

GLOBAL PALM RESOURCES HOLDINGS LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration No. 200921345M)

PROPOSED ACQUISITION OF 95.0% OF THE ISSUED AND PAID-UP SHARE CAPITAL OF PT BUMI RAYA AGRO AS AN INTERESTED PERSON TRANSACTION ("PROPOSED ACQUISITION")

1. INTRODUCTION

1.1. The board of directors ("**Board**") of Global Palm Resources Holdings Limited ("**Company**", together with its subsidiaries, to be collectively referred to as the "**Group**") wishes to announce that Global Palm Resources Private Limited ("**GPRPL**"), a wholly-owned subsidiary of the Company has on 12 December 2018 entered into the following agreements:

- (a) a conditional sale and purchase agreement ("**PT BRU CSPA**") with PT Bumiraya Utama ("**PT BRU**") to acquire 5,616,350 ordinary shares ("**PT BRU Sale Shares**"), representing approximately 94.98% of the issued and paid-up share capital of PT Bumi Raya Agro ("**Target Company**") at a purchase consideration of Rp23,614,220,451 ("**PT BRU Consideration**"); and
- (b) a conditional sale and purchase agreement ("**SA CSPA**") with Mr Swandono Adijanto ("Mr Swandono") to acquire 1,000 ordinary share ("**SA Sale Share**"), representing approximately 0.02% of the issued and paid-up share capital of the Target Company at a purchase consideration of Rp4,204,549 ("**SA Consideration**").

(the PT BRU Consideration, SA Consideration to be collectively referred to as "**Total Consideration**", and the PT BRU Sale Shares and SA Sale Share to be collectively referred to as "**Sale Shares**")

2. INFORMATION ON THE TARGET COMPANY

- 2.1. The Target Company is a company incorporated in the Republic of Indonesia on 13 March 2012 and is principally engaged in the business of oil palm plantation. As at the date of this announcement, the Target Company has an issued and paid-up capital of Rp5,913,000,000, comprising 5,913,000 ordinary shares. The Target Company holds a location permit to approximately 10,100 ha of oil palm plantation. ("**Asset**"). As at the date of this announcement, the Target Company has not commenced production nor sale of crude palm oil nor palm kernels.
- 2.2. The shareholders of the Target Company are PT BRU and Mr Swandono, who own 99.98% and 0.02% of the issued and paid-up capital of the Target Company respectively.

3. RATIONALE FOR THE PROPOSED ACQUISITION

- 3.1. The Board has identified that the ability to increase the Company's land banks for development into oil palm plantations is integral to sustaining the Company's growth in the long term. As previously set out in the Company's prospectus dated 21 April 2010 ("**Prospectus**"), the criteria for identifying potential acquisitions of other oil palm plantations was set out as follows:
- (a) be revenue generating;
 - (b) have at least 3,000 ha or more land under cultivation and at least 4,000 ha or more of uncultivated land banks suitable for cultivation of oil palms; and
 - (c) be located in Kalimantan and/or other parts of Indonesia in order to leverage on the working experiences of the management team of the Company, who are mainly based in Indonesia.
- 3.2. Based on the GPRPL's review of the financial accounts of the Target Company ending 30 November 2018, the Valuation Report (as defined below) and the preliminary due diligence conducted on the Target Company, the Target Company fulfils all of the abovementioned criteria.
- 3.3. The Proposed Acquisition is in the best interests of the Group as it will enable the Group to expand its sources of revenue and its current business operations, including the Group's geographical coverage in Kalimantan and overall rate of production of fresh palm fruit bunches. In addition, the addition of the Target Company's oil palm plantation land will also increase the Company's aggregate land bank available for future cultivation.

4. SALIENT TERMS OF THE PROPOSED ACQUISITION

- 4.1. The Sale Shares will be acquired by GPRPL from PT BRU and Mr Swandono free from all encumbrances together with all of the rights, title and interest attaching to the Sale Shares.
- 4.2. The completion of the Proposed Acquisition is conditional on, *inter alia*, the following matters being fulfilled (or waived) ("**Conditions Precedent**") on or prior to six months after the signing of the PT BRU CSPA and SA CSPA ("**Long Stop Date**"):
- (a) corporate approval of the Target Company, including but not limited to a resolution of general meeting of the shareholders or a circular resolutions of shareholders in lieu of a general meeting of shareholders, being obtained to approve the transfer of the Sale Shares to GPRPL;
 - (b) Required government approvals being obtained by the Company to effectively record the transfer of the Sale Shares, including but not limited to the recommendation from the Ministry of Agriculture or the Directorate General of Plantation;
 - (c) Satisfactory due diligence conducted by GPRPL on the Target Company and the Asset;

(d) Receipt by the Target Company and/or PT BRU of any other approval which GPRPL deems to be necessary after the conduct of due diligence on the Target Company and notified in writing to the Target Company and/or PT BRU (as the case may be); and

(e) in relation to the SA CSPA, completion of the PT BRU CSPA.

4.3. Upon completion of the Proposed Acquisition, GPRPL shall own 95.0% of the issued and paid-up share capital of the Target Company.

5. TOTAL CONSIDERATION OF THE PROPOSED ACQUISITION

5.1. The Total Consideration for the Proposed Acquisition is Rp23,618,425,000, being the aggregate of the PT BRU Consideration and the SA Consideration. The Company had commissioned PT Satyatama Graha Tara ("**PT SGT**") to conduct a valuation on the Target Company using an asset-based approach to determine the market value of the shares of the Target Company.

5.2. Based on valuation report dated 7 December 2018 prepared by PT SGT ("**Valuation Report**"), the market value of the shares of the Target Company is determined to be Rp24,861,500,000, at Rp4,204.55 per share.

5.3. The Total Consideration will be satisfied in the following manner:

(a) a refundable deposit of Rp18,000,000,000 to be paid to PT BRU at the signing of the PT BRU CSPA ("**Deposit**");

(b) the balance of PT BRU Consideration of Rp5,614,220,451 to be made payable to PT BRU at completion of the PT BRU CSPA; and

(c) the SA Consideration of Rp4,204,549 to be made payable to Mr Swandono at completion of the SA CSPA.

5.4. In the event the Conditions Precedent are not met (or waived) by GPRPL by the Long Stop Date, the Deposit shall be fully refunded to GPRPL.

5.5. The Total Consideration shall be satisfied in full in cash using the proceeds of the initial public offering ("**IPO Proceeds**") of the Company, in line with the intended use of IPO Proceeds as disclosed in the Prospectus.

6. RELATIVE FIGURES OF THE PROPOSED ACQUISITION UNDER RULE 1006 OF THE SINGAPORE EXCHANGE SECURITIES TRADING LIMITED ("SGX-ST") LISTING MANUAL ("SGX LISTING MANUAL**")**

6.1. Based on the unaudited financial statements of the Group for the 9-month period ending 30 September 2018, the relative figures of the Proposed Acquisition computed on the bases set out in Rule 1006(a) to (e) of the SGX Listing Manual as follows:

Description	Relative figures
Rule 1006(a) The net asset value of the assets to be disposed of, compared with the Group's net asset value.	Not applicable. This is not a disposal of assets.
Rule 1006(b) The net profits attributable to the assets acquired, compared with the Group's net profits.	0 ⁽¹⁾
Rule 1006(c) The aggregate value of the consideration ⁽²⁾ given or received, compared with the Company's market capitalization. ⁽³⁾	5.7%
Rule 1006(d) The number of equity securities issued by the Company as consideration for the Proposed Acquisition, as compared with the number of equity securities previously in issue.	Not applicable ⁽⁴⁾
Rule 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.	Not applicable. This is not a disposal of assets. The Company is also not a mineral, oil and gas company.

Notes:

- (1) Based on the Target Company's audited financial statements for the 9-month period ending 30 September 2018, the Target Company did not record any net profit/losses for the corresponding period.
- (2) The Total Consideration of the Proposed Acquisition is Rp23,618,425,000.
- (3) The market capitalisation of the Company of S\$39,254,400.00 as at 28 November 2018, being the last full market day immediately preceding the date of the PT BRU CSPA and SA CSPA. Under Rule 1002(5) of the SGX Listing Manual, the market capitalisation of the Company is determined by multiplying the number of shares in issue (excluding treasury shares) being 196,272,000 shares by the weighted average price of S\$0.20 of such shares transacted on 28 November 2018, being the last full market day immediately preceding the date of the PT BRU CSPA and SA CSPA. The conversion rate is S\$1:Rp10,550.21 as at 28 November 2018.
- (4) The Total Consideration shall be satisfied in full in cash using the IPO Proceeds. There will be no issuance of equity securities as consideration for the Proposed Acquisition.

6.2. Based on the relative figures set out above, as the relative figures exceed 5% but does not exceed 20%, the Proposed Acquisition is a "discloseable transaction" under Rule 1006 of the SGX Listing Manual.

7. FINANCIAL EFFECTS OF THE PROPOSED ACQUISITION

7.1. For the purpose of illustrating the financial effects, the financial effects of the Proposed Acquisition as set out below are prepared based on the latest audited financial statements of the Group for the financial year ended 31 December 2017 ("FY2017"), and subject to the following key assumptions:

- (a) the financial effects on the net tangible asset ("NTA") per share of the Group are computed assuming that the Proposed Acquisition was completed on 31 December 2017; and
- (b) the financial effects on the earnings per share ("EPS") of the Group are computed assuming that the Proposed Acquisition was completed on 1 January 2017.

7.2. NTA

	Before the Proposed Acquisition	After the Proposed Acquisition
NTA (Rp'000)	657,500,100	633,966,822
Number of issued shares (excluding treasury shares)	196,454,300	196,454,300
NTA per share (Rp)	3,347	3,227

7.3. EPS

	Before the Proposed Acquisition	After the Proposed Acquisition
Earnings attributable to shareholders (Rp'000)	42,690,193	42,690,193
Weighted average number of shares for EPS	197,831,383	197,831,383
EPS (Rp per share)	216	216

7.4. Net profits attributable to the assets being acquired

Based on the Target Company's unaudited financial statements for the 11-month period ending 30 November 2018, the Target Company did not record any net profit/losses for the corresponding period. As such, there are no net profit/loss attributable to the Group on the acquisition of the Target Company.

8. THE PROPOSED ACQUISITION AS AN INTERESTED PERSON TRANSACTION

8.1. Mr Swandono is a sibling of our Executive Chairman and CEO, Dr Suparno Adjianto and parent of our Executive Director and Chief Operating Officer, Mr Ivan Swandono. PT BRU is a company

which is controlled by the Adijanto Siblings¹. Accordingly, both Mr Swandono and PT BRU are "interested persons" for the purposes of Chapter 9 of the SGX Listing Manual and the Proposed Acquisition constitutes an "Interested Person Transaction" under Chapter 9 of the SGX Listing Manual.

- 8.2. The value at risk of the Proposed Acquisition if the Total Consideration, being Rp23,618,425,000.
- 8.3. The Group's latest audited NTA is Rp657,500,100,485 based on the latest audited financial statements of the Group for FY2017. The Total Consideration represents approximately 3.59% of the Group's latest audited NTA value. The current total value of all the transactions (including the Proposed Acquisition) entered into with Mr Swandono and/or the Adijanto Siblings between 1 January 2018 and up to the date of this announcement is Rp25,017,984,028, which represents approximately 3.8% of the Group's latest audited NTA value. Accordingly, the Company is not required to seek approval from its shareholders for the Proposed Acquisition under Rule 906 of the SGX Listing Manual.
- 8.4. Save as disclosed above, and having considered the terms and conditions of, as well as the rationale for the Proposed Acquisition, the Audit Committee of the Company is of the view that the Proposed Acquisition is made on normal commercial terms and not prejudicial to the interests of the Company and its minority shareholders.

9. DIRECTORS' SERVICE CONTRACTS

No person is proposed to be appointed as a Director of the Company in connection with the Proposed Acquisition and no service contracts in relation thereto is proposed to be entered into by the Company.

10. INTERESTS OF DIRECTORS AND SUBSTANTIAL SHAREHOLDERS

Save as disclosed in this announcement, none of the Directors or substantial shareholders of the Company has any interest, direct or indirect, in the Proposed Acquisition (other than through their respective shareholdings in the Company).

11. DOCUMENTS AVAILABLE FOR INSPECTION

Copies of the following documents will be made available for inspection during normal business hours at the registered office of the Company at 105 Cecil Street, #24-01 The Octagon, Singapore 069534, for a period of three (3) months from the date of this announcement:

(a) PT BRU CSPA;

(b) SA CSPA;

¹ "Adijanto Siblings" refers to our Executive Chairman and CEO, Dr. Suparno Adijanto and his siblings Tan Hong Swan@Tan Hong Whan@Swandono Adijanto, Tan Hong Phang@Pandjjiono Adijanto, Tan Hong Pheng@Pintarso Adijanto, Tan Hung Hwie@Winoto Adijanto, Tan Phe Phe@Muriati Adijanto, and Tan Phwe Leng@Tan Phe Lin@Mariana Adijanto

- (c) Valuation Report;
- (d) the Memorandum and Articles of Association of the Company; and
- (e) the annual report of the Company for the financial year ended 31 December 2017.

12. CAUTION IN TRADING

Shareholders and potential investors should note that the Proposed Acquisition is subject to the Conditions Precedent set out above. Shareholders and potential investors of the Company are advised to exercise caution when dealing or trading in the shares of the Company. Persons who are in doubt as to the action they should take should consult their legal, financial, tax or other professional advisers. Further announcements will be made by the Company as and when appropriate.

BY ORDER OF THE BOARD

DR TAN HONG KIAT @ SUPARNO ADIJANTO
Executive Chairman and Chief Executive Officer

12 December 2018