

**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 2018 TO 31 MARCH 2019**

**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**

	<b>1st Qtr 2019</b>	<b>1st Qtr 2018</b>	<b>Change</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>
Revenue	76,796,001	98,775,012	-22
Cost of sales	(78,066,577)	(80,292,663)	-3
<b>Gross (loss)/profit</b>	<b>(1,270,576)</b>	<b>18,482,349</b>	<b>n.m</b>
<b>Operating expenses</b>			
Distribution expenses	(179,166)	(192,831)	-7
Administrative expenses	(11,082,428)	(13,128,722)	-16
Finance costs	(187,498)	(3,191)	5,776
	(11,449,092)	(13,324,744)	-14
<b>Other items of income/(expenses)</b>			
Interest income	2,062,102	2,969,247	-31
Other income	2,269,853	961,151	136
Other expenses	(209,867)	(1,491,779)	-86
Foreign exchange gain/(loss), net	62,937	(5,033,925)	n.m
	4,185,025	(2,595,306)	n.m
<b>(Loss)/profit before income tax</b>	<b>(8,534,643)</b>	<b>2,562,299</b>	<b>n.m</b>
Income tax credit/(expense)	733,676	(1,562,011)	-147
<b>(Loss)/profit for the financial period</b>	<b>(7,800,967)</b>	<b>1,000,288</b>	<b>-880</b>
<b>n.m.:</b> Not meaningful			

	<b>1st Qtr 2019</b>	<b>1st Qtr 2018</b>	<b>Change</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>
<b>Other comprehensive income:</b>			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	(2,794,753)	12,691,752	n.m.
<b>Total comprehensive income for the financial period</b>	<b>(10,595,720)</b>	<b>13,692,040</b>	<b>n.m.</b>
<b>(Loss)/profit attributable to:</b>			
Owners of the parent	(7,362,865)	715,850	n.m.
Non-controlling interests	(438,102)	284,438	n.m.
	<b>(7,800,967)</b>	<b>1,000,288</b>	<b>n.m.</b>
<b>Total comprehensive (loss)/income attributable to:</b>			
Owners of the parent	(10,157,618)	13,407,602	n.m.
Non-controlling interests	(438,102)	284,438	n.m.
	<b>(10,595,720)</b>	<b>13,692,040</b>	<b>n.m.</b>

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

	<b>1st Qtr 2019</b>	<b>1st Qtr 2018</b>	<b>Change</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>
Interest income	(2,062,102)	(2,969,247)	-31
Finance costs	438	3,191	-86
Depreciation of property, plant and equipment	3,255,734	3,024,409	8
Amortisation of operating use rights	10,828	10,828	n.m.
Depreciation of bearer plants	1,575,158	2,293,705	-31
Foreign exchange (gain)/loss, net	(62,937)	5,033,925	n.m.
Gain on disposal of plant and equipment, net	(100,362)	-	n.m.
Fair value gain from financial assets at fair value through profit of loss	(271,151)	(17,377)	1,460
Employment benefits expenses			
- salaries, wages and bonuses	7,524,585	9,549,850	-21
Operating lease expenses			
- rental of premises	8,333	274,174	-97
Representation and entertainment	528,242	269,894	96
Transportation, travelling and accommodation	218,506	259,337	-16
Gain on disposal of club memberships	(78,821)	-	-100
<b><u>Additional information:</u></b>			
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	(5,754,587)	4,925,185	n.m.

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

	<b>Group</b>	
	<b>As at</b>	
	<b>31/3/2019</b>	<b>31/12/2018</b>
	<b>Rp '000</b>	<b>Rp '000</b>
<b>Non-current assets</b>		
Bearer plants	117,622,775	115,155,542
Property, plant and equipment	137,658,962	134,815,574
Right of use assets	976,511	-
Plasma plantation receivables	52,648,866	49,508,501
Operating use rights	493,084	503,912
Deferred charges	9,713,818	9,713,818
	<b>319,114,016</b>	<b>309,697,347</b>
<b>Current assets</b>		
Biological assets	7,995,100	7,995,100
Inventories	41,493,589	55,091,239
Trade and other receivables	39,759,724	42,455,294
Current income tax recoverable	19,581,393	15,816,533
Prepayments	2,902,239	2,856,978
Financial assets at fair value through profit or loss	197,820	1,738,022
Cash and cash equivalents	292,128,151	289,091,103
	<b>404,058,016</b>	<b>415,044,269</b>
Less:		
<b>Current liabilities</b>		
Trade and other payables	40,780,261	30,782,695
Lease liabilities	403,243	-
Dividend payable to non-controlling interest	147,500	147,500
Finance lease payables	6,346	25,093
Current income tax payable	1,254,760	1,254,760
	<b>42,592,110</b>	<b>32,210,048</b>
<b>Net current asset</b>	<b>361,465,906</b>	<b>382,834,221</b>
Less:		
<b>Non-current liabilities</b>		
Lease liabilities	633,515	-
Provision for post-employment benefits	28,604,501	29,657,159
Deferred tax liabilities	9,079,103	10,005,253
	<b>38,317,119</b>	<b>39,662,412</b>
<b>Net assets</b>	<b>642,262,803</b>	<b>652,869,156</b>
<b>Capital and reserves</b>		
Share capital	647,857,231	647,867,864
Foreign currency translation reserve	125,806,438	128,601,191
Accumulated losses	(148,362,704)	(140,999,839)
Equity attributable to owners of the parent	625,300,965	635,469,216
Non-controlling interests	16,961,838	17,399,940
<b>Total equity</b>	<b>642,262,803</b>	<b>652,869,156</b>

	<b>Company</b>	
	<b>As at</b>	
	<b>31/3/2019</b>	<b>31/12/2018</b>
	<b>Rp '000</b>	<b>Rp '000</b>
<b>Non-current assets</b>		
Property, plant and equipment	937,119	109,038
Investments in subsidiaries	761,495,044	768,439,502
	<b>762,432,163</b>	<b>768,548,540</b>
<b>Current assets</b>		
Trade and other receivables	200,256,404	201,103,799
Dividend receivable	34,354,315	34,667,609
Prepayments	414,109	257,253
Cash and cash equivalents	73,577,120	74,733,568
	<b>308,601,948</b>	<b>310,762,229</b>
Less:		
<b>Current liabilities</b>		
Trade and other payables	893,831	1,067,972
Lease liabilities	349,684	-
	<b>1,243,515</b>	<b>1,067,972</b>
<b>Net current asset</b>	<b>307,358,433</b>	<b>309,694,257</b>
Less:		
<b>Non-current liabilities</b>		
Lease liabilities	540,193	-
Deferred tax liabilities	224,538	226,585
	<b>764,731</b>	<b>226,585</b>
<b>Net assets</b>	<b>1,069,025,865</b>	<b>1,078,016,212</b>
<b>Capital and reserves</b>		
Share capital	647,857,231	647,867,864
Foreign currency translation reserve	401,884,146	411,623,356
Accumulated profits	19,284,488	18,524,992
Equity attributable to owners of the parent	1,069,025,865	1,078,016,212
<b>Total equity</b>	<b>1,069,025,865</b>	<b>1,078,016,212</b>

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

	As at	
	31/3/2019	31/3/2018
	Rp '000	Rp '000
<b>Amount repayable in one year or less, or on demand</b>		
Secured	6,346	53,708
Unsecured	-	-
<b>Total</b>	<b>6,346</b>	<b>53,708</b>
<b>Amount repayable after one year</b>		
Secured	-	25,093
Unsecured	-	-
<b>Total</b>	<b>-</b>	<b>25,093</b>

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

	1st Qtr 2019	1st Qtr 2018
	Rp '000	Rp '000
<b>Cash flows from operating activities</b>		
(Loss)/profit before income tax	(8,534,643)	2,562,299
Adjustments for:		
Amortisation of operating use rights	10,828	10,828
Changes in fair value of financial assets at fair value through profit or loss	(271,151)	(17,377)
Depreciation of property, plant and equipment	3,096,707	3,024,409
Write-off of property, plant and equipment	161,479	-
Amortisation of right of use assets	159,027	-
Depreciation of bearer plants	1,575,158	2,293,705
Gain on disposal of plant and equipment, net	(100,362)	-
Interest expense	438	3,191
Interest income	(2,062,102)	(2,969,247)
Unrealised currency translation (gain)/loss	(724,035)	2,654,219
Operating cash flows before working capital changes	(6,688,656)	7,562,027
<b>Working capital changes:</b>		
Inventories	13,597,650	(6,914,072)
Trade and other receivables	674,097	1,800,551
Prepayments	(61,933)	(398,811)
Trade and other payables	10,009,021	(1,019,654)
Utilisation of post-employment benefits	(1,052,658)	(8,344,028)
Cash used in operations	16,477,521	(7,313,987)
Interest received	909,589	1,573,470
Income tax paid	(3,766,259)	(2,558,975)
<b>Net cash from/(used in) operating activities</b>	<b>13,620,851</b>	<b>(8,299,492)</b>
<b>Cash flows from investing activities</b>		
Capital expenditure on bearer plants	(4,042,391)	(2,252,322)
Disposal of financial assets at fair value through profit or loss	1,811,354	-
Purchases of property, plant and equipment	(6,205,474)	(3,738,864)
Proceeds from disposal of property, plant and equipment	203,221	-
<b>Net cash used in investing activities</b>	<b>(8,233,290)</b>	<b>(5,991,186)</b>

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

	1st Qtr 2019 Rp '000	1st Qtr 2018 Rp '000
<b>Cash flows from financing activities</b>		
Dividends paid to non-controlling interest	-	(650,000)
Shares buy back held in treasury	(10,633)	(98,090)
Repayments of lease liabilities	(91,721)	-
Finance lease interest paid	(438)	(3,191)
Repayments of obligations under finance leases	(18,747)	(115,446)
<b>Net cash used in financing activities</b>	<b>(121,539)</b>	<b>(866,727)</b>
<b>Net change in cash and cash equivalents</b>	<b>5,266,022</b>	<b>(15,157,405)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>289,091,103</b>	<b>382,844,694</b>
<b>Effects of currency translation on cash and cash equivalents</b>	<b>(2,228,974)</b>	<b>9,795,265</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>292,128,151</b>	<b>377,482,554</b>

**Reconciliation of liabilities arising from financing activities**

	1 January 2019 Rp '000	Cash flow Rp '000	Non-cash changes Rp '000			31 March 2019 Rp '000
			Acquisition	Adoption of SFRS(I) 16 Leases	Accretion in interest	
Finance lease liabilities	25,093	(19,185)	-	-	438	6,346
Lease liabilities	-	(278,781)		1,128,479	187,060	1,036,758



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.

Group	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 losses Rp '000	Equity attributable to owners of the parent Rp '000				
Balance as at 1 January 2019	647,867,864	128,601,191	(140,999,839)	635,469,216	17,399,940		652,869,156	
Loss for the financial period	-	-	(7,362,865)	(7,362,865)	(438,102)		(7,800,967)	
Other comprehensive loss for the financial period:								
Currency translation differences	-	(2,794,753)	-	(2,794,753)	-		(2,794,753)	
Total comprehensive loss for the financial period	-	(2,794,753)	(7,362,865)	(10,157,618)	(438,102)		(10,595,720)	
Contribution by and distribution to owners of the parent:								
Shares buy back held in treasury	(10,633)	-	-	(10,633)	-		(10,633)	
Total transactions with owners of the parent, recognised directly in equity	(10,633)	-	-	(10,633)	-		(10,633)	
<b>Balance as at 31 March 2019</b>	<b>647,857,231</b>	<b>125,806,438</b>	<b>(148,362,704)</b>	<b>625,300,965</b>	<b>16,961,838</b>		<b>642,262,803</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 capitalization 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 parent					Non-controlling interests Rp '000	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			
Balance as at 1 January 2018	648,501,310	112,472,113	(117,797,045)	643,176,378	14,765,848	657,942,226	
Profit for the financial period	-	-	715,850	715,850	284,438	1,000,288	
Other comprehensive income for the financial period:							
Currency translation differences	-	12,691,752	-	12,691,752	-	12,691,752	
Total comprehensive income for the financial period	-	12,691,752	715,850	13,407,602	284,438	13,692,040	
Contribution by and distribution to owners of the parent:							
Shares buy back held in treasury	(127,705)	-	-	(127,705)	-	(127,705)	
Total transactions with owners of the parent, recognised directly in equity	(127,705)	-	-	(127,705)	-	(127,705)	
<b>Balance as at 31 March 2018</b>	<b>648,373,605</b>	<b>125,163,865</b>	<b>(117,081,195)</b>	<b>656,456,275</b>	<b>15,050,286</b>	<b>671,506,561</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 capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.**

<b>Company</b>	<b>Share capital Rp '000</b>	<b>Foreign currency translation reserve Rp '000</b>	<b>Accumulated profits/(losses) Rp '000</b>	<b>Total equity Rp '000</b>
Balance as at 1 January 2019	647,867,864	411,623,356	18,524,992	1,078,016,212
Profit for the financial period	-	-	759,496	759,496
Other comprehensive income/(loss) for the financial period:				
Currency translation differences	-	(9,739,210)	-	(9,739,210)
Total comprehensive income/(loss) for the financial period	-	(9,739,210)	759,496	(8,979,714)
Contribution by and distribution to owners of the parent:				
Shares buy back held in treasury	(10,633)	-	-	(10,633)
Total transactions with owners of the parent, recognised directly in equity	(10,633)	-	-	(10,633)
<b>31 March 2019</b>	<b>647,857,231</b>	<b>401,884,146</b>	<b>19,284,488</b>	<b>1,069,025,865</b>
Balance as at 1 January 2018	648,501,310	363,083,818	42,744,610	1,054,329,738
Loss for the financial period	-	-	(3,897,294)	(3,897,294)
Other comprehensive income/(loss) for the financial period:				
Currency translation differences	-	36,692,186	-	36,692,186
Total comprehensive income/(loss) for the financial period	-	36,692,186	(3,897,294)	32,794,892
Contribution by and distribution to owners of the parent:				
Shares buy back held in treasury	(127,705)	-	-	(127,705)
Dividend to owners of the parent	-	-	-	-
Total transactions with owners of the parent, recognised directly in equity	(127,705)	-	-	(127,705)
<b>Balance as at 31 March 2018</b>	<b>648,373,605</b>	<b>399,776,004</b>	<b>38,847,316</b>	<b>1,086,996,925</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.**

As at 31 March 2019, the number of ordinary shares in issue was 206,484,000 of which 10,232,000 were held by the Company as treasury shares (31 March 2018: 206,484,000 ordinary shares of which 10,059,700 were held as treasury shares).

During the period from January 2019 to March 2019, the Company purchased 20,000 shares from the open market (January 2018 to March 2018: 30,000 shares).

The total number of treasury shares held by the Company as at 31 March 2019 was 10,232,000 (31 March 2018: 10,059,700).

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

<b>Group and Company</b>	<b>Number of treasury shares</b>	<b>Treasury shares Rp '000</b>
Balance as at 1 January 2019	10,212,000	33,949,182
Purchase of treasury shares	20,000	10,633
Balance as at 31 March 2019	10,232,000	33,959,815

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

<b>Number of shares</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Treasury shares	10,232,000	10,059,700
Issued shares (excluding treasury shares)	196,252,000	196,424,300
<b>Total shares in issue</b>	<b>206,484,000</b>	<b>206,484,000</b>

	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
Percentage of treasury shares	5.2%	5.1%

**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):

<b>As at 31 March 2019</b>	<b>As at 31 December 2018</b>
196,252,000	196,272,000

As at 31 March 2019, the number of ordinary shares in issue was 206,484,000 of which 10,232,000 were held by the Company as treasury shares (31 December 2018: 206,484,000 ordinary shares of which 10,212,000 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 2019 to March 2019, the Company purchased 20,000 shares from the open market (January 2018 to March 2018: 30,000 shares).

The total number of treasury shares held by the Company as at 31 March 2019 was 10,232,000 (31 March 2018: 10,059,700).

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

<b>Group and Company</b>	<b>Number of shares</b>	<b>Treasury shares Rp '000</b>
Balance as at 1 January 2019	10,212,000	33,949,182
Purchase of treasury shares	20,000	10,633
Balance as at 31 March 2019	10,232,000	33,959,815

**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 ended as those of the audited financial statements for the financial year ended 31 December 2018, as well as applicable new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for financial years beginning on or after 1 January 2019. The adoption of these new and revised SFRS(I) has no material effect on the announcement for the current financial period except for adoption of SFRS(I) 16 *Leases* where the Group has applied a simplified transition approach and will follow a modified retrospective approach as of 1 January 2019. The Group has recognised right-of-use assets of Rp1.0 billion and lease liabilities of Rp1.0 billion for its leases previously classified as operating leases as of 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.**

Please refer to item 4 above.

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 2019	1st Qtr 2018		
	Rp	Rp		
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	(38)	4		
(b) based on a fully diluted basis	(38)	4		
Number of shares outstanding				
- Weighted average number of shares	196,270,899	196,450,300		

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 2019	31 December 2018	31 March 2019	31 December 2018
Net asset value per ordinary share (Rp)	3,273	3,326	5,447	5,492
Number of issued shares excluding treasury shares	196,252,000	196,272,000	196,252,000	196,272,000

**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**

#### ***1Q2019 versus 1Q2018***

##### ***Revenue***

Our revenue for 1Q2019 decreased Rp22.0 billion or 22%, from Rp98.8 billion in 1Q2018 to Rp76.8 billion in 1Q2019. Crude palm oil ("CPO") sales revenue decreased Rp16.6 billion and palm kernel ("PK") sales revenue decreased Rp5.4 billion.

CPO sales revenue decreased by Rp16.6 billion or 19%, from Rp86.5 billion in 1Q2018 to Rp69.9 billion in 1Q2019. This was mainly due to the decrease in CPO average selling price and decrease in CPO sales volume. CPO average selling price decreased by Rp1,167 per kilogram or 16%, from Rp7,516 per kilogram in 1Q2018 to Rp6,349 per kilogram in 1Q2019. Sales volume of CPO decreased by 496 tons or 4% from 11,505 tons in 1Q2018 to 11,009 tons in 1Q2019.

PK sales revenue decreased by Rp5.4 billion or 44%, from Rp12.3 billion in 1Q2018 to Rp6.9 billion in 1Q2019. The decrease was mainly due to decrease in PK average selling price of Rp2,865 per kilogram or 47%, from Rp6,150 per kilogram in 1Q2018 to Rp3,285 per kilogram in 1Q2019. PK sales volume increased 100 tons or 5% from 2,000 tons in 1Q2018 to 2,100 tons in 1Q2019.

##### ***Costs of sales***

Cost of sales decreased by Rp2.2 billion or 3%, from Rp80.3 billion in 1Q2018 to Rp78.1 billion in 1Q2019. This was mainly attributable to the decrease in CPO sales volume in 1Q2019.

##### ***Gross (loss)/profit***

As a result of the foregoing, the Group incurred a gross loss of Rp1.3 billion in 1Q2019, as compared to a gross profit of Rp18.5 billion in 1Q2018. Gross profit margin decreased by 20.4% from 18.7% in 1Q2018 to negative 1.7% in 1Q2019.

##### ***Distribution expenses***

Distribution expenses remained stable at Rp0.2 billion in both 1Q2019 and 1Q2018.

##### ***Administrative expenses***

Administrative expenses decreased by Rp2.0 billion from Rp13.1 billion in 1Q2018 to Rp11.1 billion in 1Q2019. The was mainly due to decrease in salaries and wages for the Group of Rp2.0 billion.

##### ***Finance costs***

Finance cost increased by Rp0.2 billion mainly due to the adoption of SFRS(I) 16 *Leases* in 1Q2019.

***Interest income***

Interest income decreased by Rp0.9 billion or 31%, from Rp3.0 billion in 1Q2018 to Rp2.1 billion in 1Q2019, mainly due to lower interest earned from bank deposits and lower interest earned from the plasma plantation receivables in 1Q2019.

***Other income***

Other income increased by Rp1.3 billion or 136%, from Rp1.0 billion in 1Q2018 to Rp2.3 billion in 1Q2019. This was mainly due to increase in sales of sludge oil of Rp1.9 billion in 1Q2019, offset by decrease in sales of kernel shell of Rp0.7 billion in 1Q2019.

***Other expenses***

Other expenses decreased by Rp1.3 billion, mainly due to decrease of land permit application expenses of Rp1.1 billion in 1Q2019.

***Foreign exchange gain/(loss), net***

Net foreign exchange gain of Rp0.06 billion in 1Q2019 was mainly due to the appreciation of IDR against SGD in relation to the Company's IDR denominated inter-company non-working capital financing for its subsidiary, offset by the depreciation of USD against IDR for the Company's USD bank balances held.

***(Loss)/profit before income tax***

As a result of the foregoing, the Group incurred a loss before income tax of Rp8.5 billion in 1Q2019, compared to a profit before income tax of Rp2.6 billion in 1Q2018.

***Income tax credit/(expense)***

Income tax expense decreased by Rp2.3 billion to income tax credit of Rp0.7 billion in 1Q2019. The decrease is mainly due to the lower profit generated and the adjustment of deferred tax liability of Rp1.0 billion in relation to the loss allowance on receivables.

***(Loss)/profit after income tax***

As a result of the above, the Group incurred a loss after income tax of Rp7.8 billion in 1Q2019 compared to a profit after income tax of Rp1.0 billion in 1Q2018.

**Review of Financial Position as at 31 March 2019**

***Non-current assets***

Non-current assets for the Group increased by Rp9.4 billion or 2%, from Rp309.7 billion as at 31 December 2018 to Rp319.1 billion as at 31 March 2019. This was mainly due to the net increase in bearer plants of Rp2.5 billion, increase in property, plant and equipment of Rp2.8 billion, increase in rights of use assets of Rp1.0 billion with the adoption of SFRS(I) 16 Leases and increase of Rp3.1 billion from the credit extended to the Plasma farmers for the biological assets transferred.

***Current assets***

Current assets for the Group decreased by Rp11.0 billion or 3%, from Rp415.0 billion as at 31 December 2018 to Rp404.0 billion as at 31 March 2019. This was mainly due to decrease in inventories of Rp13.6 billion, trade and other receivables of Rp2.7 billion and financial assets at fair value through profit or loss of Rp1.5 billion, offset by an increase in income tax recoverable of Rp3.8 billion and cash and cash equivalent of Rp3.0 billion.



***Current liabilities***

Current liabilities for the Group increased by Rp10.4 billion or 32%, from Rp32.2 billion as at 31 December 2018 to Rp42.6 billion as at 31 March 2019. This was mainly due to increase in trade and other payable of Rp10.0 billion and increase in lease liabilities of Rp0.4 billion with the adoption of SFRS(I) 16 Leases.

***Non-current liabilities***

Non-current liabilities for the Group decreased by Rp1.4 billion or 3% from Rp39.7 billion as at 31 December 2018 to Rp38.3 billion as at 31 March 2019, mainly due to decrease in provision for post-employment benefits of Rp1.0 billion and decrease in deferred tax liabilities of Rp0.9 billion.

***Accumulated losses***

The accumulated losses of Rp148.4 billion was mainly contributed by the accumulated losses of Rp141.0 billion brought forward from FY2018, and total comprehensive loss attributable to owners of the parent of Rp7.4 billion in 1Q2019.

**Review of Consolidated Cash Flows**

Net cash generated from operating activities of Rp13.6 billion was mainly due to the sales from inventories of Rp13.6 billion in 1Q2019.

Net cash used in investing activities of Rp8.2 billion was mainly due to capital expenditure on bearer plants of Rp4.0 billion and purchases of property, plant and equipment of Rp6.2 billion, offset with cash generated from disposal of financial assets at fair value through profit or loss of Rp1.8 billion in 1Q2019.

Net cash used in financing activities of Rp0.1 billion was mainly due to the repayment of lease liabilities, repayment of obligations under finance leases and buyback of the Company's shares to be held as treasury shares in 1Q2019.

**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 given the increase supply situation. The demand for palm oil is expected to be well supported in view of rising food requirements from China, India (despite the tariff increase for CPO), Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries. Indonesia's recent successful implementation of the mandatory use of the expanded B20 biodiesel program, should continue support the demand of CPO in the near future.

The Group will continue the replacement of older palm trees with newer breed of higher-yielding palm trees to ensure long-term sustainability for the Group. 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, a statement to that effect.**

No dividend has been declared for the quarter ended 31 March 2019.

**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)
	<b>1Q2019</b>	<b>1Q2019</b>
PT Bumiraya Utama Lines	100	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 2019 to 31 March 2019 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 2019, 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 <sup>(1)</sup>	2.27
Acquisition of other oil palm plantations and land banks	15.00	3.12 <sup>(2)</sup>	11.88 <sup>(3)</sup>
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	-
<b>Total</b>	<b>50.60</b>	<b>35.94</b>	<b>14.66</b>

As at 31 March 2019, the use of net proceeds from the IPO for working capital are as follows:

	<b>Indonesia Office (S\$' million)</b>	<b>Singapore Office (S\$' million)</b>	<b>Amount utilised (S\$' million)</b>
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
<b>Total</b>	<b>8.50</b>	<b>1.00</b>	<b>9.50</b>

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\$3.12 million utilized for the acquisition of other oil palm plantations and land banks includes deposit of S\$1.7 million paid for the acquisition of PT Bumi Raya Agro, expenses of S\$0.46 million incurred for the land location permit in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan and expenses of S\$0.66 million incurred for the land location permit 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 Adijanto  
Executive Chairman & CEO

15 May 2019