

**SECOND 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 2019 TO 30 JUNE 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>2nd Qtr 2019</b>	<b>2nd Qtr 2018</b>	<b>Change</b>	<b>YTD June 2019</b>	<b>YTD June 2018</b>	<b>Change</b>
	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>	<b>Rp '000</b>	<b>Rp '000</b>	<b>%</b>
Revenue	45,908,081	81,772,583	-44	122,704,082	180,547,595	-32
Cost of sales	(50,489,578)	(71,497,845)	-29	(128,556,155)	(151,790,508)	-15
<b>Gross (loss)/profit</b>	<b>(4,581,497)</b>	<b>10,274,738</b>	<b>n.m</b>	<b>(5,852,073)</b>	<b>28,757,087</b>	<b>n.m</b>
<b>Operating expenses</b>						
Distribution expenses	(130,946)	(151,623)	-14	(310,112)	(344,454)	-10
Administrative expenses	(10,573,114)	(10,353,891)	2	(21,655,542)	(23,482,613)	-8
Finance costs	(187,828)	(1,695)	10,981	(375,326)	(4,886)	7,582
	(10,891,888)	(10,507,209)	4	(22,340,980)	(23,831,953)	-6
<b>Other items of income/(expenses)</b>						
Interest income	2,021,827	2,760,869	-27	4,083,929	5,730,116	-29
Other income	1,126,029	(59,276)	n.m	3,395,882	901,875	277
Other expenses	(701,328)	(1,402,141)	-50	(911,195)	(2,893,920)	-69
Foreign exchange gain/(loss), net	231,353	2,406,739	-90	294,290	(2,627,186)	n.m
	2,677,881	3,706,191	-28	6,862,906	1,110,885	518
<b>(Loss)/profit before income tax</b>	<b>(12,795,504)</b>	<b>3,473,720</b>	<b>n.m</b>	<b>(21,330,147)</b>	<b>6,036,019</b>	<b>n.m</b>
Income tax expense	(1,439,077)	(886,573)	62	(705,401)	(2,448,584)	-71
<b>(Loss)/profit for the financial period</b>	<b>(14,234,581)</b>	<b>2,587,147</b>	<b>n.m</b>	<b>(22,035,548)</b>	<b>3,587,435</b>	<b>n.m</b>
<b>n.m.:</b> Not meaningful						



GLOBAL PALM RESOURCES HOLDINGS LIMITED

	2nd Qtr 2019	2nd Qtr 2018	Change	YTD June 2019	YTD June 2018	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
<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	(1,791,807)	1,433,494	n.m.	(4,586,560)	14,125,246	n.m.
<b>Total comprehensive income for the financial period</b>	<b>(16,026,388)</b>	<b>4,020,641</b>	<b>n.m.</b>	<b>(26,622,108)</b>	<b>17,712,681</b>	<b>n.m.</b>
<b>(Loss)/profit attributable to:</b>						
Owners of the parent	(13,511,769)	2,503,282	n.m.	(20,874,634)	3,219,132	n.m.
Non-controlling interests	(722,812)	83,865	n.m.	(1,160,914)	368,303	n.m.
	<b>(14,234,581)</b>	<b>2,587,147</b>	<b>n.m.</b>	<b>(22,035,548)</b>	<b>3,587,435</b>	<b>n.m.</b>
<b>Total comprehensive (loss)/income attributable to:</b>						
Owners of the parent	(15,303,576)	3,936,776	n.m.	(25,461,194)	17,344,378	n.m.
Non-controlling interests	(722,812)	83,865	n.m.	(1,160,914)	368,303	n.m.
	<b>(16,026,388)</b>	<b>4,020,641</b>	<b>n.m.</b>	<b>(26,622,108)</b>	<b>17,712,681</b>	<b>n.m.</b>

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

	2nd Qtr 2019	2nd Qtr 2018	Change	YTD June 2019	YTD June 2018	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Interest income	(2,021,827)	(2,760,869)	-27	(4,083,929)	(5,730,116)	-29
Finance costs	16,046	1,695	847	16,484	4,886	237
Depreciation of property, plant and equipment	3,277,056	2,999,198	9	6,532,790	6,023,607	8
Amortisation of operating use rights	10,828	10,828	n.m.	21,656	21,656	n.m.
Depreciation of bearer plants	1,575,159	2,293,705	-31	3,150,317	4,587,410	-31
Foreign exchange (gain)/loss, net	(231,353)	(2,406,740)	-90	(294,290)	2,627,185	-111
Loss/(gain) on disposal of plant and equipment, net	(5,442)	15,384	-135	(105,804)	15,384	-788
Provision for plasma loan impairment	-	1,132,813	-100	-	1,132,813	-100
Fair value loss/(gain) from financial assets at fair value through profit of loss	69,299	298,383	-77	(201,852)	281,006	n.m.
Employment benefits expenses						
- salaries, wages and bonuses	7,299,247	7,474,295	-2	14,823,832	17,024,145	-13
Operating lease expenses						
- rental of premises	8,334	278,239	-97	16,667	552,413	-97
Representation and entertainment	156,808	144,024	9	685,050	413,918	66
Transportation, travelling and accommodation	399,171	175,244	128	617,677	434,581	42
Gain on disposal of club memberships	(16)	-	n.m.	(78,837)	-	-100
<b>Additional information:</b>						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	(9,938,242)	6,018,277	n.m.	(15,692,829)	10,943,462	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>30/6/2019</b>	<b>31/12/2018</b>
	<b>Rp '000</b>	<b>Rp '000</b>
<b>Non-current assets</b>		
Bearer plants	121,181,340	115,155,542
Property, plant and equipment	140,122,723	134,815,574
Right of use assets	812,830	-
Plasma plantation receivables	53,727,560	49,508,501
Operating use rights	482,257	503,912
Deferred charges	34,501,363	9,713,818
Goodwill	431,389	-
	<b>351,259,462</b>	<b>309,697,347</b>
<b>Current assets</b>		
Biological assets	7,995,100	7,995,100
Inventories	44,479,332	55,091,239
Trade and other receivables	12,377,719	42,455,294
Current income tax recoverable	19,582,352	15,816,533
Prepayments	3,523,766	2,856,978
Financial assets at fair value through profit or loss	128,520	1,738,022
Cash and cash equivalents	264,721,992	289,091,103
	<b>352,808,781</b>	<b>415,044,269</b>
Less:		
<b>Current liabilities</b>		
Trade and other payables	37,677,966	30,782,695
Lease liabilities	271,123	-
Dividend payable to non-controlling interest	147,500	147,500
Finance lease payables	192,514	25,093
Current income tax payable	-	1,254,760
	<b>38,289,103</b>	<b>32,210,048</b>
<b>Net current asset</b>	<b>314,519,678</b>	<b>382,834,221</b>
Less:		
<b>Non-current liabilities</b>		
Trade and other payables	7,658	-
Lease liabilities	653,581	-
Finance lease payables	482,911	-
Provision for post-employment benefits	27,554,501	29,657,159
Deferred tax liabilities	10,335,400	10,005,253
	<b>39,034,051</b>	<b>39,662,412</b>
<b>Net assets</b>	<b>626,745,089</b>	<b>652,869,156</b>
<b>Capital and reserves</b>		
Share capital	647,122,830	647,867,864
Foreign currency translation reserve	124,014,631	128,601,191
Accumulated losses	(161,874,473)	(140,999,839)
Equity attributable to owners of the parent	609,262,988	635,469,216
Non-controlling interests	17,482,101	17,399,940
<b>Total equity</b>	<b>626,745,089</b>	<b>652,869,156</b>

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

	<b>Company</b>	
	<b>As at</b>	
	<b>30/6/2019</b>	<b>31/12/2018</b>
	<b>Rp '000</b>	<b>Rp '000</b>
<b>Non-current assets</b>		
Property, plant and equipment	79,268	109,038
Right of use assets	698,586	-
Investments in subsidiaries	757,049,490	768,439,502
	<b>757,827,344</b>	<b>768,548,540</b>
<b>Current assets</b>		
Trade and other receivables	204,348,148	201,103,799
Dividend receivable	32,586,885	34,667,609
Prepayments	486,290	257,253
Cash and cash equivalents	68,598,341	74,733,568
	<b>306,019,664</b>	<b>310,762,229</b>
Less:		
<b>Current liabilities</b>		
Trade and other payables	635,933	1,067,972
Lease liabilities	248,098	-
	<b>884,031</b>	<b>1,067,972</b>
<b>Net current asset</b>	<b>305,135,633</b>	<b>309,694,257</b>
Less:		
<b>Non-current liabilities</b>		
Lease liabilities	537,039	-
Deferred tax liabilities	223,227	226,585
	<b>760,266</b>	<b>226,585</b>
<b>Net assets</b>	<b>1,062,202,711</b>	<b>1,078,016,212</b>
<b>Capital and reserves</b>		
Share capital	647,122,830	647,867,864
Foreign currency translation reserve	395,646,784	411,623,356
Accumulated profits	19,433,097	18,524,992
<b>Total equity</b>	<b>1,062,202,711</b>	<b>1,078,016,212</b>

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

	As at	
	30/6/2019	30/6/2018
	Rp '000	Rp '000
<b>Amount repayable in one year or less, or on demand</b>		
Secured	192,514	36,218
Unsecured	-	-
<b>Total</b>	<b>192,514</b>	<b>36,218</b>
<b>Amount repayable after one year</b>		
Secured	482,911	25,093
Unsecured	-	-
<b>Total</b>	<b>482,911</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**

	2nd Qtr 2019	2nd Qtr 2018	YTD June 2019	YTD June 2018
	Rp '000	Rp '000	Rp '000	Rp '000
<b>Cash flows from operating activities</b>				
(Loss)/profit before income tax	(12,795,504)	3,473,720	(21,330,147)	6,036,019
Adjustments for:				
Amortisation of operating use rights	10,828	10,828	21,656	21,656
Changes in fair value of financial assets at fair value through profit or loss	69,299	298,383	(201,852)	281,006
Depreciation of property, plant and equipment	3,277,056	2,999,198	6,532,790	6,023,607
Depreciation of bearer plants	1,575,159	2,293,705	3,150,317	4,587,410
(Gain)/loss on disposal of plant and equipment, net	(5,442)	15,384	(105,804)	15,384
Loss allowance on plantation receivables	-	1,132,813	-	1,132,813
Property, plant and equipment written off	-	-	161,479	-
Interest expense	16,046	1,695	16,484	4,886
Interest income	(2,021,917)	(2,760,869)	(4,084,019)	(5,730,116)
Unrealised currency translation (gain)/loss	229,819	(1,895,438)	(494,216)	758,781
Operating cash flows before working capital changes	(9,644,656)	5,569,419	(16,333,312)	13,131,446
<b>Working capital changes:</b>				
Inventories	(2,985,743)	(11,364,379)	10,611,907	(18,278,451)
Trade and other receivables	3,722,124	2,444,447	4,396,221	4,244,998
Prepayments	(609,914)	91,091	(671,847)	(307,720)
Trade and other payables	(3,096,921)	(7,062,278)	6,912,100	(8,081,932)
Utilisation of post-employment benefits	(1,050,000)	(2,279,701)	(2,102,658)	(10,623,729)
Cash used in operations	(13,665,110)	(12,601,401)	2,812,411	(19,915,388)
Interest received	922,585	1,411,923	1,832,174	2,985,393
Income tax paid	(1,256,563)	(9,688,671)	(5,022,822)	(12,247,646)
<b>Net cash used in operating activities</b>	<b>(13,999,088)</b>	<b>(20,878,149)</b>	<b>(378,237)</b>	<b>(29,177,641)</b>
<b>Cash flows from investing activities</b>				
Acquisition of subsidiaries, net of cash acquired	(352,552)	-	(352,552)	-
Capital expenditure on bearer plants	(5,133,724)	(4,741,864)	(9,176,115)	(6,994,186)
Disposal of financial assets at fair value through profit or loss	-	-	1,811,354	-
Purchases of property, plant and equipment	(4,799,018)	(3,340,656)	(11,004,492)	(7,079,520)
Proceeds from disposal of property, plant and equipment	27,210	47,350	230,431	47,350
Refunds for deferred expenditure	1,776	-	1,776	-
<b>Net cash used in investing activities</b>	<b>(10,256,308)</b>	<b>(8,035,170)</b>	<b>(18,489,598)</b>	<b>(14,026,356)</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)**

	2nd Qtr 2019	2nd Qtr 2018	YTD June 2019	YTD June 2018
	Rp '000	Rp '000	Rp '000	Rp '000
<b>Cash flows from financing activities</b>				
Dividends paid to owners of the parent	-	(20,515,925)	-	(20,515,925)
Dividends paid to non-controlling interest	-	(360,000)	-	(1,010,000)
Shares buy back held in treasury	(734,401)	(484,393)	(745,034)	(582,483)
Repayments of lease liabilities	(107,086)	-	(198,807)	-
Finance lease interest paid	(16,046)	(1,695)	(16,484)	(4,886)
Repayments of obligations under finance leases	(135,920)	(17,490)	(154,667)	(132,936)
<b>Net cash used in financing activities</b>	<b>(993,453)</b>	<b>(21,379,503)</b>	<b>(1,114,992)</b>	<b>(22,246,230)</b>
<b>Net change in cash and cash equivalents</b>	<b>(25,248,849)</b>	<b>(50,292,822)</b>	<b>(19,982,827)</b>	<b>(65,450,227)</b>
<b>Cash and cash equivalents at beginning of financial period</b>	<b>292,128,151</b>	<b>377,482,554</b>	<b>289,091,103</b>	<b>382,844,694</b>
<b>Effects of currency translation on cash and cash equivalents</b>	<b>(2,157,310)</b>	<b>3,197,673</b>	<b>(4,386,284)</b>	<b>12,992,938</b>
<b>Cash and cash equivalents at end of financial period</b>	<b>264,721,992</b>	<b>330,387,405</b>	<b>264,721,992</b>	<b>330,387,405</b>

**Reconciliation of liabilities arising from financing activities**

	1 January 2019 Rp '000	Cash flow Rp '000	Non-cash changes Rp '000			30 June 2019 Rp '000
			Acquisition	Adoption of SFRS(I) 16 Leases	Accretion in interest	
Finance lease liabilities	25,093	(171,152)	805,000	-	16,484	675,425
Lease liabilities	-	(557,255)		1,123,117	358,842	924,704



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

	Attributable to owners of the parent						Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated losses Rp '000	Equity attributable to owners of the parent Rp '000	Non-controlling interests Rp '000		
<b>Group</b>							
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	-	-	(20,874,634)	(20,874,634)	(1,160,914)		(22,035,548)
Other comprehensive loss for the financial period:							
Currency translation differences	-	(4,586,560)	-	(4,586,560)	-		(4,586,560)
Total comprehensive loss for the financial period	-	(4,586,560)	(20,874,634)	(25,461,194)	(1,160,914)		(26,622,108)
Contribution by and distribution to owners of the parent:							
Shares buy back held in treasury	(745,034)	-	-	(745,034)	-		(745,034)
Total transactions with owners of the parent, recognised directly in equity	(745,034)	-	-	(745,034)	-		(745,034)
Changes in ownership interests in subsidiary:							
Capital injection from non-controlling interest in subsidiary	-	-	-	-	1,243,075		1,243,075
Total changes in ownership interests in subsidiary	-	-	-	-	1,243,075		1,243,075
<b>Balance as at 30 June 2019</b>	<b>647,122,830</b>	<b>124,014,631</b>	<b>(161,874,473)</b>	<b>609,262,988</b>	<b>17,482,101</b>		<b>626,745,089</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	-	-	3,219,132	3,219,132	368,303		3,587,435	
Other comprehensive income for the financial period:								
Currency translation differences	-	14,125,246	-	14,125,246	-		14,125,246	
Total comprehensive income for the financial period	-	14,125,246	3,219,132	17,344,378	368,303		17,712,681	
Contribution by and distribution to owners of the parent:								
Shares buy back held in treasury	(612,097)	-	-	(612,097)	-		(612,097)	
Dividend to owners of the parent	-	-	(20,515,925)	(20,515,925)	-		(20,515,925)	
Total transactions with owners of the parent, recognised directly in equity	(612,097)	-	(20,515,925)	(21,128,022)	-		(21,128,022)	
<b>Balance as at 30 June 2018</b>	<b>647,889,213</b>	<b>126,597,359</b>	<b>(135,093,838)</b>	<b>639,392,734</b>	<b>15,134,151</b>		<b>654,526,885</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.**

Company	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits/(losses) Rp '000	Total equity Rp '000
Balance as at 1 January 2019	647,867,864	411,623,356	18,524,992	1,078,016,212
Profit for the financial period	-	-	908,105	908,105
Other comprehensive loss for the financial period:				
Currency translation differences	-	(15,976,572)	-	(15,976,572)
Total comprehensive loss for the financial period	-	(15,976,572)	908,105	(15,068,467)
Contribution by and distribution to owners of the parent:				
Shares buy back held in treasury	(745,034)	-	-	(745,034)
Total transactions with owners of the parent, recognised directly in equity	(745,034)	-	-	(745,034)
<b>Balance as at 30 June 2019</b>	<b>647,122,830</b>	<b>395,646,784</b>	<b>19,433,097</b>	<b>1,062,202,711</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	-	-	(2,729,669)	(2,729,669)
Other comprehensive income for the financial period:				
Currency translation differences	-	41,039,189	-	41,039,189
Total comprehensive income for the financial period	-	41,039,189	(2,729,669)	38,309,520
Contribution by and distribution to owners of the parent:				
Shares buy back held in treasury	(612,097)	-	-	(612,097)
Dividend to owners of the parent	-	-	(20,515,925)	(20,515,925)
Total transactions with owners of the parent, recognised directly in equity	(612,097)	-	(20,515,925)	(21,128,022)
<b>Balance as at 30 June 2018</b>	<b>647,889,213</b>	<b>404,123,007</b>	<b>19,499,016</b>	<b>1,071,511,236</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 30 June 2019, the number of ordinary shares in issue was 206,484,000 of which 10,570,700 were held by the Company as treasury shares (30 June 2018: 206,484,000 ordinary shares of which 10,202,000 were held as treasury shares).

During the period from April 2019 to June 2019, the Company purchased 338,700 shares from the open market (April 2018 to June 2018: 142,300 shares).

The total number of treasury shares held by the Company as at 30 June 2019 was 10,570,700 (30 June 2018: 10,202,000).

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	10,232,000	33,949,182
Purchase of treasury shares	338,700	745,034
Balance as at 30 June 2019	10,570,700	34,694,216

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

<b>Number of shares</b>	<b>As at 30 June 2019</b>	<b>As at 30 June 2018</b>
Treasury shares	10,570,700	10,202,000
Issued shares (excluding treasury shares)	195,913,300	196,282,000
<b>Total shares in issue</b>	<b>206,484,000</b>	<b>206,484,000</b>

	<b>As at 30 June 2019</b>	<b>As at 30 June 2018</b>
Percentage of treasury shares	5.4%	5.2%

**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 30 June 2019</b>	<b>As at 31 December 2018</b>
195,913,300	196,272,000

As at 30 June 2019, the number of ordinary shares in issue was 206,484,000 of which 10,570,700 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 April 2019 to June 2019, the Company purchased 338,700 shares from the open market (April 2018 to June 2018: 142,300 shares).

The total number of treasury shares held by the Company as at 30 June 2019 was 10,570,700 (30 June 2018: 10,202,000).

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	10,232,000	33,949,182
Purchase of treasury shares	338,700	745,034
Balance as at 30 June 2019	10,570,700	34,694,216

**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).**

	2nd Qtr 2019 Rp	2nd Qtr 2018 Rp	YTD June 2019 Rp	YTD June 2018 Rp
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	(69)	13	(106)	16
(b) based on a fully diluted basis	(69)	13	(106)	16
Number of shares outstanding				
- Weighted average number of shares	196,029,991	198,498,674	196,149,775	196,378,993

**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	
	30 June 2019	31 December 2018	30 June 2019	31 December 2018
Net asset value per ordinary share (Rp)	3,199	3,326	5,422	5,492
Number of issued shares excluding treasury shares	195,913,300	196,272,000	195,913,300	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**

#### ***2Q2019 versus 2Q2018***

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

Our revenue for 2Q2019 decreased Rp35.9 billion or 44%, from Rp81.8 billion in 2Q2018 to Rp45.9 billion in 2Q2019. Crude palm oil ("CPO") sales revenue decreased Rp32.5 billion and palm kernel ("PK") sales revenue decreased Rp3.4 billion.

CPO sales revenue decreased by Rp32.5 billion or 45%, from Rp71.6 billion in 2Q2018 to Rp39.1 billion in 2Q2019. This was mainly due to the decrease in CPO average selling price and decrease in CPO sales volume. CPO average selling price decreased by Rp1,018 per kilogram or 14%, from Rp7,529 per kilogram in 2Q2018 to Rp6,511 per kilogram in 2Q2019. The decrease in CPO average selling price resulted in a decrease of Rp9.7 billion or 30% of the CPO sales revenue. Sales volume of CPO decreased by 3,504 tons or 37% from 9,507 tons in 2Q2018 to 6,003 tons in 2Q2019. The decrease in CPO sales volume resulted in a decrease of Rp22.8 billion or 70% of the CPO sales revenue.

PK sales revenue decreased by Rp3.4 billion or 33%, from Rp10.2 billion in 2Q2018 to Rp6.8 billion in 2Q2019. This was mainly due to the decrease in PK average selling price offset by increase in PK sales volume. PK average selling price decreased Rp1,924 per kilogram or 38%, from Rp5,094 per kilogram in 2Q2018 to Rp3,170 per kilogram in 2Q2019. The decrease in PK average selling price resulted in a decrease of Rp3.8 billion or 114% of the PK sales revenue. PK sales volume increased 154 tons or 8% from 2,000 tons in 2Q2018 to 2,154 tons in 2Q2019. The increase in PK sales volume resulted in an increase of Rp0.5 billion or 14% of the PK sales revenue.

The decrease in sales volume is mainly due to unfavourable market conditions coupled with lower production from the implementation of the Group's replanting program.

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

Cost of sales decreased by Rp21.0 billion or 29%, from Rp71.5 billion in 2Q2018 to Rp50.5 billion in 2Q2019. This was mainly attributable to the decrease in CPO sales volume in 2Q2019.

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

As a result of the foregoing, the Group incurred a gross loss of Rp4.6 billion in 2Q2019, as compared to a gross profit of Rp10.3 billion in 2Q2018. Gross profit margin decreased by 22.6% from 12.6% in 2Q2018 to gross loss margin of 10.0% in 2Q2019.

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

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

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

Administrative expenses increased Rp0.2 billion from Rp10.4 billion in 2Q2018 to Rp10.6 billion in 2Q2019. The was mainly due to increase in transportation, travelling and accommodation costs.

***Finance costs***

Finance cost increased by Rp0.2 billion mainly due to the adoption of SFRS(I) 16 *Leases* with effect from 1 January 2019.

***Interest income***

Interest income decreased by Rp0.8 billion or 27%, from Rp2.8 billion in 2Q2018 to Rp2.0 billion in 2Q2019. This was mainly due to decrease in interest earned from bank deposits of Rp0.5 billion attributable to the decrease in cash and cash equivalents, and decrease in interest earned from the plasma plantation receivables of Rp0.2 billion in 2Q2019.

***Other income***

Other income increased by Rp1.2 billion in 2Q2019 mainly due to increase in sales of sludge oil of Rp1.0 billion and fair value gain from financial assets at fair value through profit or loss of Rp0.2 billion in 2Q2019.

***Other expenses***

Other expenses decreased by Rp0.7 billion or 50%, as there was no loss allowance made in 2Q2019 for impairment of plasma receivables compared to a loss allowance for impairment of plasma receivables of Rp1.1 billion in 2Q2018. This was offset by an increase in areal survey expenses of Rp0.3 billion and increase in miscellaneous expenses of Rp0.1 billion in 2Q2019.

***Foreign exchange gain, net***

Net foreign exchange gain of Rp0.02 billion in 2Q2019 was mainly due to the appreciation of IDR against SGD in relation to the Company's IDR bank balances held and 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 Rp12.8 billion in 2Q2019, compared to a profit before income tax of Rp3.5 billion in 2Q2018.

***Income tax expense***

Income tax expense increased by Rp0.5 billion to increase in deferred tax liability offset by decrease in income tax liability from the lower profit generated.

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

As a result of the above, the Group incurred a loss after income tax of Rp14.2 billion in 2Q2019 compared to a profit after income tax of Rp2.6 billion in 2Q2018.



## **1H2019 versus 1H2018**

### **Revenue**

Our revenue for 1H2019 decreased Rp57.8 billion or 32%, from Rp180.5 billion in 1H2018 to Rp122.7 billion in 1H2019. CPO sales revenue decreased Rp49.0 billion and PK sales revenue decreased Rp8.8 billion.

CPO sales revenue decreased by Rp49.0 billion or 31%, from Rp158.0 billion in 1H2018 to Rp109.0 billion in 1H2019. This was mainly due to the decrease in CPO average selling price and decrease in CPO sales volume. CPO average selling price decreased Rp1,116 per kilogram or 15%, from Rp7,522 per kilogram in 1H2018 to Rp6,406 per kilogram in 1H2019. The decrease in CPO average selling price resulted in a decrease of Rp23.4 billion or 48% of the CPO sales revenue. Sales volume of CPO decreased by 4,000 tons or 19% from 21,012 tons in 1H2018 to 17,012 tons in 1H2019. The decrease in CPO sales volume resulted in a decrease of Rp25.6 billion or 52% of the CPO sales revenue.

PK sales revenue decreased by Rp8.8 billion or 39%, from Rp22.5 billion in 1H2018 to Rp13.7 billion in 1H2019. This was mainly due to the decrease in PK average selling price offset by increase in PK sales volume. PK average selling price decreased Rp2,397 per kilogram or 43%, from Rp5,623 per kilogram in 1H2018 to Rp3,227 per kilogram in 1H2019. The decrease in PK average selling price resulted in a decrease of Rp9.6 billion or 109% of the PK sales revenue. PK sales volume increased 254 tons or 6% from 4,000 tons in 1H2018 to 4,254 tons in 1H2019. The increase in PK sales volume resulted in an increase of Rp0.8 billion or 9% of the PK sales revenue.

The decrease in sales volume is mainly due to unfavourable market conditions coupled with lower production from the implementation of the Group's replanting program.

### **Costs of sales**

Cost of sales decreased by Rp23.2 billion or 15%, from Rp151.8 billion in 1H2018 to Rp128.6 billion in 1H2019. This was mainly attributable to the decrease in CPO sales volume in 1H2019.

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

As a result of the foregoing, the Group incurred a gross loss of Rp5.9 billion in 1H2019, as compared to a gross profit of Rp28.8 billion in 1H2018. Gross profit margin decreased by 20.7% from 15.9% in 1H2018 to gross loss margin of 4.8% in 1H2019.

### **Distribution expenses**

Distribution expenses remained stable at Rp0.3 billion in both 1H2019 and 1H2018.

### **Administrative expenses**

Administrative expenses decreased Rp1.8 billion from Rp23.5 billion in 1H2018 to Rp21.7 billion in 1H2019. This was mainly due to decrease in salaries and wages for the Group of Rp2.2 billion and offset by increase in depreciation expenses of Rp0.3 billion in 1H2019.

### **Finance costs**

Finance cost increased by Rp0.4 billion mainly due to the adoption of SFRS(I) 16 Leases with effect from 1 January 2019.

***Interest income***

Interest income decreased by Rp1.6 billion or 29%, from Rp5.7 billion in 1H2018 to Rp4.1 billion in 1H2019. This was mainly due to decrease in interest earned from bank deposits of Rp1.2 billion attributable to the decrease in cash and cash equivalents, and decrease in interest earned from the plasma plantation receivables of Rp0.4 billion in 1H2019.

***Other income***

Other income increased by Rp2.5 billion or 277% from Rp0.9 billion in 1H2018 to Rp3.4 billion in 1H2019. This was mainly due to increase in sales of sludge oil of Rp2.9 billion and fair value gain from financial assets at fair value through profit or loss of Rp0.5 billion, offset by decrease in sales of kernel shell of Rp0.9 billion in 1H2019.

***Other expenses***

Other expenses decreased by Rp2.0 billion or 69%, as there was no loss allowance made in 2019 for impairment of plasma receivables compared to a loss allowance for impairment of plasma receivables of Rp1.1 billion in 1H2018. There was also a decrease in land application expenses of Rp1.2 billion in 1H2019. The decrease was offset by an increase in areal survey expenses of Rp0.2 billion and increase in miscellaneous expenses of Rp0.1 billion in 1H2019.

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

Net foreign exchange gain of Rp0.03 billion in 1H2019 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.

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

As a result of the foregoing, the Group incurred a loss before income tax of Rp21.3 billion in 1H2019, compared to a profit before income tax of Rp6.0 billion in 1H2018.

***Income tax expense***

Income tax expense decreased by Rp1.7 billion mainly due to the lower profit generated.

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

As a result of the above, the Group incurred a loss after income tax of Rp22.0 billion in 1H2019 compared to a profit after income tax of Rp3.6 billion in 1H2018.

## **Review of Financial Position as at 30 June 2019**

### ***Non-current assets***

Non-current assets for the Group increased by Rp40.3 billion or 13%, from Rp309.7 billion as at 31 December 2018 to Rp350.0 billion as at 30 June 2019. This was mainly due to goodwill recognised of Rp2.4 billion and increase in deferred charges of Rp21.5 billion, which resulted from the acquisition of PT Bumi Raya Agro in 1H2019. There was also an increase in bearer plants of Rp6.0 billion, increase in property, plant and equipment of Rp5.3 billion, increase in rights of use assets of Rp0.8 billion with the adoption of SFRS(I) 16 *Leases* and increase of Rp4.2 billion from the credit extended to the Plasma farmers for the biological assets transferred.

### ***Current assets***

Current assets for the Group decreased by Rp62.2 billion or 15%, from Rp415.0 billion as at 31 December 2018 to Rp352.8 billion as at 30 June 2019. This was mainly due to decrease in cash and cash equivalents of Rp24.4 billion, decrease in trade and other receivables of Rp30.1 billion, decrease in inventories of Rp10.6 billion, and decrease in financial assets at fair value through profit or loss of Rp1.6 billion. The decrease in cash and cash equivalents was mainly due to the acquisition of PT Bumi Raya Agro for the purchase consideration of Rp23.6 billion and lower profit generated in 1H2019. The decrease in inventories was mainly due to lower production in 1H2019. The decrease is offset by an increase in income tax recoverable of Rp3.8 billion.

### ***Current liabilities***

Current liabilities for the Group increased by Rp6.1 billion or 19%, from Rp32.2 billion as at 31 December 2018 to Rp38.3 billion as at 30 June 2019. This was mainly due to increase in trade and other payable of Rp6.9 billion and increase in lease liabilities of Rp0.3 billion with the adoption of SFRS(I) 16 *Leases*. This was offset by a decrease in income tax payable of Rp1.3 billion in 1H2019.

### ***Non-current liabilities***

Non-current liabilities for the Group decreased by Rp0.7 billion or 2% from Rp39.7 billion as at 31 December 2018 to Rp39.0 billion as at 30 June 2019, mainly due to decrease in provision for post-employment benefits of Rp2.1 billion. This was offset by increase in lease liabilities of Rp0.7 billion with the adoption of SFRS(I) 16 *Leases*, increase in finance lease payables of Rp0.5 billion and increase in deferred tax liabilities of Rp0.3 billion.

### ***Accumulated losses***

The accumulated losses of Rp161.9 billion was mainly contributed by the accumulated losses of Rp141.0 billion brought forward from FY2018, and loss attributable to owners of the parent of Rp20.9 billion in 1H2019.

### **Review of Consolidated Cash Flows**

Net cash used in operating activities of Rp0.4 billion in 1H2019 was mainly due to operating losses in 1H2019, offset by sales from inventories of Rp10.6 billion.

Net cash used in investing activities of Rp18.5 billion in 1H2019 was mainly due to the purchases of property, plant and equipment of Rp11.0 billion, capital expenditure on bearer plants of Rp9.2 billion and payments for deferred expenditure of Rp0.4 billion, offset by cash receipt from disposal of financial asset at fair value through profit or loss of Rp1.8 billion.

Net cash used in financing activities of Rp1.1 billion in 1H2019 was mainly due to the buyback of the Company's shares to be held as treasury shares of Rp0.7 billion, repayment of lease liabilities of Rp0.2 billion and repayment of obligations under finance leases of Rp0.2 billion.

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

Not applicable.

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

CPO prices are expected to remain volatile 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 replanting of older palm trees with newer breed of higher-yielding palm trees to ensure long-term sustainability for the Group. We expect production of CPO and kernel to drop for the next few years due to the replanting program. 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 30 June 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>1H2019</b>	<b>1H2019</b>
PT Bumiraya Utama Lines	167	NIL*
PT Cemarum 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 30 June 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 30 June 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 30 June 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

14 August 2019