

BUMITAMA AGRI LTD.

(Incorporated in Singapore)

(Company Registration Number: 200516741R)

PROPOSED ACQUISITION OF 95.0% OF THE ISSUED SHARE CAPITAL OF PT. SUKSES MANUNGGAL SAWITINDO

Unless otherwise defined, all capitalised terms used herein shall have the same meanings as ascribed to them in the prospectus (the “Prospectus”) of Bumitama Agri Ltd. (the “Company”, and together with its subsidiaries, the “Group”) which was registered by the Monetary Authority of Singapore on 3 April 2012.

1. INTRODUCTION

As disclosed in the Prospectus, the Group had on 1 January 2011 entered into the GHL Cooperation Agreement with PT. Sukses Manunggal Sawitindo (“SMS”) and PT. Karya Manunggal Sawitindo (“KMS”), each an associate of one of the Company’s Controlling Shareholders, the Hariyantos. The Company further announced on 7 August 2014 that it had, amongst others, elected not to exercise the GHL Call Option and had instead terminated the GHL Cooperation Agreement with effect from 31 July 2014 due to the time that had elapsed and the lack of progress in obtaining the (then) required approvals of the Minister of Marine and Fishery for foreign ownership of PT. Gunajaya Harapan Lestari (“GHL”).

The Board of Directors of the Company (the “Board”) wishes to announce that, with the approval of the Minister of Marine and Fishery now no longer being required for the Group’s ownership of GHL, the Group has on 3 February 2016 entered into a Sale and Purchase Agreement with the Lim Family (which includes one of the Company’s Controlling Shareholders, the Hariyantos) to acquire 95.0% of the total issued shares in SMS (the “Acquisition”, and the shares being acquired, the “Target Shares”). The Target Shares will be acquired by PT. Bumitama Sawit Lestari (“BSL”), a subsidiary of the Company.

The Acquisition is subject to the parties having received the relevant government approval(s) in Indonesia. Upon completion of the Acquisition, the remaining 5.0% of the total issued shares in SMS will be held by KMS to satisfy the requirements of the Investment Law in Indonesia.

2. INFORMATION ON THE ACQUISITION**2.1 SMS**

SMS is primarily engaged in the plantation business, and was incorporated on 13 March 2007 under Deed of Incorporation Number 37 made before Surjadi, SH, Notary at Jakarta, and obtained approval from the Ministry of Law and Human Right of Republic of Indonesia on 28 May 2007 under Decree Letter Number W7-05876 HT.01.01-TH.2007.

SMS currently holds 95.0% of the total issued and paid up capital of GHL, with the remaining 5.0% of the total issued shares in GHL being held by KMS to satisfy the requirements of the Investment Law in Indonesia.

GHL is primarily engaged in the plantation business, and was incorporated on 22 February 2007 under the Deed of Incorporation Number 16 made before Surjadi, SH, Notary at Jakarta, and obtained approval from the Ministry of Law and Human Right of the Republic of Indonesia on 28 May 2007 under Decree Letter Number W7-05872 HT.01.01-TH. 2007.

As at the date of this announcement, GHL has an *Ijin Lokasi* based on Decree of Head of Regent of Ketapang District No. 370 Tahun 2008 dated 7 October 2008, such decree being extended by the Head of Regent of Ketapang District based on Decree No. 415 Tahun 2010 dated 27 July 2010, and Plantation Business License No. 427/Disbun-D/2013 dated 11 September 2013 for oil palm plantations in West Kalimantan, of which 2,982 hectares has been cultivated (including land under the plasma programme).

As at the date of this announcement, the authorised capital of SMS is IDR 4,000 million (equivalent to S\$411,217¹), and its paid up capital is IDR 1,000 million (equivalent to S\$102,804¹). The authorised capital of GHL is IDR 200,000 million (equivalent to approximately S\$20,560,849¹), and its paid up capital is IDR 50,000 million (equivalent to approximately S\$5,140,212¹).

2.2 Consideration

The consideration for the Acquisition (the “**Consideration**”) has been determined by KJPP Rengganis, Hamid & Rekan (the “**Valuer**”), an independent third party valuer jointly commissioned by the Group and the Lim Family, to be IDR 76,957 million (equivalent to approximately S\$7,911,506¹) (the “**Consideration**”), based on the equity value of SMS. The Consideration will be payable in cash on completion of the Acquisition, and will be funded by the Group’s internal resources.

Based on the Group’s audited consolidated financial statements for the financial year ended 31 December 2014, the Consideration represents less than 3% of the Group’s latest audited consolidated net tangible asset value.

2.3 Asset Values

As at 30 September 2015, the negative book value and negative net tangible asset value of the Target Shares is approximately IDR 7,101 million (equivalent to approximately S\$729,979¹), based on the unaudited financial statements of SMS for the period ended 30 September 2015.

¹ Based on the exchange rate of IDR 9,727.23 : S\$1

The open market value of the Target Shares, as determined by the Valuer, is IDR 76,957 million (equivalent to approximately S\$7,911,506¹) as at 27 January 2016 based on the equity value of SMS.

2.4 Net Loss

Based on the unaudited financial statements of SMS for the period ended 30 September 2015, the net loss before income tax, minority interests and extraordinary items attributable to the Target Shares for the period ended 30 September 2015 is approximately IDR 4,887 million (equivalent to approximately S\$502,372¹).

3. RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group's expansion plan to increase the hectarage of its land bank. While the book value and net tangible asset value of SMS is currently negative as the plantation of GHL is currently immature, the Group expects to generate more income going forward from the plantation of GHL as the oil palm mature. In addition, GHL's land is near the land bank of the Group. The close proximity would allow the Group to achieve operational efficiency through the sharing of resources such as labour and infrastructure.

4. FINANCIAL EFFECTS OF THE ACQUISITION

The Acquisition will not have a material impact on the net tangible assets and earnings per share of the Company based on the consolidated audited financial statements of the Group for the financial year ended 31 December 2014, and is not expected to have a material impact on the net tangible assets and earnings per share of the Company for the financial year ended 31 December 2015.

5. NON-DISCLOSEABLE TRANSACTION UNDER RULE 1006 OF THE LISTING MANUAL

The relative figures in relation to the Acquisition computed on the applicable bases set out in Rule 1006 of the Listing Manual are as follows:

Rule	Basis	Relative Bases (%)
1006(a)	The net asset value of the assets to be disposed of, compared with the Group's net asset value	Not applicable
1006(b)	The net profits attributable to the Target Shares compared with the Group's net profits	Not meaningful ⁽¹⁾
1006(c)	The aggregate value of the consideration given, compared with the Company's market capitalisation ⁽²⁾ based on the total number of issued shares, excluding treasury shares	0.65

1006(d)	The number of equity securities issued by the Company as consideration for an acquisition, compared with the number of equity securities previously in issue	Not applicable
---------	--	----------------

Notes:

- (1) Not meaningful as there was a net loss of approximately IDR 4,887 million (equivalent to approximately S\$(502,372¹) that was attributable to the Target Shares for the 9-month period ended 30 September 2015, as compared to the Group's net profits of S\$69,323,163 for the same period based on the unaudited financial statements of the Group for the 9-month period ended 30 September 2015.
- (2) The Company's market capitalisation is based on 1,755,276,544 Shares in issue as at 1 February 2016 at a volume weighted average price of S\$0.690 at the close of trading on 1 February 2016 for each Share.

As the relative figures as computed on the bases set out in Rule 1006 of the Listing Manual amount to less than 5%, the Acquisition is considered a non-discloseable transaction under Chapter 10 of the Listing Manual.

6. INTERESTED PERSON TRANSACTION

The Lim Family includes one of the Company's Controlling Shareholders, the Hariyantos. Accordingly, the Acquisition constitutes an interested person transaction for the purposes of Chapter 9 of the Listing Manual.

Based on the audited consolidated financial statements of the Group for the financial year ended 31 December 2014, the audited consolidated net tangible assets of the Group is approximately IDR 6,311,960 million (equivalent to approximately S\$648.9 million¹). Accordingly, the value of the Acquisition, based on the Consideration, is approximately 1.2% of the Group's latest audited consolidated net tangible asset. The value of the Acquisition, based on the Consideration, when aggregated with other transactions entered into with the Hariyantos and their associates during the financial year beginning 1 January 2015 that are not conducted under a general mandate, is approximately 2.8% of the Group's latest audited consolidated net tangible asset.

7. INTERESTS OF DIRECTORS AND CONTROLLING SHAREHOLDERS

Save as disclosed above, other than interests held through the Company as shareholders, none of the Directors or Controlling Shareholders of the Company has any direct or indirect interest in the Acquisition.

The Company will update shareholders in the event that there are material developments in relation to the Acquisition.

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman and Chief Executive Officer

3 February 2016