decision of the West Jakarta District Court to exclude Rinjani from the mediation process due to its bankruptcy and unwillingness to participate, the mediation process recommenced with the first mediation hearing scheduled on 3 July 2018. The mediation hearing was before a panel of 3 judges and included Ruznie, Pilar Mas, and Defendants II and IV amongst others.

At the 3 July 2018 mediation hearing, no agreement was reached between the parties and as such an initial hearing was set for 10 July 2018 during which Pilar Mas and Defendants II and IV submitted their response to Ruznie’s statement of claim. Following a number of hearings the latest of which was held on 12 September 2018, at which Pilar Mas and Defendants II and IV have provided their response to the additional information provided by Ruznie at the previous hearing. The next hearing has been set for 26 September 2018 at which both Ruznie and Pilar Mas and Defendants II and IV have been



requested to provide final documents including witnesses, if any, in respect of the claim. Following completion of the mediation and hearing process and the presentation of witnesses the panel of judges shall then decide either in favour of Ruznie or Pilar Mas and Defendants II and IV.

The Company will make further announcements on the matter as necessary.

Other than as set out above, the Company has not been or is not a party in any other legal proceedings.

As previously announced, with effect from 9 October 2017, all litigation matters and decisions with respect to the legal proceedings against Rinjani will be handled by the curators appointed by the Commercial Court Jakarta.

#### **(E) Board and board committee changes**

Further to the changes and appointments to the Company's Board and Board Committees noted in the Company's announcement dated 11 May 2018, the Company will still be unable to meet the minimum number of members under Catalist Rule 704(7) in respect of the ARMC.

Although the Company has endeavoured to fill the vacant position within the 3 months from 13 February 2018, the Company makes reference to the announcement dated 6 April 2018, wherein it advised that due to the Group's financial position, the independent directors, the executive chairman cum chief executive officer, the executive director, 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 and an appointment of an additional independent director could potentially stretch the Group's financial resources.

Having regard to the above the Company refers to its announcements dated:

- 1 June 2018 wherein it was announced that SGX-ST had no objection to granting a 3-month extension till 10 August 2018 to appoint the additional (third) committee member of the ARMC, and
- 27 August 2018 wherein it was announced that based on the information provided by the Company, the SGX-ST has no objection to granting the Company a further 1.5-month extension, till 28 September 2018, to fill the vacancy in the ARMC.

The Company will continue to update shareholders via SGXNET when there are material developments in respect of any matters concerning the Group pursuant to Rule 704(7) of the Catalist Rules.

#### **(F) Application for extension of time to hold the Company's annual general meeting in respect of the financial year ended 31 December 2017 ("FY2017") and announce the Group's unaudited financial statements for the second quarter ended 30 June 2018 ("2QFY2018").**

On 21 August 2018, the Company announced that the SGX-ST had no objection to granting the Company a further extension of time till 30 September 2018 to hold its annual general meeting in respect of FY2017.

**RESOURCES PRIMA GROUP LIMITED**

(Incorporated in the Republic of Singapore)

(Company Registration No. 198602949M)



On 27 August 2018, the Company announced that the SGX-ST had no objection to granting the Company an extension of time till 31 October 2018 to announce its 2QFY2018 results announcement.

**(G) Trading resumption**

Please refer to Note (A) above for details.

The Board is of the opinion that all material disclosures have been provided by the Company.

BY ORDER OF THE BOARD

Agus Sugiono  
Executive Chairman and Chief Executive Officer  
13 September 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, #21-00 AIA Tower, Singapore 048542, telephone (65) 6532 3829.*

---