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## **RESOURCES PRIMA SIGNS AGREEMENT WITH ITS WASTE MINING CONTRACTOR FOR A FURTHER REDUCTION IN THE WASTE MINING RATE AND AMENDMENT TO DEBT REPAYMENT TERMS**

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The board of directors (the “**Board**”) of Resources Prima Group Limited (“**Resources Prima**” or the “**Company**” and together with its subsidiaries, the “**Group**”), a coal mining company with integrated operations including coal mining facilities in Indonesia, is pleased to announce that PT Rinjani Kartanegara (“**PT Rinjani**”), a subsidiary of the Company has entered into an agreement with its waste mining contractor, PT Cipta Kridatama (“**CK**”), which provides for a further reduction of the waste mining rate charged by CK as well as an additional debt settlement repayment.

### **Reduction in the Waste Mining Rate**

PT Rinjani and CK have agreed a reduction in the waste mining rate from US\$2.00 per bank cubic metre (“**bcm**”) to US\$1.80 per bcm with effect from 14 July 2016, the date on which the second borrow-use permit for an area covering 897.56 hectares was awarded to PT Rinjani and announced via SGXNet . Assuming an average stripping ratio of 8.0, equivalent to PT Rinjani’s average stripping ratio for the six-month period ended 30 June 2016 (“**6MFYE12/16**”), the impact of the reduced waste mining rate could be a potential operating cost saving (excluding value-added tax) of approximately US\$1.60 per tonne of coal produced. Actual savings will, among others, depend on the monthly stripping ratio of PT Rinjani’s mine.

Waste mining cost was the largest component of the Group’s cost of goods sold (“**COGS**”), accounting for approximately 51.0% of the Group’s COGS in 6MFYE12/16. Any reduction in the waste mining rate will have a positive impact on the Group’s gross profit margin, all other things remaining equal. During 6MFYE12/16, total overburden removed amounted to approximately 5,950,660 bcm. For illustration purposes, assuming all other things remaining equal, a reduction in the waste mining rate of US\$0.20 per bcm would have yielded cost savings of approximately US\$1.2 million during 6MFYE12/16.

### **Additional Debt Settlement Repayment**

PT Rinjani and CK have also agreed to further amend the terms and conditions of the Debt Settlement Agreement, as disclosed in the circular to shareholders dated 30 September 2014 and as amended on 29 March 2016, such that PT Rinjani shall make additional debt repayments to CK equivalent to a certain dollar per tonne monthly repayment over and above the previously agreed monthly repayment under the Debt Settlement Agreement and amendments thereto. The actual additional repayment shall be determined and agreed on a monthly basis taking into consideration the actual cost savings made from the reduction in the waste mining rate, as described above. The additional monthly repayments shall not exceed the cost savings from the reduction in waste mining rate. PT Rinjani has also agreed

**RESOURCES PRIMA GROUP LIMITED**

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



to pay to CK a US\$200,000 payment to reduce the principal amount owing by PT Rinjani to CK under the Debt Settlement Agreement from US\$16.8 million to US\$16.6 million.

Save for the additional monthly debt repayments and the repayment of US\$200,000 of the principal amount owing, the terms and conditions of the Debt Settlement Agreement and amendments thereto shall remain unchanged and in full force and effect.

BY ORDER OF THE BOARD

Agus Sugiono  
Executive Chairman and Chief Executive Officer

6 September 2016

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor (the "Sponsor"), SAC Advisors Private Limited, for compliance with the relevant rules of the Singapore Exchange Securities Trading Limited ("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, SAC Advisors Private Limited at 1 Robinson Road, #21-02 AIA Tower, Singapore 048542, telephone (65) 6532 3829.*

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