

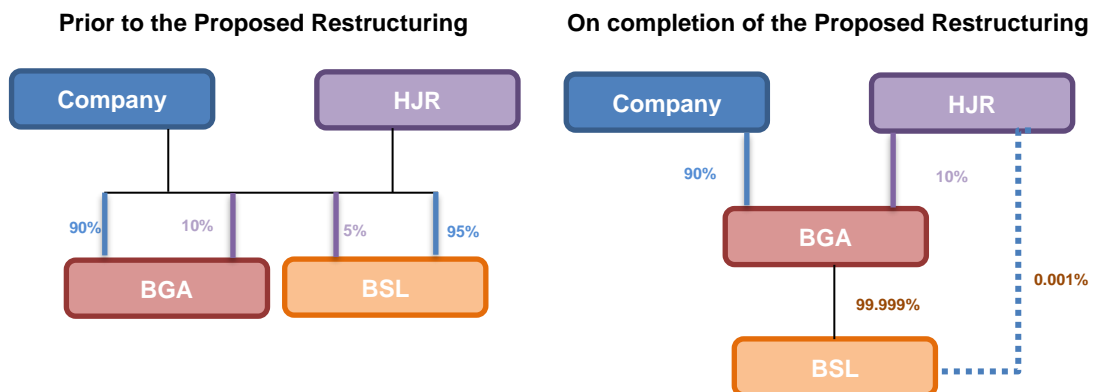
PROPOSED INTERNAL RESTRUCTURING EXERCISE

1. INTRODUCTION

- 1.1. The board of directors (the “**Board**”) of Bumitama Agri Ltd. (the “**Company**” and together with its subsidiaries, the “**Group**”) wishes to announce that the Group intends to undertake an internal restructuring exercise (the “**Proposed Restructuring**”).
- 1.2. As at the date hereof, PT Bumitama Gunajaya Agro (“**BGA**”) is 90% held by the Company, with the remaining 10% held by PT Harita Jayaraya (“**HJR**”), an associate of the Group’s controlling shareholders, Dr. Lim Hariyanto Wijaya Sarwono and Mr. Lim Gunawan Hariyanto, and PT Bumitama Sawit Lestari (“**BSL**”) is 95% held by the Company, with the remaining 5% held by HJR.
- 1.3. Pursuant to the Proposed Restructuring, BGA will acquire 99.999% of BSL (the “**Sale Shares**”) from the Company and HJR (95% from the Company and 4.999% from HJR) for an aggregate consideration of IDR 965.77 billion (approximately SGD 90,381,653 which will be satisfied by way of the issue and allotment of additional equity in BGA (the “**BGA Consideration Shares**”) to each of the Company and HJR (the “**Capital Transfer**”). In order to maintain the existing 90% : 10% equity ratio of BGA, HJR will also subscribe for additional equity in BGA (the “**BGA Subscription Shares**”) for an aggregate subscription price of IDR 53.665 billion (approximately SGD 5,022,236 (the “**HJR Share Subscription**”).

The Proposed Restructuring shall be conditional upon the approval from the Ministry of Law and Human Rights of Indonesia.

- 1.4. An illustration of the Group’s organisation structure prior to and on completion of the Proposed Restructuring, which has been simplified to include only the involved entities, is set out below:



- 1.5. With the Proposed Restructuring, the Company will hold its equity interests in BSL through BGA, instead of directly, and HJR will directly hold 0.001% of its equity interests in BSL and indirectly hold the rest of its equity interests in BSL through BGA.¹ Accordingly, HJR's effective interest in BSL will increase to 10.002%. Correspondingly, the Company's effective interest in BSL will become 89.998%. While the Capital Transfer involves a transfer of the Company's equity interests in one subsidiary to another subsidiary and may not necessarily constitute a "transaction" under Chapter 10 of the listing rules (the "**Listing Rules**") of the Singapore Exchange Securities Trading Limited (the "**SGX-ST**"), the Company is making this disclosure in the interest of transparency.
- 1.6. Pursuant to the HJR Share Subscription, BGA will be issuing and allotting additional equity to HJR for an aggregate consideration of IDR 53.665 billion (approximately SGD 5,022,236). Such consideration represents approximately 0.6% of the Group's latest audited net tangible assets ("**NTA**") for the financial year ended 31 December 2021 ("**FY2021**"). Accordingly, the HJR Share Subscription is an interested person transaction but does not require any announcement nor shareholder approval under Chapter 9 of the Listing Rules.

2. INFORMATION ON BGA AND BSL

2.1. Information on BGA

BGA was incorporated in the Republic of Indonesia on 20 January 2004 and is primarily engaged in the business of investment holding and business and management consultancy services. As at the date of this announcement, BGA has an issued and paid-up share capital of IDR 1,000 billion (approximately SGD 93,584,940 which will increase to IDR 2,019 billion (approximately SGD 188,988,890) on completion of the HJR Share Subscription.

2.2. Information on BSL

BSL was incorporated in the Republic of Indonesia on 3 August 2012 and is primarily engaged in the business of investment holding. As at the date of this announcement, BSL has an issued and paid-up share capital of IDR 873.94 billion (approximately SGD 81,787,622)

3. PRINCIPAL TERMS OF THE PROPOSED RESTRUCTURING

In connection with the Proposed Restructuring, the Company, HJR, BGA and BSL have entered into a capital transfer agreement which sets out the term and conditions of the Capital Transfer. In addition, BGA and HJR have also entered into a share subscription agreement which sets out the terms and conditions of the HJR Share Subscription. The terms and conditions of these transaction documents (collectively, the "**Transaction Documents**") are summarized below.

3.1. Consideration

The aggregate consideration for the acquisition by BGA of the Sale Shares from the Company and HJR is IDR 965.77 billion (approximately SGD 90,381,653) (the "**Capital Transfer Consideration**"), which will be fully satisfied by the issue and allotment of 917,492 BGA Consideration Shares to the Company and 48,280 BGA Consideration Shares to HJR. The Capital Transfer Consideration was arrived at on a willing-buyer and willing-seller basis, taking into account the current market value and condition of the palm oil industry attributed to the capital transfer as well as the fair value of BSL, as determined by the Independent Valuer.

¹ The 0.001% equity interests in BSL will continue to be held directly by HJR in order to meet the legal requirement under Indonesian law that at least 2 shareholders are required.

For further details on the valuation of BSL, please refer to Section 4.1 of this announcement below.

The aggregate consideration for the HJR Share Subscription, pursuant to which HJR will be issued and allotted 53,665 BGA Subscription Shares, is IDR 53.665 billion (approximately SGD 5,022,236) (the “**HJR Share Subscription Consideration**”), which was performed in order to maintain the existing 90% : 10% equity ratio of BGA and, subsequently, the 5.002% increase in HJR’s effective interest in BSL as a result of the HJR Share Subscription. The HJR Share Subscription Consideration will be fully satisfied in cash.

3.2. Conditions

The Proposed Restructuring shall be conditional upon the approval from the Ministry of Law and Human Rights of Indonesia.

4. VALUE OF BSL AND BGA

4.1. Valuation Report

KJPP Andang Kosasih, Maman Firmansyah, Agus Prihatanto and Partners (“**KJPP AMAR**”) (the “**Independent Valuer**”) was appointed by the Group to perform a valuation on BSL as at 30 June 2022. The Independent Valuer has served more than ten years as a provider of property assessment consultancy services, directly supervised by the Ministry of Finance of the Republic of Indonesia. KJPP AMAR has experienced and committed partners and team; and by 2021, KJPP AMAR had effectively completed more than 500 projects. Pursuant to the valuation, BSL was valued at approximately IDR 965.78 billion (approximately SGD 90,382,557).

The valuation report dated 19 September 2022 (the “**Valuation Report**”) was prepared in accordance with the Income Approach and the Discounted Cash Flow method.

4.2. Book Value and NTA Value of the Sale Shares

As at 30 June 2022, the book value and NTA value of the Sale Shares is IDR 618.26 billion (approximately SGD 57,859,388). The open market value of the Sale Shares is not available as BSL is not publicly traded.

5. FINANCIAL EFFECTS OF THE PROPOSED RESTRUCTURING

5.1. Bases and Assumptions

The following are presented for illustration purposes only and are not intended to reflect the actual future financial situation of the Company or the Group after completion of the Proposed Restructuring (“**Completion**”). The financial effects of the Proposed Restructuring on the Company as set out below are based on the Group’s latest audited financial statements for FY2021 and the following assumptions:

- (a) the financial effects on the Group’s NTA per share in the Company (“**Share**”) have been computed assuming that Completion took place on 31 December 2021; and
- (b) the financial effects on the Group’s earnings per Share (“**EPS**”) have been computed assuming that Completion took place on 1 January 2021.

5.2. Share Capital

As no new Shares will be issued by the Company in connection with the Proposed Restructuring, the Proposed Restructuring will have no impact on the Company's issued share capital.

5.3. NTA per Share

	Before Completion	On Completion
NTA ⁽¹⁾ attributable to the Shareholders (IDR million)	10,115,010	10,146,709
Number of Shares (excluding treasury shares) ('000)	1,734,144	1,734,144
NTA per Share (IDR)	5,833	5,851

Note:-

- (1) NTA means total assets less the sum of total liabilities, non-controlling interest and intangible assets (net of non-controlling interest).

5.4. EPS

	Before Completion	On Completion
Profit after taxation and non-controlling interests (IDR million)	1,721,367	1,720,387
Weighted average number of Shares (excluding treasury shares) ('000)	1,746,621	1,746,621
EPS (IDR)	986	985

5.5. Gearing

	Before Completion	On Completion
Net borrowings / (cash) ⁽¹⁾ as at 31 December 2021 (IDR million)	3,967,102	3,967,102
Shareholders' equity (IDR million)	11,998,572	12,052,237
Gearing (times)	0.33	0.33

Note:-

- (1) Net borrowings means total borrowings less cash and bank balances. Net cash means cash and bank balances are more than total borrowings.

6. RELATIVE FIGURES UNDER RULE 1006 OF THE LISTING MANUAL

Based on the latest announced unaudited consolidated financial statements of the Group for the half-year ended 30 June 2022 (“HY2022”), the relative figures of the Capital Transfer as computed on the bases set out in Rule 1006 of the Listing Manual are as follows. For the avoidance of doubt, in this Section 6 the transaction is taken to be the acquisition by BGA of 99.999% of BSL (i.e., the Sale Shares) where the assets to be acquired refer to the Sale Shares.

Rule	Bases		
1006(a)	The net asset value (“NAV”) of the assets to be disposed of, compared with the Group’s NAV. This basis is not applicable to an acquisition of assets.	-	N.A.
1006(b)	The net profits / (loss) attributable to the assets acquired or disposed of, compared with the Group’s net profits.	Net Profits Attributable to the Sale Shares as at 30 June 2022	Approximately SGD 25,757,196
		Net Profits Attributable to the Group as at 30 June 2022	Approximately SGD 203,897,173
		Relative Figure	12.6%
1006(c)	The aggregate value of the consideration given, compared with the Company’s market capitalisation based on the total number of issued Shares excluding treasury shares.	Consideration	Approximately SGD 90,381,653
		Market Capitalisation ⁽¹⁾	Approximately SGD 1,049,157,147
		Relative Figure	8.6%
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.	-	N.A.
1006(e)	The aggregate volume or amount of proved and probable reserves to be disposed of, compared with the aggregate of the Group’s proved and probable reserves. This basis is applicable to a disposal of mineral, oil or gas assets by a mineral, oil & gas company, but not to an acquisition of such assets.	-	N.A.

Note:-

- (1) The market capitalisation of the Company is calculated based on the weighted average price of S\$0.605 per Share on 13 December 2022 (being the market day preceding the date of the Transaction Documents) and 1,734,144,044 Shares in issue as at 13 December 2022 (being the market day preceding the date of the Transaction Documents).

7. RATIONALE FOR AND BENEFITS OF THE PROPOSED RESTRUCTURING AND USE OF PROCEEDS

The purpose of the Restructuring is part of the Group's efforts to streamline the Group's corporate structure for improved business planning and administrative efficiency.

To the fullest extent permissible under the relevant laws, the Company intends to retain the full amount of the proceeds for working capital purposes and it will be used in an effective and cost efficient manner.

8. OTHER MATTERS IN RELATION TO THE PROPOSED RESTRUCTURING

8.1. Interests of Directors and Substantial Shareholders

Other than through their respective shareholdings in the Company, none of the directors and/or substantial shareholders of the Company has any interest (direct or indirect) in the Proposed Restructuring.

8.2. Service Contracts with Directors

No person is proposed to be appointed as a director of the Company or any of its subsidiaries in connection with the Proposed Restructuring. Accordingly, no service contract is proposed to be entered into in connection with the Proposed Restructuring.

8.3. Documents Available for Inspection

Copies of the following documents are available for inspection during normal office hours, on any weekday (public holidays excepted), at the registered office of the Company for three months from the date of this announcement

- (a) the Constitution of the Company;
- (b) the annual report of the Company for FY2021;
- (c) the Transaction Documents; and
- (d) the Valuation Report.

9. DIRECTORS' RESPONSIBILITY STATEMENT

The Directors collectively and individually accept full responsibility for the accuracy of the information given in this announcement and confirm after making all reasonable enquiries, that to the best of their knowledge and belief, this announcement constitutes full and true disclosure of all material facts about the Proposed Restructuring, the Company and its subsidiaries, and the Directors are not aware of any facts the omission of which would make any statement in this announcement misleading. Where information in the announcement has been extracted from published or otherwise publicly available sources or obtained from a named source, the sole

responsibility of the Directors has been to ensure that such information has been accurately and correctly extracted from those sources and/or reproduced in its proper form and context.

10. FURTHER ANNOUNCEMENTS

The Company will make such further announcements as and when appropriate to keep shareholders informed of any further development on the Proposed Restructuring.

11. TRADING CAUTION

SHAREHOLDERS AND POTENTIAL INVESTORS SHOULD EXERCISE CAUTION WHEN TRADING IN SHARES OF THE COMPANY, AND WHERE IN DOUBT AS TO THE ACTION THEY SHOULD TAKE, THEY SHOULD CONSULT THEIR FINANCIAL, TAX OR OTHER PROFESSIONAL ADVISER IMMEDIATELY.

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman & CEO
14 December 2022