



KENCANA AGRI LIMITED

(Incorporated in the Republic of Singapore)
(Registration No. 200717793E)

ANNOUNCEMENT PURSUANT TO RULE 704(17)(D) OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED - CHANGE IN SHAREHOLDING OF SUBSIDIARIES

Pursuant to Rule 704(17)(d) of the Listing Manual of the Singapore Exchange Securities Trading Limited ("SGX"), the Board of Directors of Kencana Agri Limited ("the **Company**") and together with its subsidiaries, the "**Group**") wishes to announce the following:

Increase in share capital of PT. Langgeng Nusa Makmur ("LNM")

The Company's wholly owned subsidiary, PT. Wira Palm Mandiri, had subscribed for additional 5,500 shares in LNM for cash consideration of IDR550,000,000. Following the subscription, there is no change in the percentage of shareholding of the Company in LNM.

The rationale for the increase in share capital is to strengthen the capital structure of LNM. The aforesaid subscription was funded through internal resources of the Group and the subscription is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2019.

None of the Directors of the Company has any interest, direct or indirect, in the above transaction.

Increase in share capital of PT. Agro Mas Lestari ("AML")

The Company's wholly owned subsidiary, PT. Wira Palm Mandiri, had subscribed for additional 6,500 shares in AML for cash consideration of IDR650,000,000. Following the subscription, there is no change in the percentage of shareholding of the Company in AML.

The rationale for the increase in share capital is to strengthen the capital structure of AML. The aforesaid subscription was funded through internal resources of the Group and the subscription is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2019.

None of the Directors of the Company has any interest, direct or indirect, in the above transaction.

Increase in share capital of PT. Palm Makmur Sentosa (“PMS”)

The Company’s wholly owned subsidiary, PT. Wira Palm Mandiri, had subscribed for additional 5,500 shares in PMS for cash consideration of IDR550,000,000. Following the subscription, there is no change in the percentage of shareholding of the Company in PMS.

The rationale for the increase in share capital is to strengthen the capital structure of PMS. The aforesaid subscription was funded through internal resources of the Group and the subscription is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2019.

None of the Directors of the Company has any interest, direct or indirect, in the above transaction.

Increase in share capital of PT. Delta Subur Permai (“DSP”)

The Company’s wholly owned subsidiary, PT. Sawindo Kencana, had subscribed for additional 90,000 shares in DSP for cash consideration of IDR90,000,000,000. Following the subscription, there is no change in the percentage of shareholding of the Company in DSP.

The rationale for the increase in share capital is to strengthen the capital structure of DSP. The aforesaid subscription was funded through internal resources of the Group and the subscription is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2019.

None of the Directors of the Company has any interest, direct or indirect, in the above transaction.

Increase in share capital of PT. Agri Eastborneo Kencana (“AEK”)

The Company’s wholly owned subsidiary, PT. Sawit Permai Lestari, had subscribed for additional 4,000 shares in AEK for cash consideration of IDR4,000,000,000. Following the subscription, there is no change in the percentage of shareholding of the Company in AEK.

The rationale for the increase in share capital is to strengthen the capital structure of AEK. The aforesaid subscription was funded through internal resources of the Group and the subscription is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2019.

None of the Directors of the Company has any interest, direct or indirect, in the above transaction.

Increase in share capital of PT. Agrojaya Tirta Kencana (“ATK”)

The Company’s wholly owned subsidiary, PT. Alamraya Kencana Mas, had subscribed for 47,500 shares in ATK for cash consideration of IDR47,500,000,000. Following the subscription, there is no change in the percentage of shareholding of the Company in ATK.

The rationale for the increase in share capital is to strengthen the capital structure of ATK. The aforesaid subscription was funded through internal resources of the Group and the subscription is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2019.

None of the Directors of the Company has any interest, direct or indirect, in the above transaction.

Increase in share capital of PT. WIRA MAS PERMAI (“WMP”)

The Company’s wholly owned subsidiary, PT. Alamraya Kencana Mas, had subscribed for 77,000 shares in WMP for cash consideration of IDR77,000,000,000. Following the subscription, there is no change in the percentage of shareholding of the Company in WMP.

The rationale for the increase in share capital is to strengthen the capital structure of WMP. The aforesaid subscription was funded through internal resources of the Group and the subscription is not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2019.

None of the Directors of the Company has any interest, direct or indirect, in the above transaction.

By Order of the Board
Kencana Agri Limited

Ratna Maknawi
Executive Vice-Chairman

11 July 2019