

KENCANA AGRI LIMITED
(Registration Number: 200717793E)



INCREASE IN SHARE CAPITAL OF SUBSIDIARY

The Board of Directors of Kencana Agri Limited (the "Company") wishes to announce that the Company's wholly owned subsidiaries, PT. Wira Palm Mandiri and PT. Sawindo Kencana, had subscribed for additional 5,000 shares and 25,000 shares in PT. Agro Sawitmas Lestari ("ASML") for cash consideration of IDR 5,000,000,000 and IDR 25,000,000,000 respectively (the "Subscriptions").

The aforesaid Subscriptions were funded through internal resources of the Group and the Subscriptions are not expected to have any material impact on the net tangible assets per share and earnings per share of the Group for the current financial year ending 31 December 2018.

The rationale for the Subscriptions is to strengthen the capital structure of ASML and for working capital purpose.

None of the Directors, controlling shareholders or substantial shareholders of the Company has any interest, direct or indirect, in the above transaction (other than through their respective shareholding interests in the Company, if any).

By Order of the Board

Ratna Maknawi
Executive Vice-Chairman

5 July 2018