



UPDATE TO MATTERS ON THE GROUP

The board of directors (the “**Board**” or “**Directors**”) of Resources Prima Group Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”), makes reference to the announcement dated 28 June 2017 in relation to the Company’s ability to continue as a going concern and wishes to provide an update regarding the affairs of the Group.

Voluntary severance package for employees

Having further reviewed the present operating environment of its main operating subsidiary, PT Rinjani Kartanegara (“**Rinjani**”), and given that there is currently no certainty as to whether mining operations will recommence, the Board has taken the decision to offer a voluntary severance package to all of Rinjani’s employees in order to significantly reduce its current operating expenses and cash outflows.

As at the date of this announcement, all employees of Rinjani have accepted the offer and, as such, their last day of employment shall be 31 July 2017. The voluntary severance package shall result in the Group making a one-off non-recurring payment to the employees of approximately US\$800,000 net of tax during the financial year ending 31 December 2017.

As and when required, the Group will look to re-engage certain employees or contract workers on revised terms in order for Rinjani to meet any administrative obligations.

Waste mining contractor

The management of the Company has met representatives of PT Cipta Kridatama (“**CK**”) to negotiate the recommencement of waste mining operations and to reschedule all amounts owed to CK. However, management has been advised by CK that it would not recommence waste mining operations unless full payment of the current outstanding debt comprising waste mining costs and equipment rental costs owed to CK by Rinjani, amounting to approximately US\$2.5 million is made. As such, the Group has approached and is continuing discussions with alternative waste mining contractors.

Tax demand – Indonesian tax office

Management has reviewed the tax assessment findings for 2013 by the Indonesian tax authority which form the basis of the tax demand of approximately US\$5.0 million. Advice has been obtained from professional tax advisors and a formal response to the Indonesian tax authority is expected to be submitted in due course.

Other matters

Following the cessation of all coal production from Rinjani’s mine site (as previously announced), the operations of RPG Trading Pte. Ltd. and PT Energy Indonesia Resources, which are dependent on coal produced by Rinjani, have also been suspended.

RESOURCES PRIMA GROUP LIMITED

(Incorporated in the Republic of Singapore)
(Company Registration No. 198602949M)



None of the Directors, controlling shareholders or their respective associates has any interest, direct or indirect, in the aforementioned, save for their respective shareholdings in the Company, if any.

The Board will continuously reassess the Company's ability to continue as a going concern as new information is available and will keep shareholders updated as and when there are material updates in relation to matters pertaining to the Group.

BY ORDER OF THE BOARD

Agus Sugiono
Executive Chairman and Chief Executive Officer
25 July 2017

This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Advisors 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 Mr Sebastian Jones, Director, at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829. SAC Capital Private Limited is the parent company of SAC Advisors Private Limited.
