



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

- ENTRY INTO AN AMENDED AND RESTATED 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 announcements dated 31 October 2019, 12 December 2019, 23 January 2020 and 24 March 2020 (the “**Previous Announcements**”) in relation to the preliminary agreement dated 31 October 2019 entered into between the Company, PT Sawindo Kencana and PT Kencana Energi Lestari Tbk. for the sale and purchase of 78.5% of the issued and paid-up share capital of PT Cahaya Permata Gemilang (the “**Proposed Disposal**”), the conditional shares sale and purchase agreement dated 12 December 2019 (the “**CSPA**”) entered into between the Company, PT Sawindo Kencana, PT Kencana Energi Lestari Tbk. and PT Cahaya Permata Gemilang to supplement the details of the Proposed Disposal, the supplemental deed to the CSPA dated 23 January 2020 entered into to further supplement the details of the Proposed Disposal and the side letter to the CSPA dated 24 March 2020 entered into to extend the long stop date for completion of the Proposed Disposal.*

The board of directors of Kencana Agri Limited (the “**Board**”) refers to the Previous Announcements and wishes to announce that the parties have mutually agreed to revise the structure and payment terms of the Consideration for the Proposed Disposal and that an amended and restated conditional shares sale and purchase agreement has been entered into (the “**Amended and Restated CSPA**”) pursuant to which some provisions of the CSPA will be further amended.

Under the terms and conditions of the Amended and Restated CSPA, the transaction value of the Proposed Disposal is approximately US\$4,313,746 (the “**Transaction Value**”). The Transaction Value comprises the following:

- (1) the loan amount owed by the Target to its shareholders (the “**Shareholders’ Loan**”), being approximately US\$1,585,170;
- (2) the consideration for the Sale Shares being approximately US\$2,514,197 (the “**Sale Shares Price**”)
- (3) approximately US\$72,722, being the value of the SWK Land (which comprises approximately US\$38,500 for the sale of 1.8 hectares of land to LK and approximately US\$34,222 for the sale of the remaining 1.6 hectares of land to EKP) (the “**SWK Land Value**”);
- (4) approximately US\$21,817, being the value of the lease fees payable under the SWK Lease Agreements for a term of six years (which comprises approximately US\$11,550 for the lease

of 1.8 hectares of land by LK for a term of six years and approximately US\$10,267 for the lease of the remaining 1.6 hectares of land by EKP for a term of six years) (the “**SWK Land Lease Fee**”); and

- (5) approximately US\$119,840, being the amount of cash balances in the Target, EKP and LK as at 31 July 2019 attributable to the Seller (the “**Cash Component**”).

The parties further agree that the allocation of the Transaction Value as set out above is subject to a final calculation that will be determined prior or on the date of Completion.

At Completion, the Buyer shall:

- (i) pay to the Seller the Sale Shares Price, the SWK Land Lease Fee and the Cash Component; and
- (ii) enter into a shareholders’ loan agreement with the Target for an amount equivalent to the Shareholders’ Loan and disburse an amount equivalent to the Shareholders’ Loan so as to enable the Target to repay the Shareholders’ Loan.

The Buyer will pay to the Seller the SWK Land Value within 14 business days upon the fulfillment of the conditions subsequent relating to the SWK Land.

In addition, the achievement by LK, on a consistent basis, of at least 65% capacity factor for the production period commencing December 2019 and ending February 2020 (or such other period as may be agreed), is no longer a condition precedent to completion of the Proposed Disposal.

Shareholders are advised to read this announcement and any further announcements by the Company carefully. Shareholders are advised to refrain from taking any action in respect of their securities in the Company which may be prejudicial to their interests, and to exercise caution when dealing in the securities of the Company. In the event of any doubt, Shareholders should consult their stockbrokers, bank managers, solicitors, accountants or other professional advisors.

On behalf of the Board

Ratna Maknawi
Executive Vice Chairman

Singapore, 5 May 2020