

## INDOFOOD AGRI RESOURCES LTD.

*(Incorporated in the Republic of Singapore)*

*(Company Registration No.: 200106551G)*

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### PROPOSED SUBSCRIPTION IN MSA

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#### 1. BACKGROUND

The Board of Directors (the "**Board**") of Indofood Agri Resources Ltd. (the "**Company**", and together with its subsidiaries, the "**Group**") wishes to announce that the Company's subsidiary in Indonesia, PT Salim Ivomas Pratama Tbk ("**SIMP**") has proposed to subscribe new shares in PT Mentari Subur Abadi ("**MSA**") (the "**Proposed Subscription**").

#### 2. PROPOSED SUBSCRIPTION

##### 2.1 Certain Information on the Relevant Entities

Currently MSA is effectively (direct and indirect) owned by SIMP (a subsidiary of the Company), PT Giat Sembada Sentosa ("**GSS**"), PT Gapura Usahatama ("**GU**"), and Indogreen Energy Resources Pte. Ltd. ("**IER**") as to 60.00%, 25.06%, 12.14% and 2.80%, respectively. GSS, GU and IER are members of the Salim Group<sup>1</sup> (collectively, "**Salim Entities**").

MSA has approximately 13,000 hectares of planted oil palm plantations in South Sumatra, Indonesia. It also operates a palm oil mill with a fresh fruit bunch ("**FFB**") processing capacity of 432,000 tonnes per annum.

SIMP is listed on the Indonesia Stock Exchange. SIMP and its subsidiaries ("**SIMP Group**") is a vertically integrated agribusiness group and a leading palm oil producer in Indonesia. As of 30 September 2020, SIMP Group has approximately 252,000 hectares of planted oil palm plantations. It also operates 27 palm oil mills with a combined FFB processing capacity of 7.0 million tonnes per annum.

##### 2.2 The Proposed Subscription

Pursuant to a shareholder meeting of MSA held on 31 December 2020, it was resolved that MSA will issue 806,897 new shares to be subscribed entirely by SIMP for a cash consideration of Rp806,897 million. Upon the completion of the Proposed Subscription, MSA will be effectively held by SIMP and Salim Entities as to approximately 80% and 20%, respectively.

#### 3. RATIONALE FOR THE PROPOSED SUBSCRIPTION

The rationale of the Proposed Subscription is to strengthen the financial position, reducing interest expenses and optimising the capital structure of MSA.

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<sup>1</sup> Mr Anthoni Salim and the group of companies controlled by him or, as the context requires, Mr Anthoni Salim.

#### 4. CHAPTER 9 OF THE LISTING MANUAL (“LISTING MANUAL”) OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED (“SGX-ST”)

##### 4.1 Details of Interested Persons

MSA is 40% owned by Salim Entities, members of the Salim Group, which is a controlling shareholder of the Company with a deemed interest of approximately 83.15% of the total number of issued shares of the Company as at the date of this Announcement. Accordingly, MSA is regarded as an “associate” of the Salim Group and therefore an “interested person” of the Company under Chapter 9 of the SGX-ST Listing Manual.

The Proposed Subscription by SIMP in MSA for Rp806,897 million (which is equivalent to approximately US\$57.1 million) represents approximately 4.8% of the audited net tangible assets<sup>2</sup> of the Group of Rp16,951,977 million as at 31 December 2019 (the “**Audited NTA**”).

For the purposes of Rule 905(2) of the Listing Manual, associates of the Salim Group (“**Interested Persons**”) are treated as the same Interested Person and transactions between the Group and such Interested Persons during the same financial year are aggregated in determining whether the designated thresholds under Rule 905(2) of the Listing Manual are triggered.

As the aggregate value of the interested person transactions under the Proposed Subscription is below 5% of the Group’s latest audited net tangible assets, the Company is not required to seek shareholders’ approval pursuant to Rule 906 of the Listing Manual.

##### 4.2 Audit Committee Statement

The Audit Committee of the Company has reviewed the terms of the proposed subscription of new shares by SIMP and is of the view that the terms of the Proposed Subscription are on normal commercial terms and are not prejudicial to the interests of the Company and its minority shareholders.

##### 4.3 Current total value of all interested person transactions

The current total values of all interested person transactions, excluding transactions which are less than S\$100,000 and transactions conducted under the Company’s IPT Mandate pursuant to Rule 920 of the SGX-ST Listing Manual (“**Non-mandated**”), with (a) the Salim Group and (b) all interested persons of the Company, for the financial year 2021 (prior to and including the Proposed Subscription), and the percentage of the Group’s Audited NTA represented by such values, are as follows:

	Prior to the Proposed Subscription		Including the Proposed Subscription	
	Amount Rp’ billion	Percentage of Audited NTA	Amount Rp’ billion	Percentage of Audited NTA
Total value of all Non-mandated transactions with the Salim Group	-	-	807	4.8%
Total value of all Non-mandated transactions with all interested persons of the Company	-	-	807	4.8%

<sup>2</sup> “Net tangible assets” is defined as the net assets of the Group net of goodwill and intangible assets.

**5. INTERESTS OF THE DIRECTORS AND CONTROLLING SHAREHOLDERS**

Mr Axton Salim, a non-executive Director of the Company, is the son of Mr Anthoni Salim, who is a controlling shareholder of the Company. Mr Tjhie Tje Fie, a non-executive Director of the Company, is the nominee of Indofood Singapore Holdings Pte. Ltd. (“**ISHPL**”). ISHPL is a company in which the Salim Group has deemed shareholding interests.

Save as disclosed in this Announcement, none of the Directors or controlling shareholders of the Company has any interest, direct or indirect, in the Proposed Subscription.

By Order of the Board of the Company

Mark Julian Wakeford  
Chief Executive Officer and Executive Director  
1<sup>st</sup> January 2021