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## **RESOURCES PRIMA SIGNS AGREEMENTS WITH ITS WASTE MINING CONTRACTOR FOR A FURTHER REDUCTION IN THE WASTE MINING RATE AND EXTENSION OF DEBT REPAYMENT PERIOD**

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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 the revised agreements entered into on 29 March 2016 between PT Rinjani Kartanegara (“**PT Rinjani**”), a subsidiary of the Company, and its waste mining contractor, PT Cipta Kridatama (“**CK**”), which have resulted in the following changes:

- a reduction in the waste mining rate of US\$0.25 per bank cubic metre (“**bcm**”); and
- an extension to the debt repayment deadline from 31 December 2016 to 31 December 2018.

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

PT Rinjani and CK have agreed on a reduction in the waste mining rate of US\$0.25 per bcm from US\$2.25 per bcm to US\$2.00 per bcm with effect from October 2015. Assuming an average stripping ratio of 8.8 bcm of overburden per tonne, equivalent to PT Rinjani’s average stripping ratio for the nine-month period ended 31 December 2015 (“**9MFYE15**”), the impact will be a potential operating cost saving (excluding value-added tax) of approximately US\$2.20 per tonne of coal. Actual savings will depend on the monthly stripping ratio of the Group’s mine.

Waste mining cost was the largest component of the Group’s cost of goods sold (“**COGS**”), accounting for approximately 63.8% of the Group’s COGS in 9MFYE15. As a result, any reduction in the waste mining rate will have a positive impact on the Group’s gross profit margin. During 9MFYE15, total overburden removed amounted to approximately 10,811,000 bcm. Purely for illustration purposes, assuming all things being equal, a reduction in the waste mining rate of US\$0.25 per bcm would have yielded cost savings of approximately US\$2.7 million during 9MFYE15.

### **Debt Repayment**

PT Rinjani and CK have also reached an agreement (“**Amendment Agreement**”) to restructure the outstanding debt owed by PT Rinjani to CK comprising two amounts of approximately US\$17.2 million and IDR9.1 billion as at 31 December 2015. Pursuant to the Amendment Agreement, the deadline for full repayment of the outstanding debt to CK has been extended from 31 December 2016 to 31 December 2018 with monthly repayments pursuant to the following schedule:

- the higher of US\$1.50 per tonne of coal sold or US\$180,000 per month for 2016;
- the higher of US\$2.00 per tonne of coal sold or US\$330,000 per month for 2017 and 2018; and

**RESOURCES PRIMA GROUP LIMITED**

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



- full and final settlement of any balance of the debt outstanding to be made by 31 December 2018.

The monthly repayments shall be subject to: (i) a minimum monthly ICI 2\* coal price, after adjusting to a Free On Board Barge basis and to account for PT Rinjani's coal quality, of US\$38.00 per tonne; and (ii) a maximum cumulative stripping ratio of 9.0 bcm of overburden per tonne. If either of these conditions is not met for a particular month, no debt repayment is required for the respective month.

Save for the extension of the repayment period and the change in repayment terms based on coal sales tonnages to the extent expressly varied or amended by the provisions of the Amendment Agreement, the terms and conditions of the Debt Settlement Agreement between PT Rinjani and CK remain as disclosed in the circular to shareholders dated 30 September 2014 and shall remain unchanged in full force and effect.

BY ORDER OF THE BOARD

Agus Sugiono  
Executive Chairman and Chief Executive Officer  
1 April 2016

\* ICI 2 refers to the Indonesia Coal Index which reflects the spot price of Indonesian coal with a calorific value of 5,800 kcal/kg gross as received.

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*This announcement has been prepared by the Company and its contents have been reviewed by the Company's sponsor ("**Sponsor**"), Canaccord Genuity Singapore Pte. Ltd., 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 Ms. Lam Siew Hwa, Director, Corporate Finance, Canaccord Genuity Singapore Pte. Ltd., at 77 Robinson Road #21-02 Singapore 068896, telephone (65) 6854-6160.*

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