

FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD
FROM 1 JANUARY 2017 TO 31 MARCH 2017**

1(a)(i) Consolidated Statements of Profit or Loss and Other Comprehensive Income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1st Qtr 2017	1st Qtr 2016	Change
	Rp '000	Rp '000	%
Revenue	148,468,576	86,120,083	72
Cost of sales	(103,420,701)	(75,344,778)	37
Gross profit	45,047,875	10,775,305	318
Operating expenses			
Distribution expenses	(143,527)	(304,239)	(53)
Administrative expenses	(10,988,240)	(9,491,725)	16
Finance costs	(3,604)	(1,360)	165
	(11,135,371)	(9,797,324)	14
Other items of income/(expenses)			
Interest income	3,922,344	3,173,656	24
Other income	8,678,631	2,472,579	251
Other expenses	(918,904)	(498,319)	84
Foreign exchange loss, net	(5,562,734)	(7,487,258)	(26)
	6,119,337	(2,339,342)	(362)
Profit/(loss) before income tax	40,031,841	(1,361,361)	n.m.
Income tax expense	(10,316,154)	(1,256,837)	721
Profit/(loss) for the financial period	29,715,687	(2,618,198)	n.m.
n.m.: Not meaningful			

	1st Qtr 2017	1st Qtr 2016	Change
	Rp '000	Rp '000	%
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	9,543,518	2,789,898	242
Total comprehensive income for the financial period	39,259,205	171,700	22,765
Profit/(Loss) attributable to:			
Owners of the parent	28,306,394	(2,456,558)	n.m.
Non-controlling interests	1,409,293	(161,640)	n.m.
	29,715,687	(2,618,198)	n.m.
Total comprehensive income attributable to:			
Owners of the parent	37,849,912	333,340	11,255
Non-controlling interests	1,409,293	(161,640)	n.m.
	39,259,205	171,700	22,765
n.m.: Not meaningful			

1(a)(ii) Profit before income tax is arrived at after charging / (crediting) the following significant items:

	1st Qtr 2017	1st Qtr 2016	Change
	Rp '000	Rp '000	%
Interest income	(3,922,344)	(3,173,656)	24
Finance costs	3,604	1,360	165
Depreciation of property, plant and equipment	2,858,575	2,718,408	5
Amortisation of operating use rights	6,580	11,040	(40)
Depreciation of bearer plants	1,550,373	-	n.m.
Foreign exchange loss, net	5,562,732	7,487,258	(26)
Gain on disposal of plant and equipment, net	-	(357,075)	n.m.
Gain on disposal of bearer plants, net	(286,567)	(1,633,908)	(82)
Operating use rights written off	15,546	-	100
Bearer plants written off	248,448	-	100
Fair value gain on derivative financial instruments, net	(8,046,154)	-	100
Fair value gain from financial assets at fair value through profit or loss	(99,540)	(10,080)	888
Employment benefits expenses			
- salaries, wages and bonuses	7,542,293	6,906,344	9
Operating lease expenses			
- rental of premises	271,787	284,061	(4)
Representation and entertainment	198,325	115,401	72
Transportation, travelling and accommodation	214,626	253,151	(15)
Additional information:			
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	40,528,629	(1,804,209)	n.m.

1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at		As at	
	31-03-17	31-12-16	31-03-17	31-12-16
	Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets				
Bearer plants	108,868,502	109,105,613	-	-
Property, plant and equipment	128,561,361	129,735,933	25,844	37,688
Investments in subsidiaries	-	-	647,660,427	631,820,942
Plasma plantation receivables	54,642,563	52,456,380	-	-
Operating use rights	583,954	606,080	-	-
Club memberships	619,583	604,430	619,583	604,430
Deferred charges	5,884,231	5,882,978	-	-
	299,160,194	298,391,414	648,305,854	632,463,060
Current assets				
Biological assets	2,373,420	2,373,420	-	-
Inventories	33,235,227	48,808,518	-	-
Trade and other receivables	44,386,414	26,647,493	169,377,347	164,345,834
Current income tax recoverable	14,387,248	14,387,248	-	-
Dividend receivable	-	-	59,186,102	57,833,614
Prepayments	526,937	459,954	351,027	211,529
Financial assets at fair value through profit or loss	288,540	189,000	-	-
Derivative financial instruments	1,939,625	-	1,939,625	-
Cash and cash equivalents	402,924,377	372,943,082	161,751,495	158,744,236
	500,061,788	465,808,715	392,605,596	381,135,213
Less:				
Current liabilities				
Trade and other payables	48,038,648	58,325,862	1,609,962	1,217,056
Dividend payable to non-controlling interest	2,847,500	2,847,500	-	-
Finance lease payables	48,963	64,544	-	-
Current income tax payable	12,196,862	3,753,622	1,522,314	520,173
	63,131,973	64,991,528	3,132,276	1,737,229
Net current asset	436,929,815	400,817,187	389,473,320	379,397,984
Less:				
Non-current liabilities				
Finance lease payables	95,891	95,891	-	-
Provision for post-employment benefits	39,669,527	39,669,527	-	-
Deferred tax liabilities	3,362,743	3,253,001	-	-
	43,128,161	43,018,419	-	-
Net assets	692,961,848	656,190,182	1,037,779,174	1,011,861,044
Capital and reserves				
Share capital	657,894,092	660,381,631	657,894,092	660,381,631
Foreign currency translation reserve	91,005,209	81,461,691	300,748,300	275,365,297
Accumulated (losses)/profits	(71,178,602)	(99,484,996)	79,136,782	76,114,116
Equity attributable to owners of the parent	677,720,699	642,358,326	1,037,779,174	1,011,861,044
Non-controlling interests	15,241,149	13,831,856	-	-
Total equity	692,961,848	656,190,182	1,037,779,174	1,011,861,044

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

	As at	
	31-03-17	31-03-16
	Rp '000	Rp '000
Amount repayable in one year or less, or on demand		
Secured	48,963	44,229
Unsecured	-	-
Total	48,963	44,229
Amount repayable after one year		
Secured	95,891	-
Unsecured	-	-
Total	95,891	-

1(c) Consolidated Statement of Cash Flows, together with a comparative statement for the corresponding period of the immediately preceding financial year

	1st Qtr 2017	1st Qtr 2016
	Rp '000	Rp '000
Cash flows from operating activities		
Profit/(loss) before income tax	40,031,841	(1,361,361)
Adjustments for:		
Amortisation of operating use rights	6,580	11,040
Depreciation of bearer plants	1,550,373	-
Gain on disposal of property, plant and equipment, net	-	(357,075)
Operating use rights written off	15,546	-
Bearer plants written off	248,448	-
Gain on disposal of bearer plants, net	(286,567)	(1,633,908)
Depreciation of property, plant and equipment	2,858,575	2,718,408
Fair value gain from financial assets at fair value through profit or loss	(99,540)	(10,080)
Fair value gain on derivative financial instruments	(8,046,154)	-
Finance costs	3,604	1,360
Interest income	(3,922,344)	(3,173,656)
Unrealised currency translation losses	5,988,126	6,212,819
Operating cash flows before working capital changes	38,348,488	2,407,547
Working capital changes:		
Inventories	15,573,291	14,257,262
Trade and other receivables	(17,772,350)	(336,057)
Prepayments	(60,185)	137,925
Trade and other payables	(10,585,358)	17,340,219
Utilisation of post-employment benefits	-	(63,073)
Cash generated from operations	25,503,886	33,743,823
Interest received	2,279,203	1,395,990
Income tax paid	(1,550,185)	(3,911,355)
Net cash from operating activities	26,232,904	31,228,458

	1st Qtr 2017	1st Qtr 2016
	Rp '000	Rp '000
Cash flows from investing activities		
Capital expenditure on bearer plants	(1,877,847)	(2,345,986)
Cash receipts from trading of derivative financial instruments	63,080,717	-
Cash payments for trading of derivative financial instruments	(56,975,182)	-
Purchase of property, plant and equipment	(1,683,200)	(3,969,276)
Proceeds from disposal of property, plant and equipment	-	409,091
Payments for deferred expenditure	(1,253)	(70,000)
Net cash from/(used in) investing activities	2,543,235	(5,976,171)
Cash flows from financing activities		
Dividends paid to non-controlling interest	-	(1,062,500)
Share buyback held in treasury	(2,487,539)	(2,036,175)
Finance lease interest paid	(3,604)	(1,360)
Repayments of obligations under finance leases	(15,581)	(14,013)
Net cash used in financing activities	(2,506,724)	(3,114,048)
Net change in cash and cash equivalents	26,269,415	22,138,239
Cash and cash equivalents at beginning of financial period	372,943,082	319,506,506
Effects of currency translation on cash and cash equivalents	3,711,880	(3,417,472)
Cash and cash equivalents at end of financial period	402,924,377	338,227,273

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the parent						Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated (losses)/profits Rp '000	Equity attributable to owners of the parent Rp '000	Non- controlling interests Rp '000		
Group							
Balance as at 1 January 2017	660,381,631	81,461,691	(99,484,996)	642,358,326	13,831,856		656,190,182
Profit for the financial period	-	-	28,306,394	28,306,394	1,409,293		29,715,687
Other comprehensive income for the financial period:							
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	9,543,518	-	9,543,518	-		9,543,518
Total comprehensive income for the financial period	-	9,543,518	28,306,394	37,849,912	1,409,293		39,259,205
Transactions with owners recorded directly in equity:							
Share buyback held in treasury	(2,487,539)	-	-	(2,487,539)	-		(2,487,539)
Total transactions with owners	(2,487,539)	-	-	(2,487,539)	-		(2,487,539)
Balance as at 31 March 2017	657,894,092	91,005,209	(71,178,602)	677,720,699	15,241,149		692,961,848

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Attributable to owners of the parent					Non-controlling interests Rp '000	Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits/(losses) Rp '000	Equity attributable to owners of the parent Rp '000			
Group							
Balance as at 1 January 2016	670,628,551	99,655,718	92,985,804	863,270,073	27,265,908	890,535,981	
Adoption of Amendments to FRS 16 and FRS 41	-	-	(231,018,924)	(231,018,924)	(12,158,891)	(243,177,815)	
Balance as at 1 January 2016 (Restated)	670,628,551	99,655,718	(138,033,120)	632,251,149	15,107,017	647,358,166	
Loss for the financial period	-	-	(2,456,558)	(2,456,558)	(161,640)	(2,618,198)	
Other comprehensive income for the financial period:							
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	2,789,898	-	2,789,898	-	2,789,898	
Total comprehensive income for the financial period	-	2,789,898	(2,456,558)	333,340	(161,640)	171,700	
Transactions with owners recorded directly in equity:							
Share buyback held in treasury	(2,036,175)	-	-	(2,036,175)	-	(2,036,175)	
Total transactions with owners	(2,036,175)	-	-	(2,036,175)	-	(2,036,175)	
Balance as at 31 March 2016	668,592,376	102,445,616	(140,489,678)	630,548,314	14,945,377	645,493,691	

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Share capital	Foreign currency translation reserve	Accumulated profits	Total equity
Company	Rp '000	Rp '000	Rp '000	Rp '000
Balance as at 1 January 2017	660,381,631	275,365,297	76,114,116	1,011,861,044
Profit for the financial period	-	-	3,022,666	3,022,666
Other comprehensive income for the financial period				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	25,383,003	-	25,383,003
Total comprehensive income for the financial period	-	25,383,003	3,022,666	28,405,669
Transactions with owners recorded directly in equity:				
Share buyback held in treasury	(2,487,539)	-	-	(2,487,539)
Total transactions with owners	(2,487,539)	-	-	(2,487,539)
Balance as at 31 March 2017	657,894,092	300,748,300	79,136,782	1,037,779,174
Balance as at 1 January 2016	670,628,551	324,289,093	16,271,582	1,011,189,226
Profit for the financial period	-	-	759,493	759,493
Other comprehensive income for the financial period				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	8,150,807	-	8,150,807
Total comprehensive income for the financial period	-	8,150,807	759,493	8,910,300
Share buyback held in treasury	(2,036,175)	-	-	(2,036,175)
Total transactions with owners	(2,036,175)	-	-	(2,036,175)
Balance as at 31 March 2016	668,592,376	332,439,900	17,031,075	1,018,063,351

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

As at 31 March 2017, the number of ordinary shares in issue was 206,484,000 of which 7,469,200 were held by the Company as treasury shares (31 March 2016: 206,484,000 ordinary shares of which 3,748,700 were held as treasury shares).

During the period from January 2017 to March 2017, the Company purchased 769,100 shares from the open market (January 2016 to March 2016: 834,200 shares).

The total number of treasury shares held by the Company as at 31 March 2017 was 7,469,200 (31 March 2016: 3,748,700).

Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of treasury shares	Treasury shares Rp '000
Balance as at 1 January 2017	6,700,100	21,435,416
Purchase of treasury shares	769,100	2,487,539
Balance as at 31 March 2017	7,469,200	23,922,955

Total number of treasury shares against issued shares (excluding treasury shares):

Number of shares	As at 31 March 2017	As at 31 March 2016
Treasury shares	7,469,200	3,748,700
Issued shares (excluding treasury shares)	199,014,800	202,735,300
Total shares in issue	206,484,000	206,484,000

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares (excluding treasury shares):

As at 31 March 2017	As at 31 December 2016
199,014,800	199,783,900

As at 31 March 2017, the number of ordinary shares in issue was 206,484,000 of which 7,469,200 were held by the Company as treasury shares (31 December 2016: 206,484,000 ordinary shares of which 6,700,100 were held as treasury shares).

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the period from January 2017 to March 2017, the Company purchased 769,100 shares from the open market (January 2016 to March 2016: 834,200 shares).

The total number of treasury shares held by the Company as at 31 March 2017 was 7,469,200 (31 March 2016: 3,748,700)

Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of shares	Treasury shares Rp '000
Balance as at 1 January 2017	6,700,100	21,435,416
Purchase of treasury shares	769,100	2,487,539
Balance as at 31 March 2017	7,469,200	23,922,955

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice has been followed.

These figures have not been audited, or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with the audited consolidated financial statements for the financial year ended 31 December 2016, except for the valuation of biological assets and the actuarial valuation of the post-employment benefits which will be undertaken at the end of the financial year. In addition, the Group also adopted various revisions to the FRS, which became effective during the year.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends; (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	1st Qtr 2017	1st Qtr 2016
	Rp	Rp
Earnings/(loss) per share for the period (Rp)		
(a) based on weighted average number of shares	142	(12)
(b) based on a fully diluted basis	142	(12)
Number of shares outstanding		
- Weighted average number of shares	199,308,368	200,780,675

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the; (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	31 March 2017	31 December 2016	31 March 2017	31 December 2016
Net asset value per ordinary share (Rp)	3,482	3,284	5,215	5,065
Number of issued shares excluding treasury shares	199,014,800	199,783,900	199,014,800	199,783,900

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following; (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group performance

1Q2017 versus 1Q2016

Revenue

Our revenue for 1Q2017 increased Rp62.4 billion or 72%, from Rp86.1 billion in 1Q2016 to Rp148.5 billion in 1Q2017. This was mainly contributed from higher crude palm oil ("CPO") sales revenue of Rp55.5 billion and higher palm kernel ("PK") sales revenue of Rp6.9 billion.

CPO sales revenue increased by Rp55.5 billion or 69%, from Rp80.1 billion in 1Q2016 to Rp135.6 billion in 1Q2017. This was contributed from higher CPO sales volume and CPO average selling price. Sales volume of CPO increased by 2,947 tons or 23% from 12,860 tons in 1Q2016 to 15,807 tons in 1Q2017. CPO average selling price increased by Rp2,348 per kilogram or 38%, from Rp6,230 per kilogram in 1Q2016 to Rp8,578 per kilogram in 1Q2017.

PK sales revenue increased by Rp6.9 billion or 115%, from Rp6.0 billion in 1Q2016 to Rp12.9 billion in 1Q2017. The higher PK average selling price contributed to the increase in sales revenue. Average selling price of PK increased by Rp3,452 per kilogram or 116% from Rp2,983 per kilogram in 1Q2016 to Rp6,435 per kilogram in 1Q2017. This was mitigated by a slight decrease in sales volume of PK of 9 tons, from 2,009 tons in 1Q2016 to 2,000 tons in 1Q2017.

Costs of sales

Cost of sales increased by Rp28.1 billion or 37%, from Rp75.3 billion in 1Q2017 to Rp103.4 billion in 1Q2017. This was due to the higher CPO sales volume.

Gross profit

As a result of the foregoing, gross profit increased by Rp34.3 billion, from Rp10.8 billion in 1Q2016 to Rp45.1 billion in 1Q2017. Gross profit margin increased to 30.3% in 1Q2017 from 12.5% in 1Q2016.

Distribution expenses

Distribution expenses decreased by Rp0.2 billion or 53%, from Rp0.3 billion in 1Q2016 to Rp0.1 billion in 1Q2017. This was mainly due to lesser freight incurred for the transportation of PK due to the lower PK sales volume.

Administrative expenses

Administrative expenses increased by Rp1.5 billion or 16% from Rp9.5 billion in 1Q2016 to Rp11.0 billion in 1Q2017. This was mainly due to a one-off audit fees charged for the restatement of financial statements for the financial year ended 31 December 2016 ("FY2016") due to the adoption of Amendments to FRS 16 and FRS 41, as well as higher salaries incurred for 1Q2017.

Finance costs

Finance cost remained minimal in 1Q2017 and 1Q2016.

Interest income

Interest income increased by Rp0.7 billion or 24%, from Rp3.2 billion in 1Q2016 to Rp3.9 billion in 1Q2017, mainly due to higher interest earned from bank deposits in 1Q2017.

Other income

Other income increased by Rp6.2 billion or 251%, from Rp2.5 billion in 1Q2016 to Rp8.7 billion in 1Q2017, contributed mainly from the fair value gain on derivative financial instruments of Rp8.0 billion and offset by a lower net gain recognised from disposal of oil palm plantation to Plasma farmers in 1Q2017.

Other expenses

Other expenses increased by Rp0.4 billion or 84% mainly from the write off of matured plantation amounting to Rp0.2 billion due to replanting.

Foreign exchange loss, net

Net foreign exchange loss of Rp5.6 billion in 1Q2017 was mainly attributable to the depreciation of IDR against SGD in relation to the Company's IDR denominated inter-company non-working capital financing for its subsidiary and the depreciation of USD against SGD for the USD bank balances held.

Profit before income tax

As a result of the foregoing, profit before income tax increased by Rp41.4 billion from loss before income tax of Rp1.4 billion in 1Q2016 to profit before income tax of Rp40.0 billion in 1Q2017.

Income tax expense

Income tax expense increased by Rp9.0 billion or 721% from Rp1.3 billion in 1Q2016 to Rp10.3 billion in 1Q2017. The increase is in line with the higher profit generated.

Profit after income tax

As a result of the above, profit after income tax increased by Rp32.3 billion from loss after income tax of Rp2.6 billion in 1Q2016 to profit after income tax of Rp29.7 billion in 1Q2017.

Review of Financial Position as at 31 March 2017

Non-current assets

Non-current assets for the Group increased by Rp0.8 billion, from Rp298.4 billion as at 31 December 2016 to Rp299.2 billion as at 31 March 2017. This was mainly due to the increase of Rp2.2 billion in receivables from credit extended to the Plasma farmers for the plots of oil palm plantations transferred under the government, offset by the net decrease of Rp1.2 billion in property, plant and equipment mainly contributed by depreciation during 1Q2017.

Current assets

Current assets for the Group increased by Rp34.3 billion or 7%, from Rp465.8 billion as at 31 December 2016 to Rp500.1 billion as at 31 March 2017. This was mainly due to the increase in cash and cash equivalent of Rp30.0 billion and trade and other receivables of Rp17.7 billion and offset by a decrease in the inventories of Rp15.6 billion.

Current liabilities

Current liabilities for the Group decreased by Rp1.9 billion or 3%, from Rp65.0 billion as at 31 December 2016 to Rp63.1 billion as at 31 March 2017. This was mainly due to the decrease of Rp10.3 billion in trade and other payables resulted from the advances from customers and offset by an increase in current income tax payable of Rp8.4 billion.

Non-current liabilities

Non-current liabilities for the Group increased by Rp0.1 billion from Rp43.0 billion as at 31 December 2016 to Rp43.1 billion as at 31 March 2017, mainly due to the increase in deferred tax liabilities of Rp0.1 billion.

Accumulated losses

The accumulated losses of Rp71.2 billion was mainly due to the accumulated losses of Rp99.5 billion brought forward from FY2016 and offset by the profit of Rp28.3 billion in 1Q2017. The accumulated losses of Rp99.5 billion in FY2016 was mainly due to the adoption of Amendments to FRS 16 and FRS 41 in FY2016, which resulted in a deficit of Rp231.0 billion in accumulated profits/(losses) in FY2016.

Review of Consolidated Cash Flows

Net cash from operating activities of Rp26.2 billion was mainly due to the decrease in inventories.

Net cash from investing activities of Rp2.5 billion was mainly due to the realized fair value gain on derivative financial instruments of Rp6.1 billion, offset by the cost of maintaining the immature plantation and nurseries, land development, and purchase of property, plant and equipment.

Net cash used in financing activities of Rp2.5 billion was mainly due to the buyback of the Company's shares to be held as treasury shares of Rp2.5 billion.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

CPO prices are expected to remain volatile considering the uncertainty in the global economy and abnormal weather's affect on market dynamics. The Australian Bureau of Meteorology placed the chance of an El Nino at 50% for 2017. However, the demand for palm oil is expected to remain strong in view of rising food requirements from China, India, Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries.

The Group has started replacing its older palm trees with newer breed of higher yielding palm trees. The management expects to see higher yield per hectare when the replanted palm trees reach maturity. This together with the management continuous effort to increase productivity, should result in a positive sustainable future for the Group.

11. Dividend

(a) Current Financial Period Reported on

Any dividend to be declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp' million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (Rp' million)
	1Q2017	1Q2017
PT Bumiraya Utama Lines	191	NIL*
PT Cemar Lestari	NIL	NIL*

*The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5)

The Directors of the Company do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the financial period from 1 January 2017 to 31 March 2017 to be false or misleading in any material aspects.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirmed that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

16. Update of the utilization of the Initial Public Offering (“IPO”) proceeds of S\$50.6 million

As at 31 March 2017, the use of net proceeds from the IPO are as follows:

Use of net proceeds	Amount allocated (S\$' million)	Amount utilised (S\$' million)	Balance (S\$' million)
Development of existing uncultivated land banks into oil palm plantations	15.61	13.34 ⁽¹⁾	2.27
Acquisition of other oil palm plantations and land banks	15.00	1.09 ⁽²⁾	13.91 ⁽³⁾
Repayment of the loans to PT Bank CIMB Niaga Tbk (“Bank Niaga”)	5.00	5.00	-
Construction of the co-composting plant	2.00	1.49	0.51
Working capital	9.50	9.50	-
Invitation expenses	3.49	3.49	-
Total	50.60	33.91	16.69

As at 31 March 2017, the use of net proceeds from the IPO for working capital are as follows:

	Indonesia Office (S\$' million)	Singapore Office (S\$' million)	Amount utilised (S\$' million)
Plantation & Mill Expenses	1.26	-	1.26
Purchase of FFB	1.76	-	1.76
Transport & Freight	0.36	-	0.36
Fertilizers	1.57	-	1.57
Purchase Fuel	0.35	-	0.35
Suppliers	0.65	-	0.65
Administration Expenses	0.49	1.00	1.49
Bank Interest	0.11	-	0.11
Leasing	0.09	-	0.09
Tax Payment	1.86	-	1.86
Total	8.50	1.00	9.50

Notes:

- (1) Out of the S\$13.34 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$11.12 million were used for land clearing and new planting purposes.
- (2) The S\$1.09 million utilized for the acquisition of other oil palm plantations and land banks are expenses of S\$0.46 million incurred for the land location permit for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan and expenses of S\$0.62 million incurred for the land location permit for 6,546 hectares of land in sub-districts of Ngabang and Jelimpo, both located in Landak Regency, West Kalimantan.
- (3) The Company has the option to acquire PT Cemaru, an Indonesian-incorporated company which holds *Hak Guna Usaha* to approximately 6,429 ha of oil palm plantation land in the Landak Regency in West Kalimantan. The acquisition is subject to the fulfillment of conditions such as the conduct of legal and financial due diligence on PT Cemaru as well as approvals required by the Indonesian authorities.



BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adjanto
Executive Chairman & CEO

11 May 2017