



## BUMITAMA AGRI LTD.

### Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2019

#### 1(a)(i) Income statement (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Group					
	4th Quarter			FY		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
<b>Revenue</b>	2,291,938	2,203,508	4.0%	7,691,341	8,377,370	-8.2%
Cost of sales	(1,712,169)	(1,681,019)	1.9%	(5,958,249)	(5,990,133)	-0.5%
<b>Gross profit</b>	<b>579,769</b>	<b>522,489</b>	<b>11.0%</b>	<b>1,733,092</b>	<b>2,387,237</b>	<b>-27.4%</b>
Interest income	48,289	44,866	7.6%	186,669	164,847	13.2%
Fair value changes in biological assets	19,906	(47,657)	n.m.	19,906	(47,657)	n.m.
Selling expenses	(94,467)	(89,709)	5.3%	(352,861)	(280,143)	26.0%
General and administrative expenses	(62,693)	(55,963)	12.0%	(294,554)	(262,700)	12.1%
Finance cost	(57,433)	(53,753)	6.8%	(240,140)	(199,804)	20.2%
Foreign exchange gain/(loss)	81,961	19,326	n.m.	159,714	(57,148)	n.m.
Other (expenses)/income, net	(28,106)	(6,808)	n.m.	(18,660)	656	n.m.
<b>Profit before income tax</b>	<b>487,226</b>	<b>332,791</b>	<b>46.4%</b>	<b>1,193,166</b>	<b>1,705,288</b>	<b>-30.0%</b>
Income tax expense	(161,168)	(79,120)	103.7%	(352,825)	(409,950)	-13.9%
<b>Profit for the period/year</b>	<b>326,058</b>	<b>253,671</b>	<b>28.5%</b>	<b>840,341</b>	<b>1,295,338</b>	<b>-35.1%</b>
<b>Attributable to:</b>						
Owners of the Company	261,455	207,369	26.1%	686,313	1,097,080	-37.4%
Non-controlling interests	64,603	46,302	39.5%	154,028	198,258	-22.3%
	<b>326,058</b>	<b>253,671</b>	<b>28.5%</b>	<b>840,341</b>	<b>1,295,338</b>	<b>-35.1%</b>

n.m. – not meaningful

#### Additional Information

	Group					
	4th Quarter			FY		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
Profit before income tax	487,226	332,791	46.4%	1,193,166	1,705,288	-30.0%
Depreciation and amortisation	153,893	138,429	11.2%	597,297	549,600	8.7%
Foreign exchange (gain)/loss	(81,961)	(19,326)	n.m.	(159,714)	57,148	n.m.
Finance cost	57,433	53,753	6.8%	240,140	199,804	20.2%
Interest income	(48,289)	(44,866)	7.6%	(186,669)	(164,847)	13.2%
Fair value changes in biological assets	(19,906)	47,657	n.m.	(19,906)	47,657	n.m.
Other expenses	29,589	-	100.0%	29,589	-	100.0%
<b>EBITDA</b>	<b>577,985</b>	<b>508,438</b>	<b>13.7%</b>	<b>1,693,903</b>	<b>2,394,650</b>	<b>-29.3%</b>

n.m. – not meaningful

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

Statement of comprehensive income:	Group					
	4th Quarter			FY		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
<b>Profit for the period/year</b>	<b>326,058</b>	<b>253,671</b>	<b>28.5%</b>	<b>840,341</b>	<b>1,295,338</b>	<b>-35.1%</b>
<b>Other comprehensive income</b>						
<b>Item that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation gain/(loss)	39,113	129,458	-69.8%	71,266	(257,001)	n.m.
Fair value reserve on derivative financial assets	43,033	482	n.m.	8,174	11,560	-29.3%
<b>Item that will not be reclassified to profit or loss:</b>						
Re-measurement (loss)/gain on defined benefit plans	(6,586)	720	n.m.	(6,586)	720	n.m.
<b>Other comprehensive income for the period/year, net of tax</b>	<b>75,560</b>	<b>130,660</b>	<b>-42.2%</b>	<b>72,854</b>	<b>(244,721)</b>	<b>n.m.</b>
<b>Total comprehensive income for the period/year</b>	<b>401,618</b>	<b>384,331</b>	<b>4.5%</b>	<b>913,195</b>	<b>1,050,617</b>	<b>-13.1%</b>
<b>Attributable to:</b>						
Owners of the Company	337,957	337,731	0.1%	760,109	852,061	-10.8%
Non-controlling interests	63,661	46,600	36.6%	153,086	198,556	-22.9%
	<b>401,618</b>	<b>384,331</b>	<b>4.5%</b>	<b>913,195</b>	<b>1,050,617</b>	<b>-13.1%</b>

*n.m. – not meaningful*

**1(b)(i) 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-Dec-2019	31-Dec-2018	31-Dec-2019	31-Dec-2018
	IDR million	IDR million	IDR million	IDR million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plasma receivables	2,441,886	1,716,271	-	-
Property, plant and equipment	3,525,804	3,458,793	3,155	3,468
Bearer plants	7,537,293	7,503,534	-	-
Land use rights	954,098	958,837	-	-
Investment in subsidiaries	-	-	2,045,754	2,131,110
Investment in associate companies	-	-	-	154,070
Intangible assets	177,948	177,424	-	-
Derivative financial assets	30,442	-	30,442	-
Deferred tax assets	270,739	231,221	-	-
Due from subsidiaries	-	-	7,319,619	7,175,044
Loan to an associate company	-	82,693	-	82,693
<b>Total Non-current assets</b>	<b>14,938,210</b>	<b>14,128,773</b>	<b>9,398,970</b>	<b>9,546,385</b>
<b>Current assets</b>				
Biological assets	268,320	248,413	-	-
Inventories	658,834	592,400	-	-
Deferred charges	7,312	8,538	-	60
Trade and other receivables	349,920	479,847	333	194
Due from related companies	50	50	-	-
Plasma receivables	118,974	219,590	-	-
Prepayments and advances	37,957	18,660	132	1,078
Dividend receivables	-	-	209,790	-
Prepaid taxes	560,838	543,480	53	80
Cash and short-term deposits	503,753	299,053	35,293	40,637
<b>Total Current assets</b>	<b>2,505,958</b>	<b>2,410,031</b>	<b>245,601</b>	<b>42,049</b>
<b>Total Assets</b>	<b>17,444,168</b>	<b>16,538,804</b>	<b>9,644,571</b>	<b>9,588,434</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Loans and borrowings	625,545	796,455	625,545	796,455
Islamic medium term notes	-	3,492,597	-	3,492,597
Trade and other payables	757,143	774,865	31	2,225
Accrued operating expenses	192,590	209,829	51,604	64,586
Dividend payable to non-controlling interests	22,015	-	-	-
Sales advances	57,289	12,927	-	-
Income taxes payable	65,939	112,013	170	-
Derivative financial liabilities	-	1,028,512	-	1,028,512
<b>Total Current liabilities</b>	<b>1,720,521</b>	<b>6,427,198</b>	<b>677,350</b>	<b>5,384,375</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	125,011	128,273	-	-
Loans and borrowings	3,720,255	934,900	3,720,255	934,900
Islamic medium term notes	2,376,514	-	2,376,514	-
Post employment benefits	70,687	48,705	-	-
<b>Total Non-current liabilities</b>	<b>6,292,467</b>	<b>1,111,878</b>	<b>6,096,769</b>	<b>934,900</b>
<b>Total Liabilities</b>	<b>8,012,988</b>	<b>7,539,076</b>	<b>6,774,119</b>	<b>6,319,275</b>
<b>Net Assets</b>	<b>9,431,180</b>	<b>8,999,728</b>	<b>2,870,452</b>	<b>3,269,159</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	(147,449)	(133,713)	(147,449)	(133,713)
Other reserves	(201,717)	(209,891)	4,864	(3,310)
Retained earnings	6,814,530	6,569,298	223,151	481,822
Foreign currency translation reserve	(190,363)	(261,629)	982,841	1,117,315
	<b>8,082,046</b>	<b>7,771,110</b>	<b>2,870,452</b>	<b>3,269,159</b>
<b>Non-controlling interests</b>	<b>1,349,134</b>	<b>1,228,618</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>9,431,180</b>	<b>8,999,728</b>	<b>2,870,452</b>	<b>3,269,159</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities.**

- Amount repayable in one year or less, or on demand
- Amount repayable after one year

	<b>31-Dec-2019 IDR Million</b>	<b>31-Dec-2018 IDR Million</b>
Amount due within one year		
Unsecured	625,545	4,289,052
<b>Total</b>	<b>625,545</b>	<b>4,289,052</b>
Amount due more than one year		
Unsecured	6,096,769	934,900
<b>Total</b>	<b>6,096,769</b>	<b>934,900</b>

The unsecured borrowings contain negative pledge clauses.

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

CASH FLOWS	4th Quarter		FY	
	2019	2018	2019	2018
	IDR million	IDR million	IDR million	IDR million
<b>Cash flows from operating activities</b>				
Cash receipts from customers	2,131,359	1,771,272	7,872,291	8,135,990
Cash payments to suppliers, employees and for other operating expenses	(1,616,315)	(1,354,630)	(6,278,395)	(6,161,653)
Income tax paid	(92,656)	(66,002)	(387,985)	(456,883)
<b>Net cash flows generated from operating activities</b>	<b>422,388</b>	<b>350,640</b>	<b>1,205,911</b>	<b>1,517,454</b>
<b>Cash flows from investing activities</b>				
Increase in plasma receivables	(103,495)	(85,698)	(463,224)	(379,114)
Investment in intangible assets	(2,909)	-	(3,522)	(3,483)
Investment in bearer plants	(97,009)	(165,261)	(319,749)	(338,817)
Purchase of property, plant and equipment	(134,244)	(134,675)	(346,561)	(290,340)
Investment in land use rights	(7,380)	(12,032)	(34,186)	(76,452)
Proceeds from sale of shares and loan repayment from associate company	55,576	-	55,576	-
Interest received	47,625	43,313	181,520	159,210
<b>Net cash flows used in investing activities</b>	<b>(241,836)</b>	<b>(354,353)</b>	<b>(930,146)</b>	<b>(928,996)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans and borrowings	-	76,165	4,180,938	508,771
Repayment of loan and borrowings	-	-	(1,414,980)	(291,410)
Proceeds from issuance of Islamic Medium Term Notes	-	-	2,362,606	-
Repayment of Islamic Medium Term Notes	-	-	(4,454,303)	-
Payment of dividend	-	(64,088)	(442,107)	(570,118)
Buy-back of ordinary shares	-	(2,685)	(13,736)	(2,685)
Contribution from non-controlling interests	-	61,511	-	61,511
Interest paid	(37,800)	(11,132)	(286,920)	(217,449)
<b>Net cash flows (used in)/generated from financing activities</b>	<b>(37,800)</b>	<b>59,771</b>	<b>(68,502)</b>	<b>(511,380)</b>
<b>Net increase in cash and cash equivalents</b>	<b>142,752</b>	<b>56,058</b>	<b>207,263</b>	<b>77,078</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(922)</b>	<b>(2,367)</b>	<b>(2,563)</b>	<b>5,260</b>
<b>Cash and cash equivalents at beginning of period/year</b>	<b>361,923</b>	<b>245,362</b>	<b>299,053</b>	<b>216,715</b>
<b>Cash and cash equivalents at end of period/year</b>	<b>503,753</b>	<b>299,053</b>	<b>503,753</b>	<b>299,053</b>

**1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year (cont'd)**

Cash Flows from Operating Activities:	4th Quarter		FY	
	2019	2018	2019	2018
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	487,226	332,791	1,193,166	1,705,288
Depreciation and amortisation	153,893	138,429	597,297	549,600
Finance cost	57,433	53,753	240,140	199,804
Interest income	(48,289)	(44,866)	(186,669)	(164,847)
Post employment benefits	19,575	18,272	19,575	18,272
Unrealized foreign exchange (gain)/loss	(47,358)	96,857	(125,553)	48,462
Other expenses	29,589	-	29,589	-
Fair value changes in biological assets	(19,906)	47,657	(19,906)	47,657
Operating cash flows before working capital changes	<b>632,163</b>	<b>642,893</b>	<b>1,747,639</b>	<b>2,404,236</b>
Decrease/(increase) in:				
- Trade and other receivables	(162,256)	(298,583)	128,597	(191,384)
- Inventories	61,711	442,056	(66,434)	(148,840)
- Prepaid taxes	221,574	189,219	(17,361)	(158,064)
- Prepayments and advances	(21,958)	1,536	(19,340)	(8,010)
- Deferred charges	794	158	1,223	(753)
(Decrease)/increase in:				
- Trade and other payables	30,028	(134,458)	(15,047)	244,710
- Accrued operating expenses	(24,994)	(8,240)	(147,986)	(16,498)
- Other taxes payable	(219,838)	(295,775)	(55,381)	(105,747)
- Sales advances	4,195	(114,418)	44,361	(37,567)
Employee benefits contribution paid	(6,375)	(7,746)	(6,375)	(7,746)
Cash flows generated from operations	<b>515,044</b>	<b>416,642</b>	<b>1,593,896</b>	<b>1,974,337</b>
Income tax paid	(92,656)	(66,002)	(387,985)	(456,883)
<b>Net cash flows generated from operating activities</b>	<b>422,388</b>	<b>350,640</b>	<b>1,205,911</b>	<b>1,517,454</b>

**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 capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

Group	----- Attributable to owners of the Group -----						Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserve	Total share capital and reserves		
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million		
<b>Opening balance at 1 January 2019</b>	<b>1,807,045</b>	<b>(133,713)</b>	<b>6,569,298</b>	<b>(209,891)</b>	<b>(261,629)</b>	<b>7,771,110</b>	<b>1,228,618</b>	<b>8,999,728</b>
Profit for the year	-	-	686,313	-	-	686,313	154,028	840,341
<b>Other comprehensive income:</b>								
Foreign currency translation	-	-	-	-	71,266	71,266	-	71,266
Fair value reserve on derivative	-	-	-	8,174	-	8,174	-	8,174
Re-measurement on defined benefit plan	-	-	(5,644)	-	-	(5,644)	(942)	(6,586)
Total comprehensive income for the year, net of tax	-	-	680,669	8,174	71,266	760,109	153,086	913,195
<b>Distribution to owners:</b>								
Buy-back of ordinary shares	-	(13,736)	-	-	-	(13,736)	-	(13,736)
Dividends on ordinary shares	-	-	(435,437)	-	-	(435,437)	(32,570)	(468,007)
<b>Closing balance at 31 December 2019</b>	<b>1,807,045</b>	<b>(147,449)</b>	<b>6,814,530</b>	<b>(201,717)</b>	<b>(190,363)</b>	<b>8,082,046</b>	<b>1,349,134</b>	<b>9,431,180</b>
<b>Opening balance at 1 January 2018</b>	<b>1,807,045</b>	<b>(131,028)</b>	<b>5,977,826</b>	<b>(199,808)</b>	<b>(4,628)</b>	<b>7,449,407</b>	<b>1,022,305</b>	<b>8,471,712</b>
Profit for the year	-	-	1,097,080	-	-	1,097,080	198,258	1,295,338
<b>Other comprehensive income:</b>								
Foreign currency translation	-	-	-	-	(257,001)	(257,001)	-	(257,001)
Fair value reserve on derivative	-	-	-	11,560	-	11,560	-	11,560
Re-measurement on defined benefit plan	-	-	422	-	-	422	298	720
Total comprehensive income for the year, net of tax	-	-	1,097,502	11,560	(257,001)	852,061	198,556	1,050,617
<b>Contributions by and distributions to owners:</b>								
Contribution from non-controlling interests	-	-	-	-	-	-	61,511	61,511
Buy-back of ordinary shares	-	(2,685)	-	-	-	(2,685)	-	(2,685)
Dividends on ordinary shares	-	-	(506,030)	-	-	(506,030)	(75,397)	(581,427)
<b>Changes in ownership interest in subsidiaries:</b>								
Increase in ownership in subsidiary without a change in control	-	-	-	(21,643)	-	(21,643)	21,643	-
<b>Closing balance at 31 December 2018</b>	<b>1,807,045</b>	<b>(133,713)</b>	<b>6,569,298</b>	<b>(209,891)</b>	<b>(261,629)</b>	<b>7,771,110</b>	<b>1,228,618</b>	<b>8,999,728</b>

Company	----- Attributable to owners of the Company -----					
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserves	Total share capital and reserves
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million
<b>Opening balance at 1 January 2019</b>	<b>1,807,045</b>	<b>(133,713)</b>	<b>481,822</b>	<b>(3,310)</b>	<b>1,117,315</b>	<b>3,269,159</b>
Profit for the year	-	-	176,766	-	-	176,766
<b>Other comprehensive income:</b>						
Foreign currency translation	-	-	-	-	(134,474)	(134,474)
Fair value reserve on derivative	-	-	-	8,174	-	8,174
Total comprehensive income for the year, net of tax	-	-	176,766	8,174	(134,474)	50,466
<b>Distribution to owners:</b>						
Buy-back of ordinary shares	-	(13,736)	-	-	-	(13,736)
Dividends on ordinary shares	-	-	(435,437)	-	-	(435,437)
<b>Closing balance at 31 December 2019</b>	<b>1,807,045</b>	<b>(147,449)</b>	<b>223,151</b>	<b>4,864</b>	<b>982,841</b>	<b>2,870,452</b>
<b>Opening balance at 1 January 2018</b>	<b>1,807,045</b>	<b>(131,028)</b>	<b>636,267</b>	<b>(14,870)</b>	<b>900,131</b>	<b>3,197,545</b>
Profit for the year	-	-	351,585	-	-	351,585
<b>Other comprehensive income:</b>						
Foreign currency translation	-	-	-	-	217,184	217,184
Fair value reserve on derivative	-	-	-	11,560	-	11,560
Total comprehensive income for the year, net of tax	-	-	351,585	11,560	217,184	580,329
<b>Distribution to owners:</b>						
Buy-back of ordinary shares	-	(2,685)	-	-	-	(2,685)
Dividends on ordinary shares	-	-	(506,030)	-	-	(506,030)
<b>Closing balance at 31 December 2018</b>	<b>1,807,045</b>	<b>(133,713)</b>	<b>481,822</b>	<b>(3,310)</b>	<b>1,117,315</b>	<b>3,269,159</b>

**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 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 the end of the current financial period reported on and as at the 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 the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.**

There was no change in the Company's share capital since the end of the last report period as at 30 September 2019. Details of the treasury shares as at 31 December 2019 and 2018 were as follows:

	Company	
	Number of shares	
	31-Dec-2019	31-Dec-2018
Treasury shares	20,034,800	18,123,000
Issued ordinary shares excluding treasury shares	1,737,497,044	1,739,408,844
<b>Issued ordinary shares</b>	<b>1,757,531,844</b>	<b>1,757,531,844</b>

The Company did not have any outstanding convertibles against the total number of issued shares excluding treasury shares and subsidiary holdings 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 immediate preceding financial year.

**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	
	Number of shares	
	31-Dec-19	31-Dec-2018
Issued ordinary shares excluding treasury shares	1,737,497,044	1,739,408,844

**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.**

There were no treasury shares which were sold, transferred, cancelled or used in the current financial period.

**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.**

The financial statements presented above have not been audited or reviewed by the Company's auditors.



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

Not applicable.

- 3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:

- (a) Updates on the efforts taken to resolve each outstanding audit issue.  
 (b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

This is not required for any audit issue that is a material uncertainty relating to going concern.

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 preparation of the financial statements as at 31 December 2018, except for the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 January 2019. The adoption of these standards has no significant impact to the Group's consolidated financial statements.

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

Earning per share for the period (weighted average number of shares)	4th Quarter		FY	
	2019	2018	2019	2018
Based on weighted average number of share (in IDR)	149	118	392	627
Weighted number of shares	1,749,953,262	1,750,762,217	1,749,227,435	1,750,901,692

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.

Net asset value per share	Group		Company	
	31-Dec-2019	31-Dec-2018	31-Dec-2019	31-Dec-2018
Net asset value per ordinary share (in IDR)	4,652	4,468	1,652	1,879
Number of issued ordinary shares *	1,737,497,044	1,739,408,844	1,737,497,044	1,739,408,844

\* excluding Treasury Shares

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:
- 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
  - 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 INCOME STATEMENT

### Overview

The Group's financial performance during the fourth quarter of 2019 ("4Q2019") was strengthening by improvement of palm oil price towards the end of 2019. As a result of this favourable situation, the Group recorded an increase in gross profit of 11.0% during 4Q2019. However, the Group reported a decrease in gross profit by 27.4% for the full year of 2019 ("FY2019") due to weak palm oil prices compared to prior year.

### Revenue

The breakdown of revenue for 4Q2019 and FY2019 compared to the previous corresponding period was as follow:

Revenue	4Q2019	4Q2018	Change	FY2019	FY2018	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	2,104,436	1,972,093	6.7%	6,944,502	7,295,653	-4.8%
PK	187,502	231,415	-19.0%	746,839	1,081,717	-31.0%
<b>Total</b>	<b>2,291,938</b>	<b>2,203,508</b>	<b>4.0%</b>	<b>7,691,341</b>	<b>8,377,370</b>	<b>-8.2%</b>
<b>Sales Volume</b>						
Sales Volume	4Q2019	4Q2018	Change	FY2019	FY2018	Change
	mt	mt	(%)	mt	mt	(%)
CPO	294,077	325,389	-9.6%	1,037,050	1,038,471	-0.1%
PK	57,822	53,162	8.8%	218,657	204,605	6.9%
<b>Average sales prices</b>						
Average sales prices	4Q2019	4Q2018	Change	FY2019	FY2018	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	7,156	6,061	18.1%	6,696	7,025	-4.7%
PK	3,243	4,353	-25.5%	3,416	5,287	-35.4%

**Cost of Sales**

Cost of sales comprised mainly cost in relation to plantation maintenance, harvesting, plantation overhead, depreciation and amortisation, milling, and Fresh Fruit Bunches (“FFB”) purchased externally (including plasma and third parties).

**Interest Income**

Interest income amounting to IDR 48 billion in 4Q2019 and IDR 187 billion in FY2019 mainly consist of interest income earned from advances extended to the plasma farmers.

**Fair Value Changes in Biological Assets**

In accordance with SFRS(I) 1-41, the agriculture produce growing on bearer plants are measured at fair value less cost to sell.

The Group recorded an increase in fair value changes in biological assets amounted to IDR 20 billion based on market value of the agricultural produced as at 31 December 2019.

**Selling Expenses**

Selling expenses mainly comprised of freight and loading expenses, which increased by IDR 5 billion and IDR 73 billion to IDR 94 billion in 4Q2019 and IDR 353 billion in FY2019, respectively. Higher selling expenses were mainly attributable to higher CPO sales with CIF terms compared to previous periods as well as additional barge rented to expedite loading and delivery of palm products to customers during the year.

**General and Administrative Expenses**

General and administrative expenses increased by 12.0% to IDR 63 billion in 4Q2019 and 12.1% to IDR 295 billion in FY2019 mainly due to increase in salaries and employee benefits.

**Finance Cost**

Finance cost increased by 6.8% to IDR 57 billion in 4Q2019 and 20.2% to IDR 240 billion in FY2019 mainly due to higher interest rate arising from London Interbank Offered rate (“LIBOR”).

**Foreign Exchange Gain/(Loss)**

The Group recorded a net foreign exchange gain of IDR 82 billion in 4Q2019 and IDR 160 billion in FY2019 mainly due to translation on USD denominated borrowings in the Group’s IDR financial statements as a result of the appreciation of IDR against USD during the year.

**Other (expense)/income, net**

Other expense, net amounting to IDR 28 billion in 4Q2019 and IDR 19 billion in FY2019 was mainly related to the sale of the Company's 28% interest in the associate.

**Income Tax Expense**

Increase in income tax expense to IDR 161 billion in 4Q2019 was mainly due to withholding tax expense on dividend income received by the Company from its subsidiary.

During FY2019, the Group recorded a decrease in income tax expense to IDR 353 billion which was in line with the decrease in profit before income tax.

## REVIEW OF STATEMENT OF FINANCIAL POSITION

### Non-Current Assets

As at 31 December 2019, the Group's total non-current assets increased by IDR 809 billion from IDR 14,129 billion to IDR 14,938 billion. This was mainly due to the increase in plasma receivables by IDR 726 billion to IDR 2,442 billion arising from advances given to plasma farmers mainly for the maintenance of immature plasma plantations.

### Current Assets

The increase in current assets by IDR 96 billion was mainly due to the increase in cash and short term deposits after the net off by the decrease in trade and other receivables. The increase in cash and short term deposit can be seen from the cash flow section on page 14. The decrease in trade and other receivables was mainly due to lower revenue during the year.

### Current Liabilities

Decrease in current liabilities by IDR 4,707 billion as at 31 December 2019 from IDR 6,427 billion to IDR 1,721 billion was mainly due to repayment of the first and second tranches of Islamic Medium Term Notes ("IMTN") which matured in March and September 2019 respectively, as well as realisation of their related derivative financial liabilities.

### Non-Current Liabilities

As at 31 December 2019, the Group's total non-current liabilities increased by IDR 5,181 billion from IDR 1,112 billion to IDR 6,292 billion, arising mainly from the issuance of a 5-year term loan along with third and fourth tranches of IMTN as refinancing for the matured IMTNs during the year.

## REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net increase in cash and cash equivalents of IDR 207 billion as at 31 December 2019, bringing the cash and bank balances to IDR 504 billion, as follows:

- The Group's net cash flows generated from operating activities during 4Q2019 was mainly due to the increase in cash receipts from customers, arising from improved palm oil price during the period. However, the palm oil price was still lower for FY2019 as compared to FY2018 and this reflected in lower revenue and cash receipt from customers during the year.
- The Group recorded lower net cash used in investing activities amounting to IDR 242 billion in 4Q2019 due to lower investment in bearer plants. In FY2019, the Group recorded higher net cash used in investing activities amounting to IDR 930 billion which was mainly due to higher advances given to plasma farmers as well as purchase of property, plant and equipment.
- The Group recorded net cash flow used in financing activities amounting to IDR 38 billion in 4Q2019 mainly due to proceeds from loan repayment from associate company. In FY2019, the Group recorded net cash used in financing activities amounting to IDR 69 billion as affected by the refinancing of first and second tranches of IMTN by the issuance of the 5-year term loan as well as third and fourth tranches of IMTN. It was offset by higher interest paid as a result of the increase in borrowings from refinancing activities as well as dividend payments.

**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.**

We had seen strong support of palm oil prices since the end of 2019 arising from lower supply of oil palm from Indonesia and Malaysia but the call of global emergency for coronavirus by WHO had caused some pullback on palm oil prices. We expect prices of palm oil to maintain at its current level until middle of 2020 due to marginal growth in supply and the increase in demand of palm oil and its derivatives with biodiesel of B30 in Indonesia and B10 in Malaysia.

The Group will continue to drive for efficiency and innovation, look at improving processes with latest technologies in its work place and manage cost.

**11. Dividend****(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

The Directors have recommended for the Company to pay a final dividend in respect of the financial year ended 31 December 2019.

The payment of the dividend will be subject to the approval by shareholders at the forthcoming AGM to be convened at the end of April 2020.

**(b) Corresponding Period of the Immediately Preceding Financial Year**

Any dividend declared for the corresponding period of the immediately preceding financial year?

<b>FY2018</b>	
Name of Dividend	Final dividend
Dividend Type	Cash
Dividend amount per share	SGD 0.02
Payment Type	Tax Exempted (1-tier)

**(c) Date payable**

To be announced later.

**(d) Books closure date**

To be announced later.

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

Not applicable.

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

The Group has the following interested person transactions ("IPT") for FY2019:

Name of interested person	Nature of the relationship	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
		in IDR million	in IDR million
Mr Gunardi Hariyanto Lim <sup>(1)</sup>	Family relationship with the controlling shareholder of the Company	2,400	-
Goldwood Investments Ltd <sup>(2)</sup>	Related company	2,052	-
IOI Corporation Berhad <sup>(3)</sup>	Controlling shareholder of the Company	-	134,699
PT Sawit Nabati Agro <sup>(4)</sup>	Associate	-	-
PT Lima Srikandi Jaya <sup>(5)</sup>	Related company	7,200	-
<b>TOTAL</b>		<b>11,652</b>	<b>134,699</b>

Notes:

\*For illustrative purpose the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate during the financial year under review using the current period closing rate

- (1) In respect of the aggregate rent paid by the Group to Mr. Gunardi Hariyanto Lim for office space in Indonesia pursuant to the lease agreement between Mr. Gunardi Hariyanto Lim and PT Bumitama Gunajaya Agro.
- (2) In respect of the aggregate rent paid by the Group to Goldwood Investments Ltd for office space in Singapore pursuant to the lease agreement between Goldwood Investments Ltd and the Company.
- (3) In respect of transactions conducted pursuant to the Shareholders' Mandate for transactions with IOI Corporation and its Associates (as described in the Prospectus).
- (4) In respect of transactions conducted pursuant to the Shareholders' Mandate for transaction with Sawit Nabati Agro (SNA) Group (as described in the Prospectus). On the completion of the sale of 28% interest in each of SNA and BAS, both SNA and BAS ceased to be associated companies of the Company.
- (5) In respect of the rental agreement of barge transactions involving PT Lima Srikandi Jaya which is one of the subsidiaries of Harita Group. Harita Group is owned by Lim family and also one of the Company's controlling shareholders.

**14. Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)**

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.



**ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

- 15. 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.**

The Group's primary business activities are cultivating and harvesting palm trees, processing FFB from our oil palm plantations, our plasma plantations, and third parties into CPO and PK, and selling CPO and PK in Indonesia. Accordingly, no segmental information is presented as it is not meaningful.

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

Not applicable.

- 17. A breakdown of sales**

FY2019	The Group		
	FY2019	FY2018	Increase / (Decrease)
	IDR million	IDR million	IDR million
(a) Sales reported for the first half year	3,455,738	4,256,161	(800,423)
(b) Operating profit before deducting minority interests reported for the first half year	285,290	726,258	(440,968)
(c) Sales reported for the second half year	4,235,603	4,121,209	114,394
(d) Operating profit before deducting minority interests reported for the second half year	555,051	569,080	(14,029)

- 18. 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.

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(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Lim Liana Sarwono	67	The Sister of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, Lim Christina Hariyanto, Executive Director of BAL and daughter of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL.	Senior Purchasing Manager since 1998.  - Responsible for securing quality purchases at reasonable prices.	No Change
Gunardi Hariyanto Lim	54	The Brother of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, and Lim Christina Hariyanto, Executive Director of BAL, and son of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL	Chief Commissioner of PT Bumitama Gunajaya Agro since 2018.  - Supervising commissioners and the company in accordance with the articles of association; - Collating advises from other commissioner and shares this advice to the board of directors; and although not part of the daily company management but do provide oversight on management policies.	No Change

**For and on behalf of the Board of Directors**

**Lim Gunawan Hariyanto**  
Executive Chairman and CEO  
18 February 2020

**Lee Lap Wah George**  
Lead Independent Director