

## UNAUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2019

1(a)(i) A statement of comprehensive income (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group - Q4			Group - Full Year		
	31/12/2019	31/12/2018	Change	31/12/2019	31/12/2018	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,555,814	3,797,514	(6.4)	13,650,388	14,059,450	(2.9)
Cost of sales	(2,757,196)	(3,364,305)	(18.0)	(11,624,774)	(11,861,526)	(2.0)
<b>Gross Profit</b>	<b>798,618</b>	<b>433,209</b>	<b>84.3</b>	<b>2,025,614</b>	<b>2,197,924</b>	<b>(7.8)</b>
Gross Profit %	22.5%	11.4%		14.8%	15.6%	
Selling and distribution expenses	(126,751)	(132,434)	(4.3)	(516,474)	(525,014)	(1.6)
General and administrative expenses	(228,004)	(209,078)	9.1	(958,073)	(884,577)	8.3
Foreign exchange gain/ (loss)	13,622	19,931	(31.7)	11,322	(118,034)	n/m
Other operating income	13,135	22,054	(40.4)	90,165	77,946	15.7
Other operating expenses	(109,702)	(5,153)	n/m	(284,128)	(81,878)	247.0
Share of results of associate companies	(26,331)	(12,650)	108.2	(67,976)	(7,792)	n/m
Share of results of joint ventures	32,796	(30,863)	n/m	16,612	28,704	(42.1)
Gain/ (loss) arising from changes in fair value of biological assets	125,783	(35,973)	n/m	190,353	(30,882)	n/m
<b>Profit from operations</b>	<b>493,166</b>	<b>49,043</b>	<b>n/m</b>	<b>507,415</b>	<b>656,397</b>	<b>(22.7)</b>
Loss on deemed disposal on investment in a joint venture	-	(87,049)	n/m	-	(87,049)	n/m
Financial income	16,197	26,770	(39.5)	86,091	104,199	(17.4)
Financial expenses	(206,166)	(198,877)	3.7	(856,928)	(719,960)	19.0
<b>Profit/ (loss) before tax</b>	<b>303,197</b>	<b>(210,113)</b>	<b>n/m</b>	<b>(263,422)</b>	<b>(46,413)</b>	<b>467.6</b>
Income tax expenses	(299,463)	(151,756)	97.3	(446,294)	(380,102)	17.4
<b>Net profit/ (loss) for the period</b>	<b>3,734</b>	<b>(361,869)</b>	<b>n/m</b>	<b>(709,716)</b>	<b>(426,515)</b>	<b>66.4</b>
<b>Core loss after tax <sup>(1)</sup></b>	<b>(21,084)</b>	<b>(281,027)</b>	<b>(92.5)</b>	<b>(697,197)</b>	<b>(185,503)</b>	<b>275.8</b>
<b>Profit/ (loss) attributable to:</b>						
Owners of the Company	(11,350)	(211,700)	(94.6)	(411,353)	(221,764)	85.5
Non-controlling interests	15,084	(150,169)	n/m	(298,363)	(204,751)	45.7
	<b>3,734</b>	<b>(361,869)</b>	<b>n/m</b>	<b>(709,716)</b>	<b>(426,515)</b>	<b>66.4</b>

### Notes

n/m denotes "Not Meaningful"

- (1) Net profit/(loss) before accounting for the effects of foreign exchange, fair value gain/(loss) on biological assets, expected credit losses for plasma receivables, impairment of goodwill and fixed assets.

	Group - Q4			Group - Full Year		
	31/12/2019	31/12/2018	Change	31/12/2019	31/12/2018	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
<b>Other comprehensive income (OCI):</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Foreign currency translation	7,903	(8,755)	n/m	(79,531)	(38,590)	106.1
<b>Items that will not be reclassified to profit or loss</b>						
Unrealised gain/ (loss) for available-for-sales investment	63	(3,350)	n/m	134	(3,350)	n/m
Re-measurement gain on employee benefits liability	95,330	147,112	(35.2)	92,052	171,228	(46.2)
Share of OCI of an associate company and joint venture	7,262	(15,801)	n/m	3,463	(52,995)	n/m
<b>Other comprehensive income for the period, net of tax</b>	<b>110,558</b>	<b>119,206</b>	<b>(7.3)</b>	<b>16,118</b>	<b>76,293</b>	<b>(78.9)</b>
<b>Total comprehensive income</b>	<b>114,292</b>	<b>(242,663)</b>	<b>n/m</b>	<b>(693,598)</b>	<b>(350,222)</b>	<b>98.0</b>
<b>Total comprehensive income attributable to:-</b>						
Owners of the Company	57,299	(146,295)	n/m	(435,287)	(214,675)	102.8
Non-controlling interests	56,993	(96,368)	n/m	(258,311)	(135,547)	90.6
	<b>114,292</b>	<b>(242,663)</b>	<b>n/m</b>	<b>(693,598)</b>	<b>(350,222)</b>	<b>98.0</b>

n/m denotes "Not Meaningful"

**\* Reclassification 2018 figures**

The 2018 figures in the statement of comprehensive income have been reclassified to conform with current period presentation.

	As restated	As previously reported	Change
Statement of comprehensive income	4Q18	4Q18	
Cost of sales	(3,364,305)	(3,400,153)	35,848
Selling and distribution expenses	(132,434)	(134,575)	2,141
General and administrative expenses	(209,078)	(171,089)	(37,989)

**Additional Information: -**

Earnings before interests and tax expense, depreciation and amortization (“EBITDA”)

	Group - Q4			Group - Full Year		
	31/12/2019	31/12/2018	Change	31/12/2019	31/12/2018	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	493,166	49,043	905.6	507,415	656,397	(22.7)
Add: Depreciation & amortisation	304,942	337,605	(9.7)	1,522,326	1,488,895	2.2
Less: Gain/ (loss) arising from changes in fair value of biological assets	125,783	(35,973)	n/m	190,353	(30,882)	n/m
Less: Foreign exchange gain/ (loss)	13,622	19,931	(31.7)	11,322	(118,034)	n/m
Add: Impairment of goodwill	33,891	520	n/m	33,891	520	n/m
Add: Impairment of fixed assets	46,863	-	n/m	46,863	-	n/m
EBITDA excludes foreign exchange loss	<u>739,457</u>	<u>403,210</u>	<u>83.4</u>	<u>1,908,820</u>	<u>2,294,728</u>	<u>(16.8)</u>
EBITDA%	20.8	10.6		14.0	16.3	

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

Other information:-	Group - Q4			Group - Full Year		
	31/12/2019	31/12/2018	Change	31/12/2019	31/12/2018	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	276,040	327,818	(15.8)	1,406,956	1,426,765	(1.4)
Amortisation of deferred charges, right of use assets and others	28,902	9,787	195.3	115,370	62,130	85.7
Interest on borrowings	204,149	194,035	5.2	842,031	701,036	20.1
Allowance for uncollectible and loss arising from changes in amortised cost	21,366	(13,556)	n/m	138,550	30,007	361.7
Write-off of property, plant and equipment	719	38	n/m	3,677	362	n/m
Gain/ (loss) on disposal of property, plant and equipment	159	(2,953)	n/m	(1,135)	(4,466)	(74.6)
Changes in provision for asset dismantling costs	1,023	897	14.0	3,185	(2,142)	n/m
Impairment of goodwill	33,891	520	n/m	33,891	520	n/m
Impairment of fixed assets	46,863	-	n/m	46,863	-	n/m

*n/m denotes "Not Meaningful"*

1(b)(i). A statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year.

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-current assets</b>				
Biological assets	314,739	328,500	-	-
Property, plant and equipment	19,557,327	21,213,418	32,712	36,400
Right of use of assets	1,990,617	-	-	-
Goodwill	3,211,427	3,245,317	-	-
Claims for tax refund	205,949	284,779	-	-
Deferred tax assets	936,354	1,125,003	-	-
Investment in subsidiary companies	-	-	10,706,846	10,633,423
Investment in associate companies	1,766,098	1,469,721	551,139	551,139
Investment in joint ventures	830,258	809,373	-	-
Amount due from a subsidiary	-	-	1,070,000	1,150,000
Advances and prepayments	478,775	476,077	-	-
Other non-current receivables	1,509,152	1,433,224	10	10
<b>Total non-current assets</b>	<b>30,800,696</b>	<b>30,385,412</b>	<b>12,360,707</b>	<b>12,370,972</b>
<b>Current assets</b>				
Inventories	2,253,714	2,428,365	-	-
Trade and other receivables	1,320,175	1,395,471	90,032	93,424
Advances and prepayments	320,137	181,652	145	169
Prepaid taxes	370,931	336,031	-	-
Biological assets	717,620	516,656	-	-
Assets held for sale	41,795	41,795	-	-
Cash and cash equivalents	1,787,462	2,228,869	69,129	153,545
<b>Total current assets</b>	<b>6,811,834</b>	<b>7,128,839</b>	<b>159,306</b>	<b>247,138</b>
<b>Total assets</b>	<b>37,612,530</b>	<b>37,514,251</b>	<b>12,520,013</b>	<b>12,618,110</b>
<b>Current liabilities</b>				
Trade and other payables and accruals	1,894,905	1,810,233	109,859	114,796
Advances and other payables	313,488	234,699	-	-
Interest-bearing loans and borrowings	6,910,876	6,971,649	166,812	1,085,351
Income tax payable	22,710	27,609	2	9
<b>Total current liabilities</b>	<b>9,141,979</b>	<b>9,044,190</b>	<b>276,673</b>	<b>1,200,156</b>
<b>Net current liabilities</b>	<b>(2,330,145)</b>	<b>(1,915,351)</b>	<b>(117,367)</b>	<b>(953,018)</b>

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-current liabilities</b>				
Interest-bearing loans and borrowings	4,640,873	4,218,271	808,344	-
Amounts due to related parties and other payables	509,859	427,859	-	-
Provisions	35,192	32,007	-	-
Lease Liabilities	83,009	-	-	-
Employee benefits liabilities	2,424,489	2,323,955	-	-
Deferred tax liabilities	613,725	614,776	13,982	7,942
<b>Total non-current liabilities</b>	<b>8,307,147</b>	<b>7,616,868</b>	<b>822,326</b>	<b>7,942</b>
<b>Total liabilities</b>	<b>17,449,126</b>	<b>16,661,058</b>	<b>1,098,999</b>	<b>1,208,098</b>
<b>Net assets</b>	<b>20,163,404</b>	<b>20,853,193</b>	<b>11,421,014</b>	<b>11,410,012</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	(390,166)	(390,166)	(390,166)	(390,166)
Revenue reserves	7,675,350	8,075,562	754,617	743,615
Other reserves	442,529	517,935	144,152	144,152
	<b>11,311,992</b>	<b>11,787,610</b>	<b>11,421,014</b>	<b>11,410,012</b>
Non-controlling interests	8,851,412	9,065,583	-	-
<b>Total equity</b>	<b>20,163,404</b>	<b>20,853,193</b>	<b>11,421,014</b>	<b>11,410,012</b>

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

	Group	
	31/12/2019	31/12/2018
	Rp ' million	Rp ' million
(i) Interest bearing debt payable in one year or less, or on demand		
Secured	2,202,064	2,129,298
Unsecured	4,708,812	4,842,351
<b>Sub-total</b>	<b>6,910,876</b>	<b>6,971,649</b>
(ii) Interest bearing debt repayable after one year		
Secured	3,832,529	4,218,271
Unsecured	808,344	-
<b>Sub-total</b>	<b>4,640,873</b>	<b>4,218,271</b>
<b>Total borrowings and debt securities</b>	<b>11,551,749</b>	<b>11,189,920</b>

Details of the collaterals

The above bank borrowings are secured by corporate guarantees of a subsidiary in proportion to its equity ownerships.

1(c). **A statement of cash flows (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Group - Q4		Group - Full Year	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from operating activities</b>				
Profit/ (loss) before taxation	303,197	(210,113)	(263,422)	(46,413)
Adjustments:				
Depreciation and amortisation	304,942	337,605	1,522,326	1,488,895
Realisation of deferred costs	18,261	13,759	204,660	149,836
Unrealised foreign exchange (gain)/ loss	(6,986)	(10,978)	(18,807)	145,607
(Gain)/ loss arising from changes in fair value of biological assets	(125,783)	35,973	(190,353)	30,882
Allowance for uncollectible and loss arising from changes in amortised cost	21,366	(13,556)	138,550	30,007
Write-off of property, plant and equipment	719	38	3,677	362
Loss/ (gain) on disposal of property, plant and equipment	159	(2,953)	(1,135)	(4,466)
Changes in allowance for decline in market value and obsolescence of inventories	(50,505)	(28,556)	(12,108)	3,058
Changes in provision for asset dismantling costs	1,023	897	3,185	(2,142)
Change in estimated liability for employee benefits	92,473	65,590	372,228	328,308
Share of results of associate companies	26,331	12,650	67,976	7,792
Share of results of joint ventures	(32,796)	30,863	(16,612)	(28,704)
Loss on deemed disposal on investment in a joint venture	-	87,049	-	87,049
Impairment of goodwill	33,891	520	33,891	520
Impairment of fixed assets	46,863	-	46,863	-
Financial income	(16,197)	(26,770)	(86,091)	(104,199)
Financial expenses	206,166	198,877	856,928	719,960
<b>Operating cash flows before changes in working capital</b>	<b>823,124</b>	<b>490,895</b>	<b>2,661,756</b>	<b>2,806,352</b>
<b>Changes in working capital:</b>				
Other non-current receivables	(161,820)	208,242	(3,913)	99,406
Inventories	151,736	622,903	186,758	(226,874)
Trade and other receivables	81,716	249,637	64,801	(188,714)
Advances to suppliers	22,354	13,761	(133,684)	(843)
Prepaid taxes, advances and other payable	(72,097)	(34,249)	32,997	(24,148)
Trade and other payables and accruals	(271,892)	(459,954)	(118,759)	32,116
<b>Cash flows from operations</b>	<b>573,121</b>	<b>1,091,235</b>	<b>2,689,956</b>	<b>2,497,295</b>
Interest received	17,138	25,778	86,847	105,313
Interest paid	(191,512)	(196,350)	(838,016)	(708,227)
Income tax paid	(40,335)	(274,780)	(322,097)	(742,803)
<b>Net cash flows from operating activities</b>	<b>358,412</b>	<b>645,883</b>	<b>1,616,690</b>	<b>1,151,578</b>

	Group - Q4		Group - Full Year	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Cash flows from investing activities</b>				
Additions to property, plant and equipment	(474,782)	(385,285)	(1,658,712)	(1,486,288)
Additions to biological assets	(47,135)	(160,240)	(186,314)	(165,344)
Increase in plasma receivables	(57,018)	(42,972)	(213,811)	(268,583)
Proceeds from disposal of property, plant and equipment	3,001	6,484	11,197	27,107
Advances for projects and purchases of fixed assets	(7,294)	(32,803)	(92,556)	(117,959)
Investment in a joint venture	-	-	(74,634)	(99,984)
Investment in associate companies	(16,250)	-	(373,766)	(109,323)
<b>Net cash flows used in investing activities</b>	<b>(599,478)</b>	<b>(614,816)</b>	<b>(2,588,596)</b>	<b>(2,220,374)</b>
<b>Cash flows from financing activities</b>				
Proceeds from interest-bearing loans and borrowings	1,084,910	888,826	4,130,756	4,464,981
Repayment of interest-bearing loans and borrowings	(1,113,069)	(1,094,989)	(3,670,189)	(3,983,434)
Proceeds from amount due to related parties	82,000	10,000	82,000	76,200
Dividend payment by subsidiaries to non-controlling interests	-	(1,751)	(52,325)	(168,152)
Dividend payment to Company's shareholders	-	-	(36,662)	(102,713)
Capital contributions from non-controlling	-	51,000	-	51,000
Advance for shares subscription	98,000	-	98,000	-
<b>Net cash flows from financing activities</b>	<b>151,841</b>	<b>(146,914)</b>	<b>551,580</b>	<b>337,882</b>
<b>Net decrease in cash and cash equivalents</b>	<b>(89,225)</b>	<b>(115,847)</b>	<b>(420,326)</b>	<b>(730,914)</b>
<b>Effect of changes in exchange rates on cash and cash equivalents</b>	<b>(14,932)</b>	<b>(29,564)</b>	<b>(21,081)</b>	<b>30,109</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>1,891,619</b>	<b>2,374,280</b>	<b>2,228,869</b>	<b>2,929,674</b>
<b>Cash and cash equivalents at the end of the period</b>	<b>1,787,462</b>	<b>2,228,869</b>	<b>1,787,462</b>	<b>2,228,869</b>



1(d)(i). A statement (for the issuer and group) showing either (i) all the 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.

#### STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	31/12/2019	31/12/2018	31/12/2019	31/12/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Issued Share</b>				
Balance as at 1 January / 31 December <sup>(1)</sup>	3,584,279	3,584,279	10,912,411	10,912,411
<b>Treasury shares of the Company</b>				
Balance as at 1 January / 31 December	(390,166)	(390,166)	(390,166)	(390,166)
<b>Reserves</b>				
Balance as at 1 January (FRS framework)	8,075,562	8,327,924	743,615	810,774
Cumulative effects of adopting SFRS(I) <sup>#</sup>	-	(24,634)	-	-
Cumulative effects of adopting SFRS(I) 16	(3,762)	-	-	-
<b>Adjusted balance as at 1 January</b>	<b>8,071,800</b>	<b>8,303,290</b>	<b>743,615</b>	<b>810,774</b>
Dividend payment	(36,662)	(102,713)	(36,662)	(102,713)
Actuarial gain on employee benefits liability	51,565	96,749	-	-
Net (loss)/ profit for the period	(411,353)	(221,764)	47,664	35,554
<b>Balance as at 31 December</b>	<b>7,675,350</b>	<b>8,075,562</b>	<b>754,617</b>	<b>743,615</b>
<b>Other Reserves*</b>				
Balance as at 1 January (FRS framework)	517,935	582,329	144,152	144,152
Cumulative effects of adopting SFRS(I) <sup>#</sup>	-	24,634	-	-
<b>Adjusted balance as at 1 January</b>	<b>517,935</b>	<b>606,963</b>	<b>144,152</b>	<b>144,152</b>
Share of other comprehensive loss of a joint venture	(65,692)	(101,785)	-	-
Share of other comprehensive (loss)/ gain of an associate company	(9,887)	13,592	-	-
Unrealised gain/ (loss) for available-for-sales investment	80	(1,465)	-	-
Employee share based compensation reserve	93	630	-	-
<b>Balance as at 31 December</b>	<b>442,529</b>	<b>517,935</b>	<b>144,152</b>	<b>144,152</b>

	<u>Group</u>		<u>Company</u>	
	<u>31/12/2019</u>	<u>31/12/2018</u>	<u>31/12/2019</u>	<u>31/12/2018</u>
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
<b>Non-controlling Interests</b>				
<b>Balance as at 1 January</b>	<b>9,065,583</b>	<b>9,318,284</b>	-	-
Cumulative effects of adopting SFRS(l) 16	(1,535)	-	-	-
<b>Adjusted balance as at 1 January</b>	<b>9,064,048</b>	<b>9,318,284</b>	-	-
Dividend payment	(52,325)	(168,152)	-	-
Advance for shares subscription	98,000	-	-	-
Actuarial gain on employee benefits liability	40,487	74,479	-	-
Additional capital contribution in subsidiary	-	51,000	-	-
Foreign currency translation	(489)	(3,392)	-	-
Unrealised gain/ (loss) for available-for-sales investment	54	(1,885)	-	-
Net loss for the period	(298,363)	(204,751)	-	-
<b>Balance as at 31 December</b>	<b>8,851,412</b>	<b>9,065,583</b>	-	-
<b>Total Equity</b>	<b>20,163,404</b>	<b>20,853,193</b>	<b>11,421,014</b>	<b>11,410,012</b>

Notes:

(1) The issued capital of the Group differs from that of the Company as a result of applying the reverse acquisition accounting in accordance with the former Singapore Financial Reporting Standard framework, SFRS 103. It represents the total of the deemed cost of acquisition immediately before the Acquisition and issue/placement of new shares by the Company subsequent to the Acquisition.

\* Other reserves comprise capital reserves of subsidiary companies, gain on sale of treasury shares and foreign currency translation differences.

# In prior year, the figures were restated due to the application of exemptions upon the adoption of SFRS(l) framework where the cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017. As a result, the amount of Rp24,634 million was adjusted against the opening retained earnings as at 1 January 2017.

**1 (d)(ii).Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issue 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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the period. As of 31 December 2019 and 31 December 2018, the number of issued shares was 1,447,782,830, of which 51,878,300 shares were held as treasury shares.

There were no outstanding convertibles as at 31 December 2019 and 31 December 2018.

**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.**

	Company	
	31/12/2019	31/12/2018
	(' 000)	(' 000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(51,878)	(51,878)
Total number of issued shares excluding treasury shares	<b>1,395,905</b>	<b>1,395,905</b>

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

Treasury Shares	Company	
	No of shares	Amount
	('000)	Rp ' million
Balance as at 1 January and 31 December 2019	<b>51,878</b>	<b>390,166</b>

**1 (d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

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

This consolidated financial information has not been audited nor reviewed by the external auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any modifications 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 accounting policies have been consistently applied by the Company and the Group, and are consistent with those used in the previous financial year except for the adoption of new or revised SFRS(I) that are mandatory for financial years beginning on or after 1 January 2019.

**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.**

SFRS (I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group adopted the SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

On the adoption of SFRS(I) 16, the Group has chosen, on a lease-by-lease basis, to measure the right-of-use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019.

In addition, the Group elected the following practical expedients:

- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019 and low value assets;
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

On the adoption of SFRS(I) 16, the Group recognised right-of-use assets of Rp123 billion and lease liabilities of Rp129 billion for its leases previously classified as operating leases, with a corresponding decrease in the opening retained earnings of Rp3.8 billion and non-controlling interests of Rp1.5 billion as of 1 January 2019. In addition, the Group will present land use rights of Rp1,849 billion as right-of-use assets as of 1 January 2019.

The Group has adopted the modified retrospective approach on the adoption of SFRS(I) 16. If the Group chose to adopt the full retrospective approach, the effects on the Balance Sheet would be as follows: -

	<b>31 December 2019</b>	<b>31 December 2018 Restated</b>	<b>1 January 2018 Restated</b>
Property, plant and equipment	19,557,327	19,363,743	19,342,621
Right of use of assets	1,990,617	1,972,074	2,007,205
Deferred tax assets	936,354	1,126,768	1,347,777
Lease Liabilities	83,009	129,461	174,630
Revenue reserves	7,675,350	8,071,800	8,301,633
Non-controlling interests	8,851,412	9,064,048	9,317,539

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 weighted average number of ordinary shares on issue and (b) On a fully diluted basis (detailing any adjustments made to the earnings)**

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 31 December 2019.

	Group - Q4			Group - Full Year		
	31/12/2019	31/12/2018	Change %	31/12/2019	31/12/2018	Change %
Earnings per share (Rp)						
Based on weighted average number of share	(8.1)	(151.7)	(94.6)	(294.7)	(158.9)	85.5
Based on a fully diluted basis	(8.1)	(151.7)	(94.6)	(294.7)	(158.9)	85.5

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**

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,395,904,530 (excluding 51,878,300 held as treasury shares) as of 31 December 2019 and 31 December 2018.

	Group		Company	
	31/12/19	31/12/18	31/12/19	31/12/18
Net asset value per share (Rp)	8,104	8,444	8,182	8,174
Net asset value per share (SGD 'cents) (converted at Rp10,321 /S\$1)	78.5	81.8	79.3	79.2

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

	Group - Q4			Group - Full Year		
	31/12/2019	31/12/2018	Change	31/12/2019	31/12/2018	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
<b>Revenue</b>						
Plantations						
External sales	1,094,071	1,216,701	(10.1)	3,385,527	3,660,096	(7.5)
Inter-segment sales *	1,487,537	1,340,219	11.0	4,906,178	5,002,327	(1.9)
Sub-total	2,581,608	2,556,920	1.0	8,291,705	8,662,423	(4.3)
Edible Oils & Fats **						
External sales	2,461,743	2,580,813	(4.6)	10,264,861	10,399,354	(1.3)
Inter-segment sales	-	4,422	n/m	2,847	12,018	(76.3)
Sub-total	2,461,743	2,585,235	(4.8)	10,267,708	10,411,372	(1.4)
Elimination of inter-segment sales	(1,487,537)	(1,344,641)	10.6	(4,909,025)	(5,014,345)	(2.1)
<b>Total revenue to external parties</b>	<b>3,555,814</b>	<b>3,797,514</b>	<b>(6.4)</b>	<b>13,650,388</b>	<b>14,059,450</b>	<b>(2.9)</b>
<b>Gross Profit</b>	<b>798,618</b>	<b>433,209</b>	<b>84.3</b>	<b>2,025,614</b>	<b>2,197,924</b>	<b>(7.8)</b>
Gross Profit %	22.5%	11.4%		14.8%	15.6%	

\* Comprises mainly internal CPO sales to the Group's own refineries

\*\* Comprises mainly cooking oil, margarine and copra-based products

### Financial Performance

**Overview:** 2019 was a very challenging year for agribusinesses due to weak commodity prices, which had a significant impact on our financial performance.

The ongoing US-China trade tensions have continued to affect global trade flows and economic growth. These uncertain developments have negatively impacted the prices of agricultural commodities. CPO prices (*CIF Rotterdam*) fell to a 10-year low and stayed relatively flat in the first nine months at an average of US\$535/tonne before moving up 27% to end at US\$682 per tonne in 4Q2019. In 4Q2019, CPO prices had reacted to a tightening supply situation, as well as increased demand particularly driven by Indonesia's increased biofuel mandate from 20% to 30% effective January 2020. On a full year basis, CPO prices (*CIF Rotterdam*) remained lower at US\$572 per tonne in FY2019 compared to US\$601 per tonne in FY2018.

The Group reported an improved 4Q2019 result, reversing from net loss of Rp362 billion in 4Q2018 to net profit of Rp4 billion. The improved result was mainly attributable to higher profit contribution from Plantation Division arising from a strong recovery in CPO prices and gains arising from changes in fair values of biological assets. This was partly offset by the write-off of deferred tax assets relating to unrecoverable tax losses.

On a full year basis, the Group's performance remained subdued with a higher net loss of Rp710 billion compared to Rp427 billion in FY2018 mainly due to lower commodity prices. FY2019 results were further affected by higher expected credit losses relating to plasma receivables, impairment of fixed assets and

goodwill, higher financial expenses and write-off of deferred tax assets relating to unrecoverable tax losses. The decline was partly offset by gains arising from changes in fair values of biological assets and foreign currency gains.

**Revenue:** Despite a strong recovery in CPO prices in 4Q2019, the Group's consolidated revenue (after elimination of inter-segment sales) decreased 6% in 4Q2019 on lower EOF Division sales. On a full year basis, revenue declined 3% over FY2018 on lower selling prices for palm products and edible oils and fats (EOF) products, but partly offset by higher sales volume of palm kernel (PK) products, sugar and EOF products.

Plantation Division's revenue increased 1% due to a 21% recovery in CPO prices compared to 4Q2018, this was partly offset by lower sales volume of CPO. On a full year basis, Plantation Division's revenue declined 4% against FY2018 on lower selling prices of palm products (CPO -3%, PK -39%), but partly offset by higher sales volume of PK products and sugar.

EOF Division's revenue declined 5% and 1% in 4Q2019 and FY2019 mainly attributable to lower selling prices of EOF products. On a positive note, EOF Division achieved improved profit in FY2019 on sales volume growth and lower material costs i.e. CPO.

**Gross profit:** The Group reported significantly higher gross profit in 4Q2019, increasing 84% over 4Q2018 mainly driven by a strong recovery in CPO prices. In FY2019, gross profit declined 8% mainly due to lower profit contribution from the Plantation Division on lower selling prices of palm products. The decline was partly offset by improved profit contribution from the EOF Division.

**General and Administrative Expenses (G&A):** G&A increased 9% and 8% respectively in 4Q2019 and FY2019 mainly due to higher salaries costs relating to wage inflation and streamlining of workforce.

**Foreign Exchange Gain/ (Loss):** The foreign exchange impacts were principally attributable to the translation of US dollar denominated loans, assets and liabilities. The Group recognized foreign currency gain of Rp11 billion in FY2019 compared to a loss of Rp118 billion in FY2018. The foreign currency gain was mainly due to strengthening of Indonesia Rupiah against US Dollar to Rp13,901/US\$ as of 31 December 2019 versus Rp14,481/US\$ at the end of December 2018.

**Other Operating Expenses:** Other operating expenses in 4Q2019 and FY2019 were higher due to (i) higher expected credit losses relating to plasma receivables arising from lower production volume and prices of fresh fruit bunches; and (ii) impairment of fixed assets and goodwill.

**Share of Results of Associate Companies:** The Group reported higher share of losses from its associate companies for both 4Q2019 and FY2019 compared to comparative periods in last year. This was mainly attributable to losses from FPNRL, reflecting intense competition, write-off of deferred tax assets relating to unrecoverable tax losses and higher interest expenses relating to Roxas sugar business in the Philippines.

**Share of Results of Joint Ventures:** The Group's joint ventures in sugar operations in Brazil reported higher cane crushing of 6.1 million tonnes in the crop year 2019 compared to 5.6 million tonnes in 2018. In 4Q2019, the share of JV profit was at Rp33 billion compared to loss of Rp31 billion in 4Q2018. The improved result was mainly due to higher sales volume of ethanol, but partly offset by higher foreign currency loss arising from the weakening of the Brazilian real. On a full year basis, the Group recognised lower share of profits of Rp17 billion in FY2019 compared to Rp29 billion in FY2018. The decline was mainly due to foreign currency losses and higher expenses relating to the development of the sugar operation in Brazil.

**Gain/ (Loss) Arising from Changes in Fair Values of Biological Assets:** In FY2019, the Group reported Rp190 billion gain from changes in fair value of biological assets compared to loss of Rp31 billion in FY2018. The fair value gain was mainly due to higher prices of fresh fruit bunches and higher sugarcane volume.

**Profit from Operations:** In 4Q2019, the Group reported higher profit from operations of Rp493 billion compared to Rp49 billion in 4Q2018 mainly due to higher profit contribution from Plantation Division,

higher profit contribution from joint ventures and gain arising from changes in fair value of biological assets.

In FY2019, profit from operations declined 23% against last year mainly attributable to lower profit from the Plantation Division, higher expected credit losses relating to plasma receivables, and impairment of fixed assets and goodwill. This was partly offset by gains arising from changes in fair values of biological assets and foreign currency gain.

**Financial Expenses:** The Group's financial expenses increased by 4% and 19% respectively in 4Q2019 and FY2019 mainly due to higher interest rate and loan facilities during the year.

**Income Tax Expense:** The Group recognised higher income tax expenses in 4Q2019 and FY2019, which was mainly arising from write-off of deferred tax assets relating to unrecoverable tax losses.

**Net Profit/ (Loss) After Tax:** The Group reported net profit of Rp4 billion in 4Q2019 compared to Rp362 billion loss in 4Q2018, which was mainly due to higher profit from operations. This was partly offset by the write-off of deferred tax assets relating to unrecoverable tax losses.

In FY2019, the Group recorded a higher net loss of Rp710 billion compared to Rp427 billion in last year as the result of lower profit from operations, higher financial expenses and higher income tax arising from write-off of deferred tax assets relating to unrecoverable tax losses.

### **Review of Financial Position**

The Group reported total non-current assets of Rp30.8 trillion in December 2019 compared to Rp30.4 trillion in December 2018. The increase was mainly attributable to capital injections in associate companies (i.e. AIM and Daitocacao) of Rp374 billion, additions of fixed assets and rights of use assets, and higher advances for plasma projects. This was partly offset with lower claims for tax refund and deferred tax assets.

As at December 2019, the Group's total current assets of Rp6.8 trillion were Rp0.3 trillion lower than December 2018. The decrease was mainly due to (i) lower cash level; (ii) lower trade and other receivables; and (iii) lower CPO and palm kernel oil stock, partially offset by higher edible oil products. This was partly offset by higher advances for CPO purchases and higher biological assets.

The Group's total current liabilities stayed around the same level at Rp9.1 trillion as at December 2019. The Group reported net current liabilities of Rp2.3 trillion in December 2019 due to the higher proportion of cheaper short-term loans and borrowings. The Group will continue to review its capital structure to maximise returns.

Non-current liabilities were Rp8.3 trillion at December 2019 compared to Rp7.6 trillion at December 2018. The increase was mainly due to (i) higher interest-bearing loans and borrowings following the renewal of a long-term facility; and (ii) higher employee benefits liabilities which were determined based on the actuarial calculations in accordance with the provisions of the Indonesian Labor Law.

The Group's net debt to total equity ratio increased from 0.43 times at previous year end to 0.48 times at 31 December 2019. This was largely driven by increases in group net debt.

### **Review of Cash Flows**

The Group reported higher cash flows from operations of Rp1,617 billion in FY2019 compared to Rp1,152 billion in FY2018 despite soft operating results. This was mainly attributable to improved working capital arising from lower inventories and trade and other receivables.

Higher net cash flows used in investing activities with Rp2,589 billion in FY2019 compared to Rp2,220 billion in FY2018. This was mainly due to additions of property, plant and equipment, biological assets and investment in associate companies of Rp374 billion and a joint venture of Rp75 billion.



Net cash flows generated from financing activities were Rp552 billion in FY2019 compared to Rp338 billion in FY2018. The increase was mainly due to lower dividend payment to shareholders and an advance for shares subscription by a minority shareholder.

The Group's cash level decreased from Rp2,229 billion at the end of prior year to Rp1,787 billion as at December 2019.

**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.**

The economic uncertainties arising from the ongoing US-China trade tensions and the recent Covid-19 outbreak will continue to exert additional volatility on the price of agricultural commodities. The demand for palm oil from key import markets like China and India, and the price of crude oil which affects discretionary biodiesel demand, plus CPO's price relative to soya oil, will have an impact on the direction of CPO prices. Nonetheless, the CPO outlook remains positive in Indonesia, where the government's drive to increase biodiesel consumption and the new B30 mandate, effective from January 2020, are expected to boost domestic palm oil demand. CPO prices have recovered strongly from the lows in mid-2019, driven by lower production growth and strong demand.

Amidst this volatile commodity price environment, we will continue to prioritise our capital expenditure investment in growth areas, and focus on cost-control measures and other innovations to increase productivity.

**11. If a decision regarding dividend has been made.**

**(a) Current Financial Period Reported On**

Any dividend recommended for the current financial year reported on?

No dividend has been declared/ recommended for the financial year 2019.

**(b) Any dividend declared for the previous corresponding period?**

Type of dividend: First and final dividend

Dividend type: Cash

Dividend per share: S\$0.0025

**12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.**

No dividend has been declared/ recommended for the financial year 2019 in view of the negative earnings and financial position of the Group.

**13. Disclosure of the aggregate value of the transactions conducted under the shareholders' mandate for interested person transaction Rule 920(1)(a)(ii) of the Listing Manual**

The Group has the following the interest person transactions ("IPT") for full year 2019:

Name of Interested Person	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
<b>Rp 'billion</b>	
<b>PT ISM Group</b>	
<ul style="list-style-type: none"> <li>• Sales of cooking oil, margarine and others</li> <li>• Purchase of goods, services and assets</li> </ul>	<p>3,449</p> <p>177</p>
<b>Salim Group</b>	
<ul style="list-style-type: none"> <li>• Sales of cooking oil, seeds and material</li> <li>• Purchases of goods and services</li> <li>• Shareholder loans</li> <li>• Corporate guarantees</li> </ul>	<p>1,789</p> <p>710</p> <p>1,075</p> <p>2,879</p>

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year.**

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations**	Total
<b>Full Year 2019</b>				
<b>Revenue</b>				
External sales	3,385,527	10,264,861	-	13,650,388
Inter-segments sales	4,906,178	2,847	(4,909,025)	-
<b>Total Revenue</b>	<b>8,291,705</b>	<b>10,267,708</b>	<b>(4,909,025)</b>	<b>13,650,388</b>
<b>Results</b>				
Segment profit	135,168	512,223	(70,544)	576,847
Segment profit %	1.6	5.0	1.4	4.2
Foreign exchange gain				11,322
Impairment of goodwill				(33,891)
Impairment of fair value allocation on fixed assets				(46,863)
Net financial costs				(770,837)
<b>Loss before tax</b>				<b>(263,422)</b>
Income tax expense				(446,294)
<b>Net loss for the year</b>				<b>(709,716)</b>

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations**	Total
<b>Full Year 2018</b>				
<b>Revenue</b>				
External sales	3,660,096	10,399,354	-	14,059,450
Inter-segments sales	5,002,327	12,018	(5,014,345)	-
<b>Total Revenue</b>	<b>8,662,423</b>	<b>10,411,372</b>	<b>(5,014,345)</b>	<b>14,059,450</b>
<b>Results</b>				
Segment profit	135,839	442,355	196,757	774,951
Segment profit %	1.6	4.2	(3.9)	5.5
Foreign exchange loss				(118,034)
Impairment of goodwill				(520)
Loss on deemed disposal on investment in a joint venture				(87,049)
Net financial costs				(615,761)
<b>Loss before tax</b>				<b>(46,413)</b>
Income tax expense				(380,102)
<b>Net loss for the year</b>				<b>(426,515)</b>

\*\* Others/eliminations include elimination adjustments for inter-division sales and purchases, net unrealised margins arising from inter-division sales and purchases and regional office's overhead costs.

**Revenue by Geographical Market**

	31/12/2019		31/12/2018		Change
	Rp' million	%	Rp' million	%	%
Indonesia	11,743,065	86%	12,311,531	88%	(4.6)
Asia	1,669,900	13%	1,497,292	11%	11.5
Europe	40,642	0%	42,700	0%	(4.8)
Africa, Middle East & Oceania	165,330	1%	174,890	1%	(5.5)
America	31,451	0%	33,037	0%	(4.8)
<b>Total revenue</b>	<b>13,650,388</b>	<b>100%</b>	<b>14,059,450</b>	<b>100%</b>	<b>(2.9)</b>

15. ***In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments.***

Please refer to Para 8 and 10 above.

16. ***A breakdown of sales as follows:-***

	2019 Rp' million	2018 Rp' million	% Decrease
(a) Sales reported for first half year	6,501,631	6,555,879	(0.8)
(b) Operating loss after tax before deducting non-controlling interests reported for first half year	(522,982)	(46,381)	n/m
(c) Sales reported for second half year	7,148,757	7,503,571	(4.7)
(d) Operating loss after tax before deducting non-controlling interests reported for second half year	(186,734)	(380,134)	(50.9)

17. ***A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year as follows:-***

Please refer to Para 11 above

18. ***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 confirms that it has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

19. ***Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(14) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.***

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that no persons occupying managerial positions in the Company or any of its principal subsidiaries who are a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford  
 Chief Executive Officer and Executive Director  
 28 February 2020