



## BUMITAMA AGRI LTD.

### Unaudited Financial Statements for the Third Quarter ("3Q") and Nine Months ("9M") Ended 30 September 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					
	3rd Quarter			9 Months		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
<b>Revenue</b>	1,943,665	1,917,701	1.4%	5,399,403	6,173,862	-12.5%
Cost of sales	(1,433,867)	(1,331,659)	7.7%	(4,246,080)	(4,309,114)	-1.5%
<b>Gross profit</b>	<b>509,798</b>	<b>586,042</b>	<b>-13.0%</b>	<b>1,153,323</b>	<b>1,864,748</b>	<b>-38.2%</b>
Interest income	51,619	53,639	-3.8%	138,380	119,981	15.3%
Selling expense	(84,196)	(96,757)	-13.0%	(258,394)	(190,434)	35.7%
General and administrative expense	(69,994)	(65,082)	7.5%	(231,861)	(206,737)	12.2%
Finance cost	(68,160)	(51,215)	33.1%	(182,707)	(146,051)	25.1%
Foreign exchange gain/(loss)	(17,497)	(27,516)	-36.4%	77,753	(76,474)	n.m.
Others, net	6,526	3,970	n.m.	9,446	7,464	n.m.
<b>Profit before income tax</b>	<b>328,096</b>	<b>403,081</b>	<b>-18.6%</b>	<b>705,940</b>	<b>1,372,497</b>	<b>-48.6%</b>
Income tax expense	(99,103)	(87,672)	13.0%	(191,657)	(330,830)	-42.1%
<b>Profit for the period</b>	<b>228,993</b>	<b>315,409</b>	<b>-27.4%</b>	<b>514,283</b>	<b>1,041,667</b>	<b>-50.6%</b>
<b>Attributable to:</b>						
Owners of the Company	189,613	269,885	-29.7%	424,858	889,711	-52.2%
Non-controlling interests	39,380	45,524	-13.5%	89,425	151,956	-41.2%
	<b>228,993</b>	<b>315,409</b>	<b>-27.4%</b>	<b>514,283</b>	<b>1,041,667</b>	<b>-50.6%</b>

n.m. – not meaningful

#### Additional Information

	Group					
	3rd Quarter			9 Months		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
Profit before income tax	328,096	403,081	-18.6%	705,940	1,372,497	-48.6%
Depreciation and amortisation	147,896	135,870	8.9%	443,404	411,171	7.8%
Foreign exchange (gain)/loss	17,497	27,516	-36.4%	(77,753)	76,474	n.m.
Finance cost	68,160	51,215	33.1%	182,707	146,051	25.1%
Interest income	(51,619)	(53,639)	-3.8%	(138,380)	(119,981)	15.3%
<b>EBITDA</b>	<b>510,030</b>	<b>564,043</b>	<b>-9.6%</b>	<b>1,115,918</b>	<b>1,886,212</b>	<b>-40.8%</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					
	3rd Quarter			9 Months		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
<b>Profit for the period</b>	<b>228,993</b>	<b>315,409</b>	<b>-27.4%</b>	<b>514,283</b>	<b>1,041,667</b>	<b>-50.6%</b>
<b>Other comprehensive income</b>						
<b>Item that may be reclassified subsequently to profit or loss:</b>						
Foreign currency translation gain/(loss)	(8,038)	(159,232)	-95.0%	32,153	(386,459)	n.m.
Fair value reserve on derivative financial liabilities	(33,002)	(4,886)	n.m.	(34,858)	11,077	n.m.
<b>Other comprehensive income for the period, net of tax</b>	<b>(41,040)</b>	<b>(164,118)</b>	<b>-75.0%</b>	<b>(2,705)</b>	<b>(375,382)</b>	<b>-99.3%</b>
<b>Total comprehensive income for the period</b>	<b>187,953</b>	<b>151,291</b>	<b>24.2%</b>	<b>511,578</b>	<b>666,285</b>	<b>-23.2%</b>
<b>Attributable to:</b>						
Owners of the Company	148,573	105,767	40.5%	422,153	514,329	-17.9%
Non-controlling interests	39,380	45,524	-13.5%	89,425	151,956	-41.2%
	<b>187,953</b>	<b>151,291</b>	<b>24.2%</b>	<b>511,578</b>	<b>666,285</b>	<b>-23.2%</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	
	30-Sept-2019	31-Dec-2018	30-Sept-2019	31-Dec-2018
	IDR million	IDR million	IDR million	IDR million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plasma receivables	2,336,677	1,716,271	-	-
Property, plant and equipment	3,461,527	3,458,793	3,387	3,468
Bearer plants	7,524,205	7,503,534	-	-
Land use rights	965,660	958,837	-	-
Investment in subsidiaries	-	-	2,085,930	2,131,110
Investment in associate companies	-	-	150,804	154,070
Intangible assets	175,781	177,424	-	-
Deferred tax assets	255,061	231,221	-	-
Due from subsidiaries	-	-	7,362,074	7,175,044
Loan to an associate company	84,977	82,693	84,977	82,693
<b>Total Non-current assets</b>	<b>14,803,888</b>	<b>14,128,773</b>	<b>9,687,172</b>	<b>9,546,385</b>
<b>Current assets</b>				
Biological assets	224,381	248,413	-	-
Inventories	720,544	592,400	-	-
Deferred charges	8,107	8,538	-	60
Trade and other receivables	188,290	479,847	713	194
Due from related companies	50	50	-	-
Plasma receivables	133,176	219,590	-	-
Prepayments and advances	16,021	18,660	185	1,078
Prepaid taxes	782,413	543,480	89	80
Cash and short-term deposits	361,922	299,053	33,323	40,637
<b>Total Current assets</b>	<b>2,434,904</b>	<b>2,410,031</b>	<b>34,310</b>	<b>42,049</b>
<b>Total Assets</b>	<b>17,238,792</b>	<b>16,538,804</b>	<b>9,721,482</b>	<b>9,588,434</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Loans and borrowings	850,440	796,455	850,440	796,455
Islamic medium term notes	-	3,492,597	-	3,492,597
Trade and other payables	728,374	774,865	90	2,225
Accrued operating expenses	163,306	209,829	25,513	64,586
Sales advances	53,093	12,927	-	-
Income taxes payable	222,006	112,013	127	-
Derivative financial liabilities	-	1,028,512	-	1,028,512
<b>Total Current liabilities</b>	<b>2,017,219</b>	<b>6,427,198</b>	<b>876,170</b>	<b>5,384,375</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	102,905	128,273	-	-
Loans and borrowings	3,579,274	934,900	3,579,274	934,900
Islamic medium term notes	2,368,387	-	2,368,387	-
Post employment benefits	48,705	48,705	-	-
Derivative financial liabilities	66,839	-	66,839	-
<b>Total Non-current liabilities</b>	<b>6,166,110</b>	<b>1,111,878</b>	<b>6,014,500</b>	<b>934,900</b>
<b>Total Liabilities</b>	<b>8,183,329</b>	<b>7,539,076</b>	<b>6,890,670</b>	<b>6,319,275</b>
<b>Net Assets</b>	<b>9,055,463</b>	<b>8,999,728</b>	<b>2,830,812</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	(244,749)	(209,891)	(38,168)	(3,310)
Retained earnings	6,558,719	6,569,298	154,345	481,822
Foreign currency translation reserve	(229,476)	(261,629)	1,055,039	1,117,315
	<b>7,744,090</b>	<b>7,771,110</b>	<b>2,830,812</b>	<b>3,269,159</b>
<b>Non-controlling interests</b>	<b>1,311,373</b>	<b>1,228,618</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>9,055,463</b>	<b>8,999,728</b>	<b>2,830,812</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

	30-Sept-2019 IDR Million	31-Dec-2018 IDR Million
Amount due within one year		
Unsecured	850,440	4,289,052
<b>Total</b>	<b>850,440</b>	<b>4,289,052</b>
Amount due more than one year		
Unsecured	5,947,661	934,900
<b>Total</b>	<b>5,947,661</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	Group			
	3rd Quarter		9 Months	
	2019	2018	2019	2018
	IDR million	IDR million	IDR million	IDR million
<b>Cash flows from operating activities</b>				
Cash receipts from customers	2,020,136	2,168,772	5,740,932	6,364,718
Cash payments to suppliers, employees and for other operating expenses	(1,547,154)	(1,725,959)	(4,647,694)	(4,807,023)
Income tax paid	(87,609)	(90,712)	(295,329)	(390,881)
<b>Net cash flows generated from operating activities</b>	<b>385,373</b>	<b>352,101</b>	<b>797,909</b>	<b>1,166,814</b>
<b>Cash flows from investing activities</b>				
Increase in plasma receivables	(107,863)	(97,847)	(359,730)	(293,416)
Investment in intangible assets	(613)	(3,199)	(613)	(3,483)
Investment in bearer plants	(69,927)	(51,347)	(222,740)	(173,556)
Investment in property, plant and equipment	(80,167)	(73,681)	(212,317)	(155,665)
Investment in land use rights	(22,243)	(14,872)	(41,192)	(64,420)
Interest received	50,135	52,170	133,895	115,897
<b>Net cash flows used in investing activities</b>	<b>(230,678)</b>	<b>(188,776)</b>	<b>(702,697)</b>	<b>(574,643)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans and borrowings	826,948	181,038	4,180,938	432,606
Repayment of loan and borrowings	(917,945)	(187,317)	(1,414,980)	(291,410)
Proceeds from issuance of Islamic Medium Term Notes	2,362,606	-	2,362,606	-
Repayment of Islamic Medium Term Notes	(2,261,097)	-	(4,454,303)	-
Payment of dividend	(73,710)	(140,875)	(442,107)	(506,030)
Buy-back of ordinary shares	-	-	(13,736)	-
Interest paid	(92,940)	(107,475)	(249,120)	(206,317)
<b>Net cash flows used in financing activities</b>	<b>(156,138)</b>	<b>(254,629)</b>	<b>(30,702)</b>	<b>(571,151)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(1,443)</b>	<b>(91,304)</b>	<b>64,510</b>	<b>21,020</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(91)</b>	<b>4,016</b>	<b>(1,641)</b>	<b>7,627</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>363,456</b>	<b>332,650</b>	<b>299,053</b>	<b>216,715</b>
<b>Cash and cash equivalents at end of period</b>	<b>361,922</b>	<b>245,362</b>	<b>361,922</b>	<b>245,362</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:	Group			
	3rd Quarter		9 Months	
	2019	2018	2019	2018
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	328,096	403,081	705,940	1,372,497
Depreciation and amortisation	147,896	135,870	443,404	411,171
Finance cost	68,160	51,215	182,707	146,051
Interest income	(51,619)	(53,639)	(138,380)	(119,981)
Unrealized foreign exchange (gain)/loss	47,567	(2,347)	(78,194)	(48,395)
Operating cash flows before working capital changes	<b>540,100</b>	<b>534,180</b>	<b>1,115,477</b>	<b>1,761,343</b>
Decrease/(increase) in:				
- Trade and other receivables	67,014	130,552	290,853	107,199
- Inventories	8,652	(310,204)	(128,145)	(590,896)
- Prepaid taxes	(30,434)	(142,238)	(238,935)	(347,283)
- Prepayments and advances	11,681	(2,074)	2,617	(9,546)
- Deferred charges	202	(4)	429	(911)
(Decrease)/increase in:				
- Trade and other payables	(156,536)	13,480	(45,075)	379,168
- Accrued operating expenses	(31,549)	1,213	(108,606)	(8,258)
- Other taxes payable	58,831	111,731	164,457	190,028
- Sales advances	5,021	106,177	40,166	76,851
Cash flows generated from operations	<b>472,982</b>	<b>442,813</b>	<b>1,093,238</b>	<b>1,557,695</b>
Income tax paid	(87,609)	(90,712)	(295,329)	(390,881)
<b>Net cash flows generated from operating activities</b>	<b>385,373</b>	<b>352,101</b>	<b>797,909</b>	<b>1,166,814</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	IDR million	IDR million
Opening balance at 1 January 2019	1,807,045	(133,713)	6,569,298	(209,891)	(261,629)	7,771,110	1,228,618	8,999,728
Profit for the period	-	-	424,858	-	-	424,858	89,425	514,283
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	32,153	32,153	-	32,153
Fair value reserve on derivative	-	-	-	(34,858)	-	(34,858)	-	(34,858)
Total comprehensive income for the period, net of tax	-	-	424,858	(34,858)	32,153	422,153	89,425	511,578
Distribution to owners:								
Buy-back of ordinary shares	-	(13,736)	-	-	-	(13,736)	-	(13,736)
Dividends on ordinary shares	-	-	(435,437)	-	-	(435,437)	(6,670)	(442,107)
Closing balance at 30 September 2019	1,807,045	(147,449)	6,558,719	(244,749)	(229,476)	7,744,090	1,311,373	9,055,463
Opening balance at 1 January 2018	1,807,045	(131,028)	5,977,826	(199,808)	(4,628)	7,449,407	1,022,305	8,471,712
Profit for the period	-	-	889,711	-	-	889,711	151,956	1,041,667
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	(386,459)	(386,459)	-	(386,459)
Fair value reserve on derivative	-	-	-	11,077	-	11,077	-	11,077
Total comprehensive income for the period, net of tax	-	-	889,711	11,077	(386,459)	514,329	151,956	666,285
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	40,458	40,458
Dividends on ordinary shares	-	-	(506,030)	-	-	(506,030)	-	(506,030)
Closing balance at 30 September 2018	1,807,045	(131,028)	6,361,507	(188,731)	(391,087)	7,457,706	1,214,719	8,672,425

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
Opening balance at 1 January 2019	1,807,045	(133,713)	481,822	(3,310)	1,117,315	3,269,159
Profit for the period	-	-	107,960	-	-	107,960
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	(62,276)	(62,276)
Fair value reserve on derivative	-	-	-	(34,858)	-	(34,858)
Total comprehensive income for the period, net of tax	-	-	107,960	(34,858)	(62,276)	10,826
Distribution to owners:						
Buy-back of ordinary shares	-	(13,736)	-	-	-	(13,736)
Dividends on ordinary shares	-	-	(435,437)	-	-	(435,437)
Closing balance at 30 September 2019	1,807,045	(147,449)	154,345	(38,168)	1,055,039	2,830,812
Opening balance at 1 January 2018	1,807,045	(131,028)	636,267	(14,870)	900,131	3,197,545
Profit for the period	-	-	96,571	-	-	96,571
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	309,233	309,233
Fair value reserve on derivative	-	-	-	11,077	-	11,077
Total comprehensive income for the period, net of tax	-	-	96,571	11,077	309,233	416,881
Distribution to owners:						
Dividends on ordinary shares	-	-	(506,030)	-	-	(506,030)
Closing balance at 30 September 2018	1,807,045	(131,028)	226,808	(3,793)	1,209,364	3,108,396

- 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 June 2019. Details of the treasury shares as at 30 September 2019 and 2018 were as follows:

	Company	
	Number of shares	
	30-Sep-2019	30-Sep-2018
Treasury shares	20,034,800	17,707,900
Issued ordinary shares excluding treasury shares	1,737,497,044	1,739,823,944
<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	
	30-Sep-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.

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)	3rd Quarter		9 Months	
	2019	2018	2019	2018
Based on weighted average number of share (in IDR)	108	154	243	508
Weighted number of shares	1,749,953,262	1,750,948,694	1,749,307,340	1,750,948,694

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	
	30-Sept-2019	31-Dec-2018	30-Sept-2019	31-Dec-2018
Net asset value per ordinary share (in IDR)	4,457	4,468	1,629	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:
- (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 INCOME STATEMENT

### Overview

During the third quarter of 2019 ("3Q2019") and nine months of the year ("9M2019"), the Group recorded decrease in gross profit of 13.0% and 38.2%, respectively due to weaker palm oil prices.

### Revenue

Revenue increased by 1.4% to IDR 1,944 billion in 3Q2019 and decreased by 12.5% to IDR 5,399 billion in 9M2019 compared to previous corresponding periods. This was mainly attributable to higher sales volume during both periods which was offset by the decrease in average selling prices of Crude Palm Oil ("CPO") and Palm Kernel ("PK").

Revenue	3Q2019	3Q2018	Change	9M2019	9M2018	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,761,310	1,635,679	7.7%	4,840,066	5,323,560	-9.1%
PK	182,355	282,022	-35.3%	559,337	850,302	-34.2%
<b>Total</b>	<b>1,943,665</b>	<b>1,917,701</b>	<b>1.4%</b>	<b>5,399,403</b>	<b>6,173,862</b>	<b>-12.5%</b>
Sales Volume	3Q2019	3Q2018	Change	9M2019	9M2018	Change
	mt	mt	(%)	mt	mt	(%)
CPO	274,317	240,421	14.1%	742,973	713,082	4.2%
PK	59,360	57,050	4.0%	160,835	151,443	6.2%
Average sales prices	3Q2019	3Q2018	Change	9M2019	9M2018	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	6,421	6,803	-5.6%	6,514	7,466	-12.8%
PK	3,072	4,943	-37.9%	3,478	5,615	-38.1%

## **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 52 billion in 3Q2019 and IDR 138 billion in 9M2019 mainly consisted of interest income earned from advances extended to the plasma farmers.

## **Selling Expenses**

Selling expenses mainly comprises of freight and loading expenses, decreased to IDR 84 billion in 3Q2019 but increased to IDR 258 billion in 9M2019. Higher selling expenses in 9M2019 were mainly attributable to higher CPO sales with CIF terms compared to previous periods as well as additional barges rented to expedite loading and delivery of palm products to customers.

## **General and Administrative Expenses**

General and administrative expenses increased by 7.5% to IDR 70 billion in 3Q2019 and 12.2% to IDR 232 billion in 9M2019 mainly due to increase in salaries and employee benefits.

## **Finance Cost**

Finance cost increased by 33.1% to IDR 68 billion in 3Q2019 and 25.1% to IDR 183 billion in 9M2019 mainly attributable to higher interest rate arising from London Interbank Offered rate ("LIBOR").

## **Foreign Exchange Gain/(Loss)**

The depreciation of IDR against USD in 3Q2019 resulted in the Group's net foreign exchange loss of IDR 17 billion. On the other hand, IDR appreciated against USD during 9M2019 which resulted in the net foreign exchange gain of IDR 78 billion.

## **Income Tax Expense**

Increase in income tax expense to IDR 99 billion in 3Q2019 was mainly due to withholding tax expense on dividend income received by the Company from its subsidiary.

In 9M2019, the Group recorded a decrease in income tax expense to IDR 192 billion in line with the decrease in profit before income tax.

## **REVIEW OF STATEMENT OF FINANCIAL POSITION**

### **Non-Current Assets**

As at 30 September 2019, the Group's total non-current assets increased by IDR 675 billion from IDR 14,129 billion to IDR 14,804 billion. This was mainly attributable to the increase in plasma receivables by IDR 620 billion to IDR 2,337 billion arising from advances given to plasma farmers for the maintenance of immature plasma plantations.

### **Current Assets**

The increase in current assets for this quarter by IDR 25 billion were mainly from cash and short term deposits and inventory. The increase in inventory was due to delayed shipment and fertiliser application to 4Q2019. Lower revenue for 9M2019 resulted in lower trade and other receivables.

### **Current Liabilities**

Decrease in current liabilities by IDR 4,410 billion as at 30 September 2019 from IDR 6,427 billion to IDR 2,017 billion was mainly due to repayment of the first and second tranches of IMTN which matured in March and September 2019 respectively, as well as realisation of their related derivative financial liabilities.

### **Non-Current Liabilities**

As at 30 September 2019, the Group's total non-current liabilities increased by IDR 5,054 billion from IDR 1,112 billion to IDR 6,166 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.

## REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net increase in cash and cash equivalents of IDR 65 billion as at 30 September 2019, bringing the cash and bank balances to IDR 362 billion, as follows:

- The Group recorded higher net cash flow generated from operating activities amounting to IDR 385 billion in 3Q2019 due to lower cash payment to suppliers and other operating expenses. In 9M2019, the Group recorded lower net cash flow generated from operating activities amounting to IDR 798 billion mainly attributable to lower revenue.
- The Group recorded net cash used in investing activities amounting to IDR 231 billion in 3Q2019 and IDR 703 billion in 9M2019. These increase compared to each previous corresponding period was mainly due to higher advances given to plasma farmers and investment in property, plant and equipment, as well as bearer plants.
- The Group recorded net cash used in financing activities amounting to IDR 156 billion in 3Q2019 and IDR 31 billion in 9M2019. These comprised mainly the refinancing of first and second tranches of IMTN with the 5-year term loan as well as issuance of the third and fourth tranches of IMTN.

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

Not applicable.

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

The low prices of palm oil have gradually moved upward in the beginning of 4Q2019 arising from lower than anticipated oil palm production. This gradual improvement is expected to continue until the end of this year. We do not foresee any change in this trend in the 4Q2019 unless there are market turbulence/changes in the market affecting the demand and supply dynamics.

The long dry weather conditions had impacted production volume of the Group. The Group will continue to manage its cost and increase contribution from newly matures plantations.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

Not applicable.

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

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

Not applicable.

**(c) Date payable**

Not applicable.

**(d) Books closure date**

Not applicable.

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

No dividend has been declared or recommended by the Board of Directors of the Company in respect of 3Q2019. The Group intends to redeploy its cash reserves for the purposes of the Group's development and operations.

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

The Group has the following interested person transactions ("IPT") for 9M2019:

Name of interested person	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>	1,800	-
Goldwood Investments Ltd <sup>(2)</sup>	1,542	-
IOI Corporation Berhad <sup>(3)</sup>	-	117,368
PT Sawit Nabati Agro <sup>(4)</sup>	-	-
PT Lima Srikandi Jaya <sup>(5)</sup>	5,400	-
<b>TOTAL</b>	<b>8,742</b>	<b>117,368</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).*
- (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.

**15. Negative Assurance Confirmation Statement**

We, Lim Gunawan Hariyanto (Executive Chairman and CEO) and Tan Boon Hoo (Lead Independent Director) of Bumitama Agri Ltd. ("the Company"), confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render these unaudited interim financial results for the third quarter and nine months ended 30 September 2019 to be false or misleading in any material aspect.

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

**Lim Gunawan Hariyanto**  
Executive Chairman and CEO  
12 November 2019

**Tan Boon Hoo**  
Lead Independent Director