



Sapex Group Limited  
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NSX RELEASE

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## COMPANY UPDATE

SAPEX Group Ltd (NSX: SAA) ("**SAPEX**") is pleased to announce that it has signed a binding a Heads of Agreement ("**HoA**"), Share Purchase Agreement ("**SPA**") and supporting transaction documents (together the "**Transaction Documents**") in relation to the Consortium Offer which was disclosed in the NSX announcements dated 9 December 2019 and 7 February 2020. The completion of this transaction is subject to the approval of SAPEX's non-associated shareholders.

The signing of the Transaction Documents follows the completion of SAPEX's due diligence on the Offer originally received on 12 November 2019 (see NSX Announcement dated 9 December 2019) and a decision by the SAPEX Board of Directors to seek approval of the transaction by SAPEX's non-associated shareholders.

Under the terms of the HoA and SPA (and supported by the remainder of the Transaction Documents), SAPEX has agreed to acquire 99.9% of the issued shares in the capital of PT Lombok Bau Nyale ("**LBN**"), an Indonesian based Property Development and Construction Company and to the refinancing of existing debt obligations, some of which are currently in default.

It is proposed that, upon completion of the acquisition of LBN, SAPEX's existing wholly owned Indonesian operating entity, PT Sapex Servis Indonesia ("**SSI**") and LBN will be merged such that LBN's Property Development and Construction services are added to and complement SAPEX's existing business of supplying Dura Base composite mats to the oil & gas, infrastructure and construction industries in Indonesia.

The transaction will be funded via the issue of SAPEX shares to LPG (or its nominees), which currently holds 99.8% of LBN and the payment of IDR22,000,000 (circa AUD\$2,300) to Febryanti Kharisma who currently holds 0.2% and is selling half of her shares in LBN to SAPEX and members of the Consortium. Following the issue of the shares LPG (or its nominees) and the Consortium will hold more than half of the shares on issue in SAPEX.

Further details of the proposed transaction will be provided to shareholders in the Notice of Shareholder Meeting ("**NoM**") along with an accompanying Independent Expert Report ("**IER**"). The NoM and IER will be despatched to shareholders so that the non-associated shareholders in the coming weeks can make an informed decision whether to approve the transaction.

If you would like to receive these announcements as and when they are made, please register via the SAPEX Group Investor Centre: <https://sapexgroup.investorcentre.online/subscribe/>

Board of Directors  
Sapex Group Limited

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