

BUMITAMA AGRI LTD.

(Incorporated in Singapore)

(Company Registration Number: 200516741R)

PROPOSED ACQUISITION OF 95.0% OF THE ISSUED SHARE CAPITAL OF PT. GEMILANG MAKMUR SUBUR

*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 November 2011 entered into a master cooperation agreement (the “**Cooperation Agreement**”) with Westbrook International Pte Ltd (“**Westbrook**”) and PT. Karya Manunggal Sawitindo (“**KMS**”), each an associate of one of the Company’s Controlling Shareholders, the Hariyantos, in relation to the management and operation of the plantation of PT. Gemilang Makmur Subur (“**GMS**”). The Company further announced on 7 August 2014 that it had, amongst others, elected not to exercise the call option under the Cooperation Agreement and had instead terminated the Cooperation Agreement with effect from 31 July 2014 due to the time that had elapsed and the lack of progress in renewing some of the (then) required licenses for the operation and management of the plantations of GMS.

The Board of Directors of the Company (the “**Board**”) wishes to announce that, with the requisite licenses for GMS having been obtained in 2015, the Group has on 13 September 2016 entered into a Sale and Purchase Agreement with Westbrook to acquire 95.0% of the total issued shares in GMS (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 remaining 5.0% of the total issued shares in GMS will be held by KMS to satisfy the requirements of the Investment Law in Indonesia.

2. INFORMATION ON THE ACQUISITION

2.1 GMS

GMS is engaged in the plantation business. As at the date of this announcement, GMS has a total concession covering 5,190 hectares of land. The Company will be conducting ground checking and high conservation value and high carbon stock assessments prior to the planting of the remaining uncultivated land, in conformance with the Roundtable on

Sustainable Palm Oil Principles & Criteria (RSPO P&C) and the Sustainability Policy of the Company.

As at the date of this announcement, the authorised capital of GMS is IDR 20,000 million (equivalent to S\$2,062,068¹), and its paid up capital is IDR 15,000 million (equivalent to S\$1,546,551¹).

2.2 Consideration

The total purchase consideration for the Acquisition is IDR 12,273.5 million (equivalent to approximately S\$1,265,440¹) (the “**Consideration**”) was arrived at on a willing-buyer, willing-seller basis with reference to the valuation by KJPP Iskandar and Rekan (the “**Valuer**”), an independent third party valuer jointly commissioned by the Group and Westbrook, and taking into account the equity value of GMS. 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 2015, the Consideration represents less than 3% of the Group’s latest audited consolidated net tangible asset value.

2.3 Asset Values

As at 30 June 2016, the book value and net tangible asset value of the Target Shares is approximately IDR 9,600 million (equivalent to approximately S\$992,319¹), based on the unaudited financial statements of GMS for the 6-month period ended 30 June 2016.

2.4 Net Loss

Based on the unaudited financial statements of GMS for the 6-month period ended 30 June 2016, the net loss before income tax, minority interests and extraordinary items attributable to the Target Shares is approximately IDR 281.5 million (equivalent to approximately S\$29,025¹).

3. RATIONALE FOR THE ACQUISITION

The Acquisition is in line with the Group’s expansion plan to increase the hectareage of its land bank. The Group expects to generate income going forward from the plantation of GMS. In addition, GMS’ 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

¹

Based on the exchange rate of IDR9,699 : S\$1

for the financial year ended 31 December 2015, 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 ending 31 December 2016.

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	0.10
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 281.5 million (equivalent to approximately S\$29,025) that was attributable to the Target Shares for the 6-month period ended 30 June 2016, as compared to the Group's net profits of S\$39,609,685 based on the unaudited financial statements of the Group for the 6-month period ended 30 June 2016.

(2) The Company's market capitalisation is based on 1,755,276,544 Shares in issue as at 13 September 2016 at a volume weighted average price of S\$0.720 at the close of trading on 13 September 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

As mentioned above, Westbrook is an associate of 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 2015, the audited consolidated net tangible assets of the Group is approximately IDR 6,762,000 million (equivalent to approximately S\$697,184,143²). Accordingly, the value of the Acquisition, based on the Consideration, is approximately 0.2% 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 2016 that are not conducted under a general mandate, is approximately 1.3% 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

13 September 2016

² Based on the exchange rate of IDR9,699 : S\$1