

INDOFOOD AGRI RESOURCES LTD.

(Incorporated in the Republic of Singapore)

(Company Registration No.: 200106551G)

INVESTMENT OF NEW SUGAR ASSET IN BRAZIL - UVP

1. BACKGROUND

The Board of Directors of Indofood Agri Resources Ltd. (the "**Company**" or "**IndoAgri**") wishes to announce that the Company's 50%:50% joint venture with Ápia SP Participações S.A ("**Ápia**" or "**JF Family**"), Companhia Mineira de Açúcar e Alcool Participações ("**CMAA**") has entered into an arrangement with JFLIM Participações S/A ("**JFLIM**"), whereby JFLIM will transfer its 100%-owned subsidiary, Vale do Pontal Açucar e Alcool Ltda ("**UVP**") to CMAA. JFLIM is a 50%:50% joint venture between JF Family and Rio Grande Investment Pte. Ltd. ("**Rio Grande**"), a member of the Salim group.

In consideration for the transfer of UVP, CMAA will issue new shares to JFLIM based on an agreed valuation of approximately R\$ 75.9 million (equivalent to US\$19.7 million¹).

Post the issuance of new shares, CMAA will be 35% each owned by IndoAgri and JF Family, and 30% by JFLIM. Effectively, JF Family will maintain its 50% interest (direct and indirect via JFLIM) in CMAA, whereas Rio Grande will own an effective 15% interest in CMAA.

Shareholders of CMAA	Current Structure		Post issue of new shares	
	No of shares	%	No of shares	%
IndoAgri Brazil Participações Ltda.*	372,428,776	50%	372,428,776	35%
Ápia	372,428,776	50%	372,428,776	35%
JFLIM	-	0%	319,224,665	30%
Total	744,857,552	100%	1,064,082,217	100%

* A wholly-owned subsidiary of IndoAgri

2. OVERVIEW OF THE ACQUISITION

2.1 Information on the assets

UVP is principally engaged in the cultivation and processing of sugar cane for the production and marketing of ethanol and sugar. Currently it operates one factory in Minas Gerais with a total cane crushing capacity of 2.5 million MT per year.

2.2 Rationale for the acquisition

Brazil is a leader in the global sugar and ethanol industry due to its unique advantages, such as productivity, favorable climate and abundant land for future expansion.

The acquisition will enable CMAA to expand its footprint in the sugar and ethanol industry in Brazil with a total annual cane crushing capacity increasing from 5.8 million MT (CMAA plus

¹ Amount is converted at exchange rates of BRL 3.86/US\$1

Canapolis mill) to 8.3 million MT after the acquisition. All 3 mills are located in the state of Minas Gerais, and in close proximity to each other, forming a strong cluster enabling operating and management synergies.

Description of mill	Crushing capacity (in million MT)
1) CMAA – invested in June 2013	4.0
2) Canapolis mill – acquired in February 2018 which is expected to start operations in 2020	1.8
3) UVP	2.5
Total	8.3

2.3 Consideration

The Consideration has been agreed by the relevant parties after negotiations on an arm's length basis and on a willing buyer and willing seller basis, taking into account, *inter alia*, the business prospects of the business including an independent valuation report, and similar transacted deals in Brazil.

3. THE SGX-ST LISTING MANUAL

JFLIM is 50% owned by a member of the Salim Group, which is a controlling shareholder of the Company with a deemed interest of approximately 74.49% of the total number of issued shares of the Company as at the date of this Announcement. Accordingly, JFLIM is regarded as an "associate" of the Salim Group and therefore an "interested person" of the Company under Chapter 9 of SGX-ST Listing Manual.

As the value of the interested person transactions is below 3% of the Group's latest audited net tangible assets, this acquisition does not constitute a discloseable transaction under the provisions of Chapter 9 of the Listing Manual of the SGX-ST.

4. 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 this transaction.

By Order of the Board of the company

CEO and Executive Director
July 3, 2018