
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, 28 June 2017, 25 July 2017, 8 August 2017, 12 August 2017, 15 August 2017, 30 August 2017, 6 October 2017, 9 October 2017, 7 November 2017, 13 November 2017, 15 December 2017, 29 December 2017, 22 January 2018, 29 January 2018, 9 February 2018, 12 February 2018, 13 February 2018, 23 February 2018, 27 February 2018, 1 March 2018, 29 March 2018, 6 April 2018, 30 April 2018, 11 May 2018, 22 May 2018, 1 June 2018, 6 June 2018, 7 June 2018, 22 June 2018 and 5 July 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) 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.

The Group 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.

(B) 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.

(C) 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.

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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 a further mediation hearing was set for 10 July 2018. At the 10 July 2018 mediation hearing, Pilar Mas and Defendants II and IV submitted their response to the statement of claim of Ruznie. A further mediation hearing was set for 17 July 2018 for Ruznie to respond to the response of Pilar Mas and Defendants II and IV. Following the mediation process the panel of judges shall determine if there is a case to answer and if so, formal proceedings shall be commenced.

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.

(D) Group's future direction and other material developments that may have a significant impact on the Group's financial situationOngoing Operations:

As previously announced, EIR recommenced coal hauling operations in October 2017, prior to the contracted start date of 1 November 2017, under a coal hauling service 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 May 2018, EIR's coal hauling activities under the coal hauling service agreement with CAN was affected 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. These factors continued to affect the monthly quantities of coal hauled from CAN's operations.

While May's operations were affected by the above, EIR managed to increase the actual coal hauled for May 2018 to 41,316 tonnes (April 2018: 25,599 tonnes). The average quantity of coal hauled of 33,507 tonnes per month for the 7-months November 2017 through May 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 made a small loss before tax for May 2018 due to, *inter alia*, the increase in repairs and maintenance cost of the dump trucks as a result of working in the environment set out above. EIR also made a loss before tax for the 7-month period (i.e. November 2017 to May 2018). Cashflows for the month of May 2018 and for the 7-month period (i.e. November 2017 to May 2018) were positive.

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Although EIR's operations in June 2018 continued to be affected by rainfall even with the onset of the dry season, the amount of coal hauled for June 2018 is expected to be in the region for May 2018. Accordingly, the financial performance and cashflows of EIR for June 2018 are also expected to be similar to those of May 2018.

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 new operations. In this regard, management met with the executive management of 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.

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.

Having regard to the above, the Company refers to its announcement on 7 June 2018 in respect of the execution of a non-binding investment term sheet (the "Investment Term Sheet") with Mr Ang Liang Kim ("Investor"), a substantial shareholder of the Company. The Company is negotiating the definitive documentation with the Investor for the provision of financing. Upon execution of the definitive documentation with the Investor, there will be more certainty on the cashflows of the Company and the Company can then be expected to continue as a going concern.

In the meantime as announced on 6 April 2018, as an interim measure the Directors and Management of the Company continue not to take any fees/remuneration or to take only nominal salaries until there is more clarity on the Group's cashflow situation.

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.

Please refer to the Company's announcements dated 7 June 2018, 22 June 2018 and 5 July 2018 for more details.

(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.

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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 submitted an application to SGX-ST on 11 May 2018, for a 6 month extension to 13 November 2018 to fill the vacancy in its ARMC. On 1 June 2018, the Company announced that SGX-ST had informed the Company that it had no objection to granting a 3-month extension till 10 August 2018 to appoint the additional (third) committee member.

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 announce the Group's unaudited financial statements for the full year ended 31 December 2017, hold the Company's annual general meeting in respect of the financial year ended 31 December 2017 and announce the Group's unaudited financial statements for the first quarter ended 31 March 2018.

On 23 February 2018 the Company announced, that the Company has, through its sponsor, made an application to the SGX-ST for a 6-month extension to 31 August 2018 to announce its unaudited financial statements for the full year ended 31 December 2017 ("**FY2017 Results Announcement**"), an extension of 8 months to 31 December 2018 to hold the Company's annual general meeting ("**AGM**") and an extension of 5 months to 15 October 2018 to announce the Group's unaudited financial statements for the first quarter ended 31 March 2018 ("**1QFY2018 Results Announcement**") (the "**Extension Application**").

On 29 March 2018, the Company announced that it was informed by the SGX-ST that the SGX-ST has no objection to granting, subject to the fulfilment of certain conditions (as disclosed in the announcement made on 29 March 2018), a shorter extension period than as stated in the Extension Application being:

- a. a 3-month extension, till 31 May 2018, to announce its FY2017 Results Announcement;
- b. a 4-month extension, till 31 August 2018, to hold its AGM for FY2017; and
- c. a 2.5-month extension, till 31 July 2018 to announce its 1QFY2018 Results Announcement.

Further, on 30 April 2018, the Company announced that on 27 April 2018, it received ACRA's letter dated 24 April 2018, notifying that ACRA had granted an extension of time up to 31 August 2018, to hold its AGM for FY2017.

On 1 June, the Company announced that it had through its sponsor, made an application to the SGX-ST for a further 1-week extension to 7 June 2018 to announce its FY2017 Results Announcement ("**Further Extension**"). On 6 June 2018, the Company announced that SGX-

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ST had informed the Company that it had no objection to granting the Company a further 1-week extension till 7 June 2018, to announce its FY2017 Results Announcement and on the same day, the Company also released its FY2017 results.

(G) Trading resumption

Please refer to Note (D) above for details.

(H) Matters concerning Agus Sugiono – Arbitration proceedings

On 22 May 2018, the Company announced that, with regard to the arbitration proceedings brought against Agus Sugiono, Executive Chairman and Chief Executive Officer of the Company by Tan Kim Sing (the “**Arbitration**”), the Company has been advised and has received a copy of the order of the tribunal dated 9 April 2018, wherein the tribunal orders pursuant to Rule 32.10 of the Rules and Articles 30 and 32 of the UNCITRAL Model Law on International Commercial Arbitration that the Arbitration be terminated (the “**Order**”).

As at the date of this announcement the Order, which also terminates the joinder application served on PT Rinjani Kartanegara as announced on 17 May 2017, came into force and effect following the payment of the outstanding costs of SIAC Arbitration No 283 of 2016.

The Company does not expect the costs of the arbitration proceedings to have a material adverse effect on the Company’s financial statements for the financial year ending 31 December 2018 as all legal and arbitration costs and fees are to be borne by Agus Sugiono and/or Tan Kim Sing.

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 July 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.*

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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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