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 WHICH CONSTITUTES AN INTERESTED PERSON TRANSACTION UNDER CHAPTER 9 AND A MAJOR TRANSACTION UNDER CHAPTER 10 OF THE LISTING MANUAL OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED RESPECTIVELY

- **UPDATE ON THE PROPOSED DISPOSAL**

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*Unless otherwise defined, all capitalised terms used herein shall have the meanings ascribed to them in the Company's announcements dated 31 October 2019, 12 December 2019, 23 January 2020, 24 March 2020 and 5 May 2020 (the "**Previous Announcements**").*

The board of directors of Kencana Agri Limited (the "**Board**") refers to the Previous Announcements and wishes to provide the shareholders of the Company with an update on the status of the Proposed Disposal.

Taking into account the recent market developments in the energy sector in which the Target is operating, as well as the global economic trends, including the impact of the COVID-19 pandemic, the parties have agreed to relook at certain terms of the Proposed Disposal. Accordingly, the Company has decided to hold the Proposed Disposal in abeyance pending the conclusion of such further discussions and renegotiations. The Board will update the shareholders of the Company on any material developments concerning the Proposed Disposal as and when appropriate.

On behalf of the Board

Ratna Maknawi
Executive Vice Chairman

Singapore, 5 March 2021