



KENCANA AGRI LIMITED
 (Incorporated in the Republic of Singapore)
 (Company Registration Number: 200717793E)
 (the “Company”)

PROPOSED DISPOSAL OF 78.5% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PT CAHAYA PERMATA GEMILANG

- ENTRY INTO SECOND SIDE LETTER TO NEW CONDITIONAL SHARES SALE AND PURCHASE AGREEMENT

*Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed to them in the Company’s previous announcement dated 10 August 2021 and 12 November 2021 (the “**Previous Announcements**”) relating to the new conditional shares sale and purchase agreement entered into in connection with the proposed disposal of 78.5% of the issued and paid-up share capital of PT Cahaya Permata Gemilang (the “**Proposed Disposal**”).*

The board of directors (the “**Board**” or the “**Directors**”) of Kencana Agri Limited (the “**Company**” and together with its subsidiaries, the “**Group**”) refers to the Previous Announcements and wishes to announce that the Buyer, the Seller, the Company and the Target have entered into a second side letter (the “**Second Side Letter**”) to vary the terms and conditions of the New CSPA entered into between them on 10 August 2021 in relation to the Proposed Disposal. The terms and conditions of the New CSPA as announced in the Previous Announcements and which have been varied by the Second Side Letter are set out below.

	NEW CSPA	SECOND SIDE LETTER
<p>First Right to Purchase (As set out in Section 2.3 of the Previous Announcement dated 10 August 2021)</p>	<p>The Seller shall grant EKP and LK the first right to purchase empty fruit bunches and mesocarp fiber at a fixed price of Rp50/kg. Such fix price may be further negotiated in the future in good faith.</p>	<p>The Seller shall grant EKP and LK the first right to purchase empty fruit bunches and mesocarp fiber at a fixed price of Rp50/kg. Such fix price may be further negotiated in the future in good faith.</p> <p><i>For the avoidance of doubt, this first right to purchase does not oblige EKP and/or LK to purchase these raw materials; it only obliges the Seller to first offer these raw materials to EKP and/or LK. However, in the event that there is a material changes in the market price for such raw materials, the Seller, EKP and LK will re-negotiate the price in good faith.</i></p>

		<p><i>In the event that the parties are unable to agree on a new price, the Seller is not obliged to sell the raw materials to EKP and LK and may sell to any third party.</i></p> <p><i>The first right to purchase will take effect on Completion of the Proposed Disposal. There is no fixed term in respect of this right to purchase, and such right will continue to subsist until the parties agree to terminate such right.</i></p>
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BY ORDER OF THE BOARD

Ratna Maknawi
Executive Vice Chairman
Singapore, 10 December 2021