

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR 31 DECEMBER 2018

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

	Group - Q4			Group- Full Year		
	31/12/2018	31/12/2017	Change	31/12/2018	31/12/2017	Change
	Restated			Restated		
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,797,514	3,564,840	6.5	14,059,450	15,725,304	(10.6)
Cost of sales	(3,400,153)	(2,874,446)	18.3	(11,861,526)	(12,663,858)	(6.3)
Gross Profit	397,361	690,394	(42.4)	2,197,924	3,061,446	(28.2)
Gross Profit %	10.5%	19.4%		15.6%	19.5%	
Selling and distribution expenses	(134,575)	(111,029)	21.2	(525,014)	(509,354)	3.1
General and administrative expenses	(171,089)	(241,353)	(29.1)	(884,577)	(945,863)	(6.5)
Foreign exchange gain/ (loss)	19,931	(12,484)	n/m	(118,034)	(14,450)	n/m
Other operating income	24,295	17,506	38.8	80,187	82,323	(2.6)
Other operating expenses	(7,394)	(62,111)	(88.1)	(84,119)	(151,989)	(44.7)
Share of results of associate companies	(12,650)	(22,061)	(42.7)	(7,792)	(17,915)	(56.5)
Share of results of joint ventures	(30,863)	41,259	n/m	28,704	138,654	(79.3)
(Loss)/ gain arising from changes in fair value of biological assets	(35,973)	73,628	n/m	(30,882)	34,839	n/m
Profit from operations	49,043	373,749	(86.9)	656,397	1,677,691	(60.9)
Impact arising from business combination under common control using book value instead of fair value	(87,049)	-	n/m	(87,049)	-	n/m
Financial income	26,770	26,685	0.3	104,199	107,505	(3.1)
Financial expenses	(198,877)	(156,946)	26.7	(719,960)	(647,043)	11.3
(Loss)/ Profit before tax	(210,113)	243,488	n/m	(46,413)	1,138,153	n/m
Income tax expense	(151,756)	(112,539)	34.8	(380,102)	(485,268)	(21.7)
Net (loss)/ profit for the period	(361,869)	130,949	n/m	(426,515)	652,885	n/m
Core (loss)/ profit after tax ⁽¹⁾	(281,026)	84,819	n/m	(185,503)	656,936	n/m
(Loss)/ Profit attributable to:						
Owners of the Company	(211,700)	76,937	n/m	(221,764)	447,314	n/m
Non-controlling interests	(150,169)	54,012	n/m	(204,751)	205,571	n/m
	(361,869)	130,949	n/m	(426,515)	652,885	n/m

Notes

n/m denotes "Not Meaningful"

- (1) Earnings before the accounting for the effects of foreign exchange, fair value gain/ (loss) on biological assets, changes in amortised cost of plasma receivables and one-off item.

	Group - Q4			Group- Full Year		
	31/12/2018	31/12/2017 Restated	Change	31/12/2018	31/12/2017 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Other comprehensive income (OCI):						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	(8,755)	(29,603)	(70.4)	(38,590)	(469)	n/m
Items that will not be reclassified to profit or loss						
Unrealised loss for available-for-sales investment	(3,350)	-	n/m	(3,350)	-	n/m
Re-measurement gain/ (loss) on employee benefits liability	147,112	(135,715)	n/m	171,228	(138,615)	n/m
Share of OCI of an associate company and joint venture	(15,801)	3,627	n/m	(52,995)	(14,100)	275.9
Other comprehensive income for the period, net of tax	119,206	(161,691)	n/m	76,293	(153,184)	n/m
Total comprehensive income	(242,663)	(30,742)	n/m	(350,222)	499,701	n/m
Total comprehensive income attributable to:-						
Owners of the Company	(146,295)	(30,728)	376.1	(214,675)	349,356	n/m
Non-controlling interests	(96,368)	(14)	n/m	(135,547)	150,345	n/m
	(242,663)	(30,742)	n/m	(350,222)	499,701	n/m

n/m denotes "Not Meaningful"

*** Restated 2017 figures**

The 2017 figures in the statement of comprehensive income have been restated upon the adoption of the amendments to **SFRS(I) 15 Revenue from Contracts with Customers** and some reclassifications to conform with prior years' presentation.

	As restated	As previously reported	Change	As restated	As previously reported	Change
	4Q17	4Q17		FY17	FY17	
Statement of comprehensive income	Rp' million	Rp' million	Rp' million	Rp' million	Rp' million	Rp' million
Revenue	3,564,840	3,593,437	(28,597)	15,725,304	15,826,648	(101,344)
Cost of sales	(2,874,446)	(2,864,272)	(10,174)	(12,663,858)	(12,631,642)	(32,216)
Selling and distribution expenses	(111,029)	(139,342)	28,313	(509,354)	(608,223)	98,869
General and administrative expenses	(241,353)	(251,811)	10,458	(945,863)	(980,554)	34,691

Additional Information: -

Earnings before interests and tax expense, depreciation and amortisation, fair value gain/ (loss) on biological assets and one-off item ("EBITDA")

	Group - Q4			Group- Full Year		
	31/12/2018 Rp ' million	31/12/2017 Rp ' million	Change %	31/12/2018 Rp ' million	31/12/2017 Rp ' million	Change %
Profit from operations	49,043	373,749	(86.9)	656,397	1,677,691	(60.9)
Add: Depreciation & amortisation	337,605	321,062	5.2	1,488,895	1,430,421	4.1
Less: (Loss)/ gain arising from changes in fair value of biological assets	(35,973)	73,628	n/m	(30,882)	34,839	n/m
Less: Foreign exchange gain/ (loss)	19,931	(12,484)	n/m	(118,034)	(14,450)	n/m
EBITDA excludes foreign exchange gain/ (loss)	402,690	633,667	(36.5)	2,294,208	3,087,723	(25.7)
EBITDA%	10.6	17.8		16.3	19.6	

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

Other information:-	Group - Q4			Group- Full Year		
	31/12/2018 Rp ' million	31/12/2017 Rp ' million	Change %	31/12/2018 Rp ' million	31/12/2017 Rp ' million	Change %
Depreciation of property, plant and equipment	327,818	314,797	4.1	1,426,765	1,366,683	4.4
Amortisation of deferred charges and others	9,787	6,265	56.2	62,130	63,738	(2.5)
Interest on borrowings	194,035	153,250	26.6	701,036	632,495	10.8
Reversal of allowance for uncollectible and changes in amortised cost of plasma receivables	(13,328)	(2,175)	n/m	30,198	22,816	32.4
Write-off of property, plant and equipment	38	369	(89.7)	362	869	(58.3)
Gain on disposal of property, plant and equipment	(6,532)	(3,342)	95.5	(8,045)	(6,504)	23.7
Changes in provision for asset dismantling costs	897	658	36.3	(2,142)	3,063	n/m
Impairment of goodwill	520	7,800	(93.3)	520	7,800	(93.3)

n/m denotes "Not Meaningful"

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

	Group			Company		
	31/12/2018	31/12/2017	01/01/2017	31/12/2018	31/12/2017	01/01/2017
	Restated *		Restated *			
	Rp ' million	Rp ' million	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets						
Biological assets	328,500	313,305	325,102	-	-	-
Property, plant and equipment	21,213,418	21,178,399	21,396,796	36,400	39,986	43,576
Goodwill	3,245,317	3,245,837	3,253,637	-	-	-
Claims for tax refund	284,779	126,732	178,704	-	-	-
Deferred tax assets	1,125,003	1,346,976	1,240,194	-	-	-
Investment in subsidiary companies	-	-	-	10,633,423	10,533,516	10,533,516
Investment in associate companies	1,469,721	1,358,774	1,002,247	551,139	551,139	551,139
Investment in joint ventures	809,373	874,911	751,850	-	-	-
Amount due from a subsidiary	-	-	-	1,150,000	730,000	730,000
Advances and prepayments	476,077	385,116	425,917	-	-	-
Other non-current receivables	1,433,224	1,209,487	1,174,662	10	10	9
Total non-current assets	30,385,412	30,039,537	29,749,109	12,370,972	11,854,651	11,858,240
Current assets						
Inventories	2,428,365	2,204,549	2,270,749	-	-	-
Trade and other receivables	1,395,471	1,200,404	1,122,774	93,424	76,172	78,142
Advances and prepayments	181,652	188,330	240,215	169	228	197
Prepaid taxes	336,031	273,845	251,107	-	-	-
Biological assets	516,656	536,821	464,722	-	-	-
Assets held for sale	41,795	41,795	-	-	-	-
Cash and cash equivalents	2,228,869	2,929,674	2,404,838	153,545	664,267	532,896
Total current assets	7,128,839	7,375,418	6,754,405	247,138	740,667	611,235
Total assets	37,514,251	37,414,955	36,503,514	12,618,110	12,595,318	12,469,475
Current liabilities						
Trade and other payables and accruals	1,810,233	1,631,014	1,499,716	114,805	104,757	14,843
Advances and taxes payable	234,699	194,703	453,672	-	-	-
Interest-bearing loans and borrowings	6,971,649	4,462,704	2,481,405	1,085,351	-	-
Income tax payable	27,609	91,731	215,515	-	-	-
Total current liabilities	9,044,190	6,380,152	4,650,308	1,200,156	104,757	14,843
Net current (liabilities)/ assets	(1,915,351)	995,266	2,104,097	(953,018)	635,910	596,392

	Group			Company		
	31/12/2018	31/12/2017 Restated *	01/01/2017 Restated *	31/12/2018	31/12/2017	01/01/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current liabilities						
Interest-bearing loans and borrowings	4,218,271	6,067,793	7,545,936	-	1,013,390	1,002,997
Amounts due to related parties and other payables	427,859	364,106	569,779	-	-	-
Provision and other liabilities	32,007	34,149	31,086	-	-	-
Employee benefits liabilities	2,323,955	2,361,278	1,980,219	-	-	-
Deferred tax liabilities	614,776	784,827	848,134	7,942	-	-
Total non-current liabilities	7,616,868	9,612,153	10,975,154	7,942	1,013,390	1,002,997
Total liabilities	16,661,058	15,992,305	15,625,462	1,208,098	1,118,147	1,017,840
Net assets	20,853,193	21,422,650	20,878,052	11,410,012	11,477,171	11,451,635
Share capital	3,584,279	3,584,279	3,584,279	10,912,411	10,912,411	10,912,411
Treasury shares	(390,166)	(390,166)	(390,166)	(390,166)	(390,166)	(390,166)
Revenue reserves	8,075,562	8,303,290	8,025,765	743,615	810,774	785,238
Other reserves	517,935	606,963	614,757	144,152	144,152	144,152
	11,787,610	12,104,366	11,834,635	11,410,012	11,477,171	11,451,635
Non-controlling interests	9,065,583	9,318,284	9,043,417	-	-	-
Total equity	20,853,193	21,422,650	20,878,052	11,410,012	11,477,171	11,451,635

* The figures were restated due to the application of exemption upon the adoption of SFRS(I) framework where the cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017.

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

	Group	
	31/12/2018	31/12/2017
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	2,129,298	1,519,848
Unsecured	4,842,351	2,942,856
Sub-total	6,971,649	4,462,704
(ii) Amounts repayable after one year		
Secured	4,218,271	4,751,693
Unsecured	-	1,316,100
Sub-total	4,218,271	6,067,793
TOTAL	11,189,920	10,530,497

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by:

- (a) corporate guarantees from a subsidiary
- (b) charge over the plantation assets of the respective subsidiary.

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

	Group - Q4		Group - Full year	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
		Restated		Restated
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
(Loss)/ Profit before taxation	(210,113)	243,488	(46,413)	1,138,153
Adjustments:				
Depreciation and amortisation	337,605	321,062	1,488,895	1,430,421
Realisation of deferred costs	13,759	11,402	149,836	149,373
Unrealised foreign exchange (gain)/ loss	(11,983)	7,379	144,603	14,065
Loss/ (Gain) arising from changes in fair value of biological assets	35,973	(73,628)	30,882	(34,839)
Reversal of allowance for uncollectible and changes in amortised cost of plasma receivables	(13,328)	(2,175)	30,198	22,816
Write-off of property, plant and equipment	38	369	362	869
Gain on disposal of property, plant and equipment	(6,532)	(3,442)	(8,045)	(6,504)
Provision for unrecoverable advance	-	9,738	-	38,952
Changes in allowance for decline in market value and obsolescence of inventories	(28,556)	20,210	3,058	5,163
Allowance for impairment of available-for-sales of financial assets	-	33,630	-	40,957
Changes in provision for asset dismantling costs	897	658	(2,142)	3,063
Change in estimated liability for employee benefits	66,600	106,488	329,318	349,017
Changes in fair value of long-term receivables	(228)	(200)	(191)	(771)
Share of results of associate companies	12,650	22,061	7,792	17,915
Share of results of joint ventures	30,863	(41,259)	(28,704)	(138,654)
Impact arising from business combination under common control using book value instead of fair value	87,049	-	87,049	-
Impairment of goodwill	520	7,800	520	7,800
Financial income	(26,770)	(26,685)	(104,199)	(107,505)
Financial expenses	198,877	156,946	719,960	647,043
Operating cash flows before working capital changes	487,321	793,842	2,802,779	3,577,334
Changes in working capital				
Other non-current assets	208,242	(97,699)	99,406	(130,687)
Inventories	622,897	(5,015)	(226,880)	61,037
Trade and other receivables	249,637	46,399	(188,714)	(73,537)
Advances to suppliers	13,761	65,051	(843)	51,462
Prepaid taxes	(44,851)	(48,183)	(62,186)	(22,714)
Trade and other payables and accruals	(459,954)	(389,662)	32,116	(11,857)
Advances from customers	10,602	(21,576)	38,038	(283,408)
Cash flows generated from operations	1,087,655	343,157	2,493,716	3,167,630
Interest received	25,778	27,970	105,313	106,910
Interest paid	(196,350)	(153,266)	(708,227)	(632,229)
Income tax paid	(274,780)	(88,106)	(742,803)	(710,866)
Net cash flows generated from operating activities	642,303	129,755	1,147,999	1,931,445

	Group - Q4		Group - Full Year	
	31/12/2018	31/12/2017 Restated	31/12/2018	31/12/2017 Restated
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(385,285)	(301,383)	(1,486,288)	(1,164,738)
Additions to biological assets	(160,240)	(4,333)	(165,344)	(5,281)
Increase in plasma receivables	(42,972)	(33,985)	(268,583)	(135,183)
Proceeds from disposal of property, plant and equipment	10,064	6,016	30,687	23,227
Advances for projects and purchases of fixed assets	(32,803)	(36,263)	(117,959)	(76,954)
Investment in associate companies	-	-	(109,323)	(349,350)
Investment in a joint venture	-	-	(99,984)	-
Net cash flows used in investing activities	(611,236)	(369,948)	(2,216,794)	(1,708,279)
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	888,826	2,055,000	4,464,981	3,128,000
Repayment of interest-bearing loans and borrowings	(1,094,989)	(1,533,381)	(3,983,434)	(2,662,474)
Proceeds from amount due to related parties	10,000	-	76,200	12,000
Dividend payments by subsidiaries to non-controlling interests	(1,751)	(4,512)	(168,152)	(154,147)
Dividend payment to Company's shareholders	-	-	(102,713)	(86,554)
Capital contributions from non-controlling interest	51,000	58,043	51,000	58,043
Net cash flows (used in)/ generated from financing activities	(146,914)	575,150	337,882	294,868
Net (decrease)/ increase in cash and cash equivalents	(115,847)	334,957	(730,913)	518,034
Effect of changes in exchange rates on cash and cash equivalents	(29,564)	4,303	30,108	6,802
Cash and cash equivalents at the beginning of the period	2,374,280	2,590,414	2,929,674	2,404,838
Cash and cash equivalents at the end of the period	2,228,869	2,929,674	2,228,869	2,929,674

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

STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	31/12/2018	31/12/2017 Restated	31/12/2018	31/12/2017 Restated
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Issued Share				
Balance as at 1 January / 31 December ⁽¹⁾	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares of the Company				
Balance as at 1 January / 31 December	(390,166)	(390,166)	(390,166)	(390,166)
Reserves				
Balance as at 1 January (FRS framework)	8,327,924	8,050,399	810,774	785,238
Cumulative effects of adopting SFRS(I) [#]	(24,634)	(24,634)	-	-
Balance as at 1 January (SFRS(I) framework)	8,303,290	8,025,765	810,774	785,238
Dividend payment	(102,713)	(86,554)	(102,713)	(86,554)
Acquisition of non-controlling interest	-	(71)	-	-
Actuarial gain/ (loss) on employee benefits liability	96,749	(83,164)	-	-
Net (loss)/ profit for the year	(221,764)	447,314	35,554	112,090
Balance as at 31 December	8,075,562	8,303,290	743,615	810,774
Other Reserves*				
Balance as at 1 January (FRS framework)	582,329	590,123	144,152	144,152
Cumulative effects of adopting SFRS(I) [#]	24,634	24,634	-	-
Balance as at 1 January (SFRS(I) framework)	606,963	614,757	144,152	144,152
Share of other comprehensive loss of a joint venture	(101,785)	(15,103)	-	-
Share of other comprehensive loss of an associate company	13,592	309	-	-
Increase of share capital in subsidiary	-	(12,883)	-	-
Changes in subsidiary equity	-	12,117	-	-
Employee share based compensation reserve	-	77	-	-
Unrealised loss of impairment in available-for-sales of financial assets	(1,465)	-	-	-
Gain on deemed disposal of an associate	-	7,689	-	-
Employee share based compensation reserve	630	-	-	-
Balance as at 31 December	517,935	606,963	144,152	144,152

	Group		Company	
	31/12/2018	31/12/2017 Restated	31/12/2018	31/12/2017 Restated
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-controlling Interests				
Balance as at 1 January	9,318,284	9,043,417	-	-
Dividend payments by subsidiaries	(168,152)	(154,147)	-	-
Difference arising from changes in subsidiary equity	-	12,954	-	-
Actuarial gain/ (loss) on employee benefits liability	74,479	(55,451)	-	-
Additional capital contribution in subsidiary	51,000	260,483	-	-
Gain on deemed disposal of an associate	-	5,232	-	-
Non-controlling Interests of an acquired subsidiary	-	-	-	-
Foreign currency translation	(3,392)	225	-	-
Unrealised loss of impairment in available-for-sales of financial assets	(1,885)	-	-	-
Net (loss)/ profit for the year	(204,751)	205,571	-	-
Balance as at 31 December	9,065,583	9,318,284	-	-
Total Equity	20,853,193	21,422,650	11,410,012	11,477,171

Notes:

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

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

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

- (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 issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the year. As of 31 December 2018 and 2017, the number of issued shares was 1,447,782,830, of which 51,878,300 shares were held as treasury shares.

There were no outstanding convertibles as at 31 December 2018 and 2017.

- (d)(iii). **To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

	Company	
	31/12/2018 (' 000)	31/12/2017 (' 000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(51,878)	(51,878)
Total number of issued shares excluding treasury shares	1,395,905	1,395,905

- (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.**

Treasury Shares	Company	
	No of shares ('000)	Amount Rp ' million
Balance as at 1 January 2018	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 31 December 2018	51,878	390,166

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

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

3. **Where the figures have been audited or reviewed, the auditors' report (including any 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 accounting policies have been consistently applied by the Company and the Group, and are consistent with those used in the previous financial year except for the adoption of new or revises SFRS(I) that are mandatory for financial years beginning on or after 1 January 2018.

5. ***If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changes, as well as the reason for, and the effect of, the change.***

SFRS(I) 15 Revenue from Contracts with Customers

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018. SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer.

Some contracts with customers within the respective business segments provide a cash incentive, rights of return, volume discount and pricing change as specified below. Such provisions give rise to variable consideration under SFRS(I) 15.

- Cash incentives at EOF division
- Right of return at EOF division
- Volume discount for palm seeds at plantation division
- Change of price due to difference in CPO quality

Except the reclassification of cash incentives from selling and distribution expenses to a deduction in revenue, there is no material impact on the financial statements in the year of initial application.

The comparatives have been restated with the following impact:

For the financial year ended 31 December 2017:

	As restated	As previously reported	Change	As restated	As previously reported	Change
	4Q17	4Q17		FY17	FY17	
	Rp' million	Rp' million	Rp' million	Rp' million	Rp' million	Rp' million
Statement of comprehensive income						
Revenue	3,564,840	3,593,437	(28,597)	15,725,304	15,826,648	(101,344)
Selling and distribution expenses	(110,745)	(139,342)	28,597	(506,879)	(608,223)	101,344

SFRS(I) 9 Financial Instruments

On 1 January 2018, the Group adopted SFRS (I) 9 Financial instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

(a) Classification and measurement

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. The Group holds its current financial assets to collect contractual cash flows, and accordingly measured at amortised cost when it applies SFRS(I) 9.

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

The Group elected to measure its available-for-sale unquoted equity at fair value through other comprehensive income ("FVOCI"). Any subsequent changes in fair value of the available-for-sale will be recognised to other comprehensive income without recycling to profit or loss.

The initial application of SFRS(I) 9 does not have any reclassification effect to the Group's and the Company's financial statements.

(b) Impairment

SFRS(I) 9 requires the Group to record expected credit losses ("ECL") on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that financial asset is impaired.

Upon adoption of SFRS(I) 9, the Group applies the simplified approach to assess the ECL on all trade receivables. The Group has assessed and concluded that the ECL is Nil in view of the trade receivables are mostly due from related parties and the risk of default is low or remote.

The Group and the Company applies general approach for financial assets that contain significant financing component such as the Group's plasma receivables and the Company's amount due from subsidiary companies. Under this approach, the Group and the Company assessed if there are any significant changes in credit risk of the receivables to determine whether to provide credit losses based on 12-month or lifetime basis. Management has assessed and concluded that no credit loss is required to be recognized as the probability of default is Nil.

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS (I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group has adopted SFRS(I) on 1 January 2018.

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemption:

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017. As a result, an amount of Rp24,634 million (credit balance) was adjusted against the opening retained earnings as at 1 January 2017.

Other than the above-mentioned item, there are no other significant financial impact upon on adoption of SFRS(I) 1 on 1 January 2018.

SFRS (I) 16 Leases

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

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

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

In addition, the Group plans to elect the following practical expedients:

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

The Group has performed preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

On the adoption of SFRS(I) 16, the Group expects to recognised right-of-use assets of Rp123 billion and lease liabilities of Rp129 billion for its leases previously classified as operating leases, with a corresponding decrease in the opening retained earnings of Rp7 billion before tax impact as of 1 January 2019.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 31 December 2018.

	Group - Q4			Group - Full Year		
	31/12/2018	31/12/2017 Restated *	Change %	31/12/2018	31/12/2017 Restated *	Change %
Earnings per share (Rp)						
Based on weighted average number of share	(151.7)	55.1	n/m	(158.9)	320.4	n/m
Based on a fully diluted basis	(151.7)	55.1	n/m	(158.9)	320.4	n/m

7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,395,904,530 (excluding 51,878,300 held as treasury shares) as of 31 December 2018 and 2017.

	Group		Company	
	31/12/2018	31/12/2017	31/12/2018	31/12/2017
Net asset value per share (Rp)	8,444	8,671	8,174	8,222
Net asset value per share (SGD 'cents) (converted at Rp10,603/S\$1)	79.6	81.8	77.1	77.5

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 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

	Group - Q4			Group - Full Year		
	31/12/2018	31/12/2017	Change	31/12/2018	31/12/2017	Change
	Restated *			Restated *		
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue						
Plantations						
External sales	1,135,592	987,606	15.0	3,462,558	5,440,797	(36.4)
Inter-segment sales *	1,368,631	1,539,485	(11.1)	5,121,957	4,696,763	9.1
Sub-total	2,504,223	2,527,091	(0.9)	8,584,515	10,137,560	(15.3)
Edible Oils & Fats **						
External sales	2,661,922	2,577,234	3.3	10,596,892	10,284,507	3.0
Inter-segment sales	4,422	-	n/m	12,018	28,842	(58.3)
Sub-total	2,666,344	2,577,234	3.5	10,608,910	10,313,349	2.9
Elimination of inter-segment sales	(1,373,053)	(1,539,485)	(10.8)	(5,133,975)	(4,725,605)	8.6
Total revenue to external parties	3,797,514	3,564,840	6.5	14,059,450	15,725,304	(10.6)
Gross Profit	397,361	668,352	(40.5)	2,197,924	3,061,446	(28.2)
Gross Profit %	10.5%	18.7%		15.6%	19.5%	

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

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

Financial Performance

Overview: Despite higher production volumes of crude palm oil (CPO) and higher volume of edible products by our EOF division, the Group posted lower results in 4Q2018 mainly due to significantly lower profit in the Plantation Division arising from weak commodity prices. Our FY2018 results were likewise affected by lower commodity prices and also the timing of shipments of CPO.

CPO prices CIF Rotterdam in FY2018 was at an average of US\$601 per tonne as compared to US\$717 per tonne in 2017. This was due to the ongoing China-US trade war, the Chinese government has put tariffs on US soybeans and caused soybean prices to tumble. Along with the decreasing soybean prices, rising production and higher year end-stocks against a weakening global demand for palm oil have put CPO prices under pressure.

The Group's performance was further affected by foreign currency losses arising from the weakening Indonesian Rupiah, impact arising from business combination under common control using book value instead of fair value, lower profit contribution from joint ventures and fair value loss on biological assets. The Group reported a net loss after tax of Rp427 billion in FY2018 compared to Rp653 billion net profit after tax in 2017.

Revenue: The Group's revenue (after elimination of internal sales) increased 7% and to Rp3.8 trillion in 4Q2018 mainly attributable to sales growth in EOF Division and higher external sales in Plantation Division. On full year basis, the Group's revenue declined 11% on lower Plantation Division sales, but this was partly offset by sales growth in EOF Division.

Plantation Division continued to report strong production recovery in 4Q2018 with fresh fruit bunches (FFB) nucleus and CPO increasing 17% and 20% over 4Q last year. On full year basis, FFB nucleus and CPO production grew 9% respectively to 3,375,000 MT and 921,000 MT. Despite higher palm production, Plantations Division's FY2018 revenue declined 15% due to lower average selling prices of agriculture crops.

Gross Profit: Despite higher sales volume of palm products (i.e. CPO and palm kernel related products), 4Q2018 gross profit declined 42% mainly due to lower palm product prices (CPO -27%, PK -47%). On full year basis, gross profit declined 28% due to the effect of lower selling prices of palm products (CPO -15%, PK -21%). Lower plantation gross profit in 4Q2018 and FY2018 was partly offset by higher profit contribution from EOF Division.

Selling and Distribution Expenses (S&D): The Group reported higher S&D in 4Q2018, increasing 21% over 4Q2017 mainly due to higher advertising and promotion expenses. On full year basis, S&D increased 3% over prior year.

General and Administrative Expenses (G&A): The Group reported lower G&A in 4Q2018 and FY2018 mainly due to lower salaries and wages and rent expenses.

Other Operating Expenses: Other operating expenses in 4Q2018 and FY2018 were lower compared to last year mainly due to the impairment of an available-for-sale investment (Heliae) and the write-off of an unrecoverable advance in 2017.

Foreign Exchange Gain/ (Loss): The foreign exchange impacts were principally attributable to the translation of US dollar denominated loans, assets and liabilities. The Group recognized foreign currency losses of Rp118 billion in FY2018 compared to Rp14 billion in FY2017. The higher loss was mainly due to the weakening of Indonesian Rupiah against US Dollar to Rp14,481/US\$ as of 31 December 2018 versus Rp13,548/US\$ as of 31 December 2017. The Group has reduced its USD loan exposure through repayment of certain USD loan facilities in 2018, lowering its USD loan mix to 10% or USD75 million as of end December 2018.

Share of results of Associate Companies: The Group recognized Rp8 billion loss from share of results of associate companies in FY2018 compared to Rp18 billion loss in FY2017. The improved results in 4Q2018 and FY2018 were mainly due to lower losses in FPNRL.

Share of results of Joint Ventures: The share of profit from joint ventures in Brazil sugar operations, CMAA was lower due to falling sugar prices. This was partially offset by a higher contribution from ethanol as CMAA increased ethanol production during the year. The Company's share of CMAA's profit was Rp29 billion in FY2018 compared to Rp139 billion in FY2017.

(Loss)/ Gain Arising from Changes in Fair Values of Biological Assets: The Group recognized a fair value loss of Rp31 billion in FY2018 compared to Rp35 billion gain in FY2017. The fair value loss in FY2018 was mainly due to lower selling prices of FFB.

Impact Arising from Business Combination Under Common Control: In July 2018, the Company's 50% joint venture, CMAA acquired Vale do Pontal Açucar e Alcool Ltda (UVP) through the issuance of new shares to the seller, JFLIM Participações S/A (JFLIM) based on an agreed amount of approximately BRL 75.9 million (equivalent to US\$19.7 million). Post the issuance of new shares, CMAA will be 35% each owned by the Company and JF Family, and 30% by JFLIM. The Company will continue to adopt equity accounting for CMAA as UVP is jointly controlled by these 3 shareholders under the shareholder agreement. Based on the Group's accounting policy for business combination under common control, book value is applied in computing the dilution gain/ loss instead of fair value. As a result, the Company recognised a loss of Rp87 billion on the dilution from 50% to 35%.

Profit from Operations: 4Q2018 posted a lower profit from operations of Rp49 billion compared to Rp374 billion in 4Q2017. The decline was mainly due to lower gross profit, lower share of results from joint ventures, and biological loss. On full year basis, Profit from operations declined 61% over last year, owing largely to the same reasons and higher foreign currency loss.

Financial Expenses: The Group's financial expenses increased 27% and 11% in 4Q2018 and FY2018 mainly due to higher working capital facilities, and higher blended interest rate in line with the interest rate hikes by the US Fed and the Bank of Indonesia.

Income Tax Expense: The Group recognised lower income tax expenses in FY2018 in line with lower operating profit. However, the effective tax rates remained high mainly due to non-deductible expenses, write-off of expired tax losses and allowance of tax losses carried forward of Rp276 billion in FY2018.

Net (Loss)/ Profit After Tax: The Group reported net losses after tax of Rp362 billion in 4Q2018 and Rp427 billion in FY2018 compared to profits in the comparative period in last year. This was mainly due to lower results from operations and higher financial expenses.

Core loss (excluding forex, biological assets and plasma receivables impacts) was Rp186 billion in FY2018 versus a core profit of Rp657 billion in last year.

Review of Financial Position

The Group reported total non-current assets of Rp30.4 trillion as of December 2018, compared to Rp30.0 trillion in the previous year. The slight increase was mainly due to (i) investment in a joint venture, Canapolis Holding S.A.(Canapolis) of approximately US\$7.3 million. This was partly offset by a dilution impact of Rp87 billion arising from business combination under common control using book value instead of fair value for the acquisition of UVP; (ii) investment in an associate, Daitocacao of Rp105 billion; (iii) higher advances for plasma plantation project; and (iv) higher claims for tax refund. This was partly offset by lower deferred tax assets.

As of December 2018, total current assets of Rp7.1 trillion came in slight lower compared to Rp7.4 trillion in FY2017. The was mainly attributable to lower cash levels used for operations and working capital purposes, but partly offset by (i) higher inventories due to higher CPO and palm kernel oil and partly offset by lower sugar stocks; (ii) higher prepaid vat taxes; and (iii) higher trade and other receivables in line with higher edible oils & fats sales.

Total current liabilities increased to Rp9.0 trillion in December 2018 compared to Rp6.4 trillion in last year end. This was mainly attributable to (i) a net drawdown of Rp0.5 trillion of short-term facilities for working capital; (ii) higher portion long-term facilities falling due within the next 12 months of Rp1.7 trillion; and (iii) higher accrual of expenses and payables to third parties of Rp0.2 trillion.

The Group reported net current liabilities of Rp1.9 trillion in December 2018 as certain long-term facilities falling due within the next 12 months. These facilities are expected to be rollover and/or refinanced when they fall due.

Total non-current liabilities were at Rp7.6 trillion as of December 2018, declining 21% from Rp9.6 trillion in December 2017. This was mainly due to lower long-term loan facilities arising from payment of loan installments and maturities of certain long-term facilities.

Review of Cash Flows

The Group generated lower net cash flows from operations in FY2018 of Rp1,148 billion mainly due to soft operating results.

Net cash flows used in investing activities in FY2018 was Rp2,217 billion compared to Rp1,708 billion in FY2017. The increase was mainly due to higher additions to property, plant and equipment of Rp322 billion and higher plasma projects of Rp134 billion. This was partly offset by lower investment in a joint venture and an associate company of Rp140 billion.

Net cash flow generated from financing activities was Rp338 billion. These were mainly related to proceeds from interest-bearing loans and borrowings to fund the operations.

The Group's cash levels decreased from Rp2,930 billion at end December 2017 to Rp2,229 billion at December 2018. The cash decline was mainly due to the usage of fund for capital expenditures and investments in a joint venture and an associate company during the year. The Group will continue to review financing options to lower its interest costs, as well as manage its cash flow through the tightening of collections and by minimising inventories.

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 ongoing economic uncertainties arising from US-China trade tensions is putting a lot of price pressure on agricultural commodities. CPO prices will remain volatile with demand projected from key import markets like China and India, together with the relative price of crude oil which affects biodiesel demand. Our operations continue to be supported by the large domestic consumption and economic conditions in Indonesia.

The domestic palm demand is expected to be further supported by the roll-out of B20 (20%) biodiesel blending in September 2018 to both Public Service Obligation (PSO) and non-PSO sector and the Indonesian government's intention to accelerate the implementation of B30 biodiesel program in 2019.

We are progressively developing the immature estates and replanting older oil palm trees in Riau and North Sumatra. As a price taker, our plantations must always be a low-cost producer, and so we will continue to optimise the value chain, increase agricultural outputs, improve cost control and raise plantation productivity.

11. If a decision regarding dividend has been made.

(a) Current Financial Period Reported On

Any dividend recommended for the current financial year reported on? Yes.

The Directors have recommended to the Company to pay a first and final dividend in respect of the financial year ended 31 December 2018. The details of the dividend will be announced before the end of March 2019.

The payment of the dividend will be subject to the approval by shareholders at the forthcoming AGM to be convened in end April 2019.

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

Type of dividend: First and final dividend

Dividend type: Cash

Dividend per share: S\$0.0070

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

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

The Group has the following the interest person transactions ("IPT") for the full year of 2018:

Name of Interested Person	Aggregate value of all IPT during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)
	USD 'million	Rp 'billion
PT ISM Group		
<ul style="list-style-type: none"> Sales of cooking oil, margarine and others 	-	3,437
<ul style="list-style-type: none"> Purchase of goods, services and assets 	-	157
Salim Group		
<ul style="list-style-type: none"> Sales of cooking oil, seeds and material 	-	1,752
<ul style="list-style-type: none"> Purchases of goods and services 	-	878
<ul style="list-style-type: none"> Shareholder loans 	-	836
<ul style="list-style-type: none"> Corporate guarantees 	-	3,033
<ul style="list-style-type: none"> Investment in assets (50% of UVP) 	10	-

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

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations**	Total
Full Year 2018				
Revenue				
External sales	3,462,558	10,596,892	-	14,059,450
Inter-segments sales	5,121,957	12,018	(5,133,975)	-
Total Revenue	8,584,515	10,608,910	(5,133,975)	14,059,450
Results				
Segment profit	197,052	407,479	169,900	774,431
Segment profit %	2.3	3.8	(3.3)	5.5
Foreign exchange loss				(118,034)
Impact arising from business combination under common control using book value instead of fair value				(87,049)
Net financial costs				(615,761)
Loss before tax				(46,413)
Income tax expense				(380,102)
Net loss for the year				(426,515)

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations**	Total
Full Year 2017				
Revenue				
External sales	5,440,797	10,284,507	-	15,725,304
Inter-segments sales	4,696,763	28,842	(4,725,605)	-
Total Revenue	10,137,560	10,313,349	(4,725,605)	15,725,304
Results				
Segment profit	1,588,471	116,651	(12,981)	1,692,141
Segment profit %	15.7	1.1	0.3	10.8
Foreign exchange loss				(14,450)
Net financial costs				(539,538)
Profit before tax				1,138,153
Income tax expense				(485,268)
Net profit for the year				652,885

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

Revenue by Geographical Market

	Group – Full Year				
	31/12/2018		31/12/2017		Change
	Rp' million	%	Rp' million	%	
Indonesia	12,311,531	88%	14,361,702	91%	(14.3)
Asia	1,497,292	11%	1,118,932	7%	33.8
Europe	42,700	0%	67,726	0%	(37.0)
Africa, Middle East & Oceania	174,890	1%	148,843	1%	17.5
America	33,037	0%	28,101	0%	17.6
Total revenue	14,059,450	100%	15,725,304	100%	(10.6)

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

Please refer to Para 8 and 10 above.

16. ***A breakdown of sales***

	Group- Full Year		
	2018 Rp' million	2017 Rp' million	% Increase/ Restated * (Decrease)
(a) Sales reported on the first half year	6,555,879	8,475,659	(22.7)
(b) (Loss)/ Profit after tax before deducting non-controlling interests for first half year	(46,381)	408,230	(111.4)
(c) Sales reported for second half year	7,503,571	7,249,645	3.5
(d) (Loss)/ Profit after tax before deducting non- controlling intersets reported for second half year	(380,134)	244,655	(255.4)

17. ***Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).***

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

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

Please refer to Para 11 above

19. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)

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

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
Chief Executive Officer and Executive Director

28 February 2019