**Securities Investors Association (Singapore)**
7 Maxwell Road #05-03 MND Building Annexe B Singapore 069111
Tel: (65) 6227 2683 Fax: (65) 6220 6614
Email: admin@sias.org.sg www.sias.org.sg
UEN No: S99SS0111B
GST Reg No: M90367530Y

**Issuer:** Resources Prima Group Limited

**Stock code:** 5MM

**Meeting details:**
Date: 29 June 2021
Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

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**Q1**. On 27 September 2019, the company announced the proposed acquisition of Kitty Hawk Natural Resources Pte. Ltd. which will result in a "reverse takeover". Kitty Hawk owns 95% of the issued shares of PT Rizky Barito Timur, a company incorporated in Indonesia, principal business of which is coal mining and it operates a mining concession that covers an area of 1,179 hectares and the coal mine is located at Dusun Timur Sub-District, Barito Timur Regency, Central Kalimantan, Indonesia.

In Note 3 to the financial statements, the company expects that, barring any unforeseen circumstances, the commercial and financial due diligence, audit of the target group (Kitty Hawk Natural Resources Pte. Ltd. and its subsidiaries) and the technical and legal due diligence to be completed by end July 2021 (page 64). Management has represented that in the event the company did not meet the deadline to submit the trading resumption proposal by 16 August 2021, the company will continue to appeal with SGX-ST.

(i) **Who is leading the company's reverse takeover? Specifically, who is overseeing the due diligence process?**

(ii) **What is the scope of the financial and commercial due diligence of the target group?**

(iii) **Given the company's operational track record in the past, what assurance can management give to shareholders that the proposed acquisition will lead to long-term, sustained value creation for shareholders?**

(iv) **Has the company completed the independent valuation report on the value of Kitty Hawk?**

(v) **Can the company help shareholders understand the current status of the coal mine which is located in Central Kalimantan?**

(vi) **In addition, what is the scope of the internal audit? Please identify the internal auditors.**

**Q2.** Trading of the shares has been suspended since 29 June 2017 (trading was first halted on 23 June 2017).

Prior to the suspension, the group had been faced with operational and financial issues including a dispute with PT Coalindo Adhi Nusantara and the loss of control of PT Rinjani Kartanegara. The company announced on 28 June 2017 that the board was of the view that the company was unable to demonstrate its ability to continue as a going concern or reasonably assess its financial position.

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The company has received further extensions to submit its resumption proposal on:

- 5 July 2018 (3 months)
- 12 November 2018 (6 months)
- 29 April 2019 (6 months)
- 18 October 2019 (6 months)
- 17 April 2020 (6 months)
- 31 December 2020 (till 16 August 2021)

While the SGX-ST had previously informed that it will not grant any further extension if the company was unable to submit its resumption proposal by 28 September 2020, the company was granted a further extension till 16 August 2021 as a ***final concession*** (emphasis added) after appealing to SGX-ST to consider the unprecedented circumstances faced by the company in the midst of the Covid-19 pandemic.

(i) **Given that the 16 August final deadline is less than 2 months away, what are the outstanding matters to be resolved which are critical to the company's resumption proposal?**

(ii) **Can the independent directors elaborate further on their roles and their level of involvement in the resumption proposal?**

(iii) **What are the roles played by the three investors (Mr Ang Liang Kim, Mr Perman Yadi and Mr Chaw Chong Foo), if any, in the resumption proposal?**

Management has represented that it will continue to appeal with SGX-ST should the company miss the deadline to submit its trading resumption proposal by 16 August 2021.

(iv) **How confident is management in meeting the 16 August 2021 deadline?**

(v) **What guidance has the board given to management and what is the oversight by the board on the progress of the resumption proposal?**

**Q3.** The board comprises 3 directors, of which 2 are independent directors. The nominating committee (NC), the remuneration committee and the audit & risk management committee each comprises the 2 independent directors. The company has stated that the committees fall short of the minimum number of 3 directors required under the Code of Corporate Governance 2018. This was due to the current cashflow constraints.

The company has received an extension of time to 16 August 2021 to appoint a third member of the ARMC.

(i) **What is the progress made in the search for new director(s)?**

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The NC has stated that it taps on the resources of existing directors for personal contacts and other professionals' recommendations of potential candidates for the shortlisting process.

(ii) **Can the NC elaborate further on how the use of personal contacts support the board diversity policy?**

The profile of the two independent directors can be found on pages 4 and 5. Additional information on Mr Khoo Song Koon who is seeking his re-election at the AGM can be found on pages 19 to 20.

(iii) **Can the directors help shareholders understand their experience in M&A, specifically, in due diligence, due structuring and valuation?**

(iv) **In addition, what is the experience and level of familiarity of the independent directors of the coal mining industry, especially of coal mining in Indonesia?**

^On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so.

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

**Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.**

**Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on SIAS website**

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^ Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation)

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