



Press Release

Regulated information – inside information

The connection to the world of sustainable tropical agriculture

SIPEF signs an agreement in principle with Shamrock Group on the sale of PT Melania

SIPEF has signed an agreement in principle with Shamrock Group (SG) on the sale of 100% of the share capital of its Indonesian subsidiary, PT Melania. SG is an Indonesian group that runs several rubber plantations and factories, and specialises in the production and sale of latex gloves. SIPEF controls 95% of PT Melania through its Indonesian 95% subsidiary, PT Tolan Tiga, the remaining 5% being owned by an Indonesian pension fund.

The agreement provides that the sale will be carried out in two phases. The transaction is subject to, inter alia, the completion of favourable due diligence followed by the conclusion of a sale and purchase agreement (SPA) within one month, and the renewal of the existing land title within the next three years. Based on these conditions, a first tranche of 40% of the shares will be sold by the end of March 2021 and the balance of 60% by 30 April 2024, at the latest.

The consolidated asset value of PT Melania in the books of the Group amounts to USD 17.2 million. The sales price, which will also be paid in two stages, has been set at USD 36 million for 100% of the shares, of which

USD 19 million will be paid within one month at the signing of the SPA. However, the agreement in principle contains several obligations for SIPEF, with a cost attached. The final net cash proceeds and total capital gain can therefore only be confirmed on completion of the sale transaction.

As a result of this transaction, the Group will divest itself of about half of its rubber plantations and its entire tea business, after which the remaining rubber plantations will gradually be converted to oil palm plantations. The planned divestment is in line with the Group's strategy of reducing debt and further developing the palm oil activities in Indonesia and Papua New Guinea as a core business.

Translation: This press release is available in Dutch and English. The Dutch version is the original; the English version is a free translation. We have made every reasonable effort to avoid any discrepancies between the different language versions. However, should such discrepancies exist, the Dutch version will take precedence.

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SIPEF is a Belgian agro-industry group listed on Euronext Brussels and specialising in the – as sustainable certified - production of tropical agricultural commodities, primarily crude palm oil and palm products. These labour-intensive activities are consolidated in Indonesia, Papua New Guinea and Ivory Coast and are characterised by broad stakeholder involvement, which sustainably supports the long-term investments.