

KENCANA AGRI LIMITED

(Registration Number: 200717793E)



UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD 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.

Income Statement

	3rd Quarter			Jan - Sep		
	2019	2018	Change	2019	2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
		(Restated)			(Restated)	
Revenue	24,976	33,894	-26.3%	70,652	91,225	-22.6%
Cost of sales	(18,328)	(23,135)	-20.8%	(59,410)	(73,281)	-18.9%
Gross profit	6,648	10,759	-38.2%	11,242	17,944	-37.3%
Fair value changes of biological assets and other receivables, net	(605)	(4,141)	-85.4%	4,121	(2,015)	n/m
Distribution costs	(601)	(669)	-10.1%	(1,824)	(1,492)	22.3%
Administrative expenses	(1,702)	(2,002)	-15.0%	(6,758)	(7,688)	-12.1%
Other (losses)/gains, net	(87)	150	n/m	656	(127)	n/m
Operating profit	3,653	4,097	-10.8%	7,437	6,622	12.3%
(Loss)/gain on foreign exchange	(327)	(7,449)	-95.6%	4,246	(20,554)	n/m
Fair value changes of derivative financial	-	137	n/m	-	191	n/m
Interest income	943	1,050	-10.2%	2,607	2,808	-7.2%
Interest expense	(4,899)	(4,591)	6.7%	(15,034)	(14,739)	2.0%
Share of results from equity-accounted joint	(601)	(637)	-5.7%	(1,879)	(2,479)	-24.2%
Loss before income tax	(1,231)	(7,393)	-83.3%	(2,623)	(28,151)	-90.7%
Income tax benefit/(expense)	3	1,055	-99.7%	(362)	4,364	n/m
Net loss for the period	(1,228)	(6,338)	-80.6%	(2,985)	(23,787)	-87.5%

n/m : not meaningful

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1 (a) (ii) Net profit/(loss) is arrived at after charging/(crediting) the following significant items:

	3rd Quarter			Jan - Sep		
	2019 US\$'000	2018 US\$'000	Change %	2019 US\$'000	2018 US\$'000	Change %
Depreciation and amortisation expenses	4,646	3,852	21%	12,610	12,635	0%
Loss/(Gain) on foreign exchange	327	7,449	-96%	(4,246)	20,554	n/m
Fair value changes of derivative financial instruments	-	(137)	n/m	-	(191)	n/m
Interest expense	4,899	4,591	7%	15,034	14,739	2%
Interest income	(943)	(1,050)	-10%	(2,607)	(2,808)	-7%
Fair value changes of biological assets	620	3,951	-84%	(3,830)	2,139	n/m
Fair value changes of other receivables	(15)	190	n/m	(291)	(124)	135%
Loss on disposal of property, plant and equipment	20	(14)	n/m	42	497	-92%
Loss on disposal of assets held for sale	-	-	n/m	-	192	n/m
Plasma management fee	(161)	-	n/m	(619)	-	n/m
Sale of waste	(41)	-	n/m	(589)	-	n/m
Tax assessment results	313	-	n/m	676	19	n/m

Additional information :

EBITDA (excluding fair value changes of biological assets)	7,991	3,951	102%	18,584	(1,446)	n/m
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n/m : not meaningful

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1 (a) (iii) Statement of comprehensive income (for the Group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

Statement of Comprehensive Income

	3rd Quarter			Jan - Sep		
	2019	2018	Change	2019	2018	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Net loss for the period	(1,228)	(6,338)	-81%	(2,985)	(23,787)	-87%
Other comprehensive income/(loss)						
Items that may be reclassified subsequently to profit or loss:						
Exchange differences on translating IDR functional currency to US\$ presentation currency, net of tax	71	(1,312)	n/m	289	(2,459)	n/m
Total comprehensive loss for the period	<u>(1,157)</u>	<u>(7,650)</u>	-85%	<u>(2,696)</u>	<u>(26,246)</u>	-90%
Loss attributable to owners of the parent, net of tax	(1,228)	(6,338)	-81%	(2,985)	(23,787)	-87%
Loss attributable to non-controlling interests, net of tax	-	-	n/m	-	-	n/m
Loss for the period, net of tax	<u>(1,228)</u>	<u>(6,338)</u>	-81%	<u>(2,985)</u>	<u>(23,787)</u>	-87%
Total comprehensive loss attributable to owners of the parent	(1,157)	(7,650)	-85%	(2,696)	(26,246)	-90%
Total comprehensive loss attributable to non-controlling interests	-	-	n/m	-	-	n/m
Total comprehensive loss for the period	<u>(1,157)</u>	<u>(7,650)</u>	-85%	<u>(2,696)</u>	<u>(26,246)</u>	-90%

n/m : not meaningful

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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	
	As at 30/09/19 US\$'000	As at 31/12/18 US\$'000	As at 30/09/19 US\$'000	As at 31/12/18 US\$'000
ASSETS				
Current assets:				
Cash and cash equivalents	14,501	17,351	59	20
Trade and other receivables	28,471	31,047	33,318	32,934
Inventories	12,844	12,976	-	-
Biological assets	9,624	5,681	-	-
Other assets	1,081	2,160	1	1
Total current assets	66,521	69,215	33,378	32,955
Non-current assets:				
Investments in subsidiaries	-	-	37,139	36,351
Investments in joint ventures	-	-	-	-
Other receivables	12,478	13,199	-	-
Property, plant and equipment	80,550	82,832	-	-
Investment property	2,329	2,350	-	-
Bearer plants	140,524	142,685	-	-
Land use rights	34,638	34,749	-	-
Deferred tax assets	14,788	11,657	-	-
Other assets	656	642	-	-
Total non-current assets	285,963	288,114	37,139	36,351
TOTAL ASSETS	352,484	357,329	70,517	69,306
LIABILITIES AND EQUITY				
Current liabilities:				
Tax payables	4,134	659	-	-
Trade and other payables	58,184	58,131	1,782	1,769
Finance leases	321	216	-	-
Other financial liabilities	66,474	73,331	-	-
Total current liabilities	129,113	132,337	1,782	1,769
Non-current liabilities:				
Deferred tax liabilities	769	383	-	-
Finance leases	254	127	-	-
Other financial liabilities	197,909	197,890	-	-
Other liabilities	4,991	4,448	-	-
Total non-current liabilities	203,923	202,848	-	-
Capital and reserves:				
Share capital	93,860	93,860	93,860	93,860
Other reserve	2,485	2,485	-	-
(Accumulated losses)/retained earnings	(35,027)	(32,042)	1,853	2,116
Translation reserve	(41,870)	(42,159)	(26,978)	(28,439)
Equity attributable to the owners of the parent	19,448	22,144	68,735	67,537
Non-controlling interests	-	-	-	-
Total equity	19,448	22,144	68,735	67,537
TOTAL LIABILITIES AND EQUITY	352,484	357,329	70,517	69,306

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1 (c) Aggregate amount of group's borrowings and debt securities.

	As at 30/09/2019 US\$'000	As at 31/12/2018 US\$'000
Amount due within one year		
Secured	<u>66,795</u>	<u>73,547</u>
Amount due more than one year		
Secured	<u>198,163</u>	<u>198,017</u>

The secured borrowings are secured by way of negative pledges on certain deposits, inventories, trade receivables, land use rights, investment property, bearer plants, property, plant and equipment and biological assets of the Group.

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1 (d) Statement of cash flows (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Jan - Sep	
	2019 US\$'000	2018 US\$'000 Restated
Cash flows from operating activities		
Loss before tax	(2,623)	(28,151)
Adjustments for:		
Interest income	(2,607)	(2,808)
Interest expense	15,034	14,739
Amortisation of land use rights	917	962
Depreciation expense	11,693	11,673
Fair value changes in biological assets	(3,830)	2,139
Fair value changes in other receivables	(291)	(124)
Gain on disposal of bearer plants	-	(18)
Increase in provision for employment pension benefits	447	(68)
Loss on disposal of property, plant and equipment	42	497
Loss on disposal of assets held for sale	-	192
Gain on disposal of subsidiary	-	(93)
Share of results from equity-accounted joint ventures	1,879	2,479
Net effect of exchange rate changes in consolidating entities	(4,063)	17,654
Operating cash flows before changes in working capital	16,598	19,073
Inventories	413	(11,677)
Trade and other receivables	7,737	(4,936)
Other assets	1,126	2,716
Trade and other payables	(1,206)	16,841
Other financial liabilities	-	(191)
Net cash flows from operations before tax	24,668	21,826
Income taxes paid	(138)	(1,141)
Net cash flows from operating activities	24,530	20,685
Cash flows from investing activities		
Purchase of property, plant and equipment	(3,089)	(6,948)
Disposal of property, plant and equipment	67	38
Disposal of assets held for sale	-	1,093
Additions to bearer plants	(1,245)	(1,659)
Disposal of bearer plants	199	850
Purchase of land use rights	(53)	(398)
Disposal of subsidiary	-	95
Interest received	625	425
Net cash flows used in investing activities	(3,496)	(6,504)
Cash flows from financing activities		
Proceeds from borrowings	204,127	184,064
Repayment of borrowings	(212,746)	(180,967)
Finance lease repayments	(46)	(184)
Interest paid	(16,107)	(15,986)
Net cash flows used in financing activities	(24,772)	(13,073)
Net (decrease)/increase in cash and cash equivalents	(3,738)	1,108
Net effect of exchange rate changes on cash and cash equivalents	376	(1,609)
Cash and cash equivalents, consolidated statement of cash flows, beginning balance	16,789	16,692
Cash and cash equivalents, consolidated statement of cash flows, ending balance	13,427	16,191
Cash and cash equivalents included in consolidated statement of cash flows consist of the following:		
Balance as in statement of financial position (including cash restricted in use)	14,501	16,830
Less : Bank overdraft	(1,074)	(639)
Cash and cash equivalents for consolidated statement of cash flows purposes	13,427	16,191

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1 (e) 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	Share Capital US\$'000	Accumulated Losses US\$'000	Translation Reserve US\$'000	Other Reserve US\$'000	Reserve on Post- Employment Benefit US\$'000	Total US\$'000	Non-Controlling Interests US\$'000	Total Equity US\$'000
Balance as at 1/1/2019	93,860	(32,042)	(42,159)	2,485	-	22,144	-	22,144
Total comprehensive (loss)/income	-	(2,985)	289	-	-	(2,696)	-	(2,696)
Balance as at 30/09/2019	93,860	(35,027)	(41,870)	2,485	-	19,448	-	19,448
Balance as at 1/1/2018	93,860	(8,110)	(39,665)	2,485	-	48,570	-	48,570
Total comprehensive loss	-	(23,787)	(2,459)	-	-	(26,246)	-	(26,246)
Balance as at 30/09/2018	93,860	(31,897)	(42,124)	2,485	-	22,324	-	22,324

COMPANY	Share Capital US\$'000	Retained Earnings US\$'000	Translation Reserve US\$'000	Total Equity US\$'000
Balance as at 1/1/2019	93,860	2,116	(28,439)	67,537
Total comprehensive (loss)/income	-	(263)	1,461	1,198
Balance as at 30/09/2019	93,860	1,853	(26,978)	68,735
Balance as at 1/1/2018	93,860	5,652	(23,550)	75,962
Total comprehensive loss	-	(972)	(6,970)	(7,942)
Balance as at 30/09/2018	93,860	4,680	(30,520)	68,020

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1 (f) 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 have been no changes in the Company's issued share capital since 31 December 2018. The Company has no outstanding share options, outstanding convertibles, treasury shares and subsidiary holdings as at 30 September 2019 and 30 September 2018.

The Company has not granted options or shares under during the financial period ended 30 September 2019.

1 (g) 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 (the Company has not held any treasury shares):

As at 30 September 2019

287,011,177

As at 31 December 2018

287,011,177

1 (h) (i) 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.

Not applicable.

1 (h) (ii) 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 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 same accounting policies and methods of computation have been applied in these unaudited financial statements as those applied in the most recently audited financial statements as at 31 December 2018, except for the adoption of the new or revised Singapore Financial Reporting Standards (International) ("SFRS(I)") which became effective for the financial year beginning on or after 1 January 2019. Further details are provided in note 5 below.

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.

SFRS(I) 16 Leases

SFRS(I) 16 requires lessees to recognise most leases on the Statement of Financial Position. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. SFRS(I) 16 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 ("ROU") asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the ROU asset.

The Group has assessed that there is no material impact upon the application of SFRS(I) 16 on the financial position and financial performance of the Group.

Comparatives

As highlighted in FY2018 full year announcement, the Group has changed its accounting policy upon adoption of SFRS(I) 15 Revenue from Contracts with customers with respect to variable considerations in relation to quality claims by customers. These claims are offset against revenue. The comparatives have been restated with the following impact as a result of the change:

	As restated Jan - Sep 2018 US\$'000	As previously reported Jan - Sep 2018 US\$'000	Change US\$'000
Revenue	91,225	91,761	(536)
Distribution cost	(1,492)	(2,028)	536

	As restated 3Q2018 US\$'000	As previously reported 3Q2018 US\$'000	Change US\$'000
Revenue	33,894	34,430	(536)
Distribution cost	(669)	(1,205)	536

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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.

	3rd Quarter		Jan - Sep	
	2019	2018	2019	2018
	US Cents	US Cents	US Cents	US Cents
Loss per share for the period				
(a) based on weighted average number of shares	(0.43)	(2.21)	(1.04)	(8.29)
(b) based on a fully diluted basis	(0.43)	(2.21)	(1.04)	(8.29)
Weighted number of shares	287,011,177	287,011,177	287,011,177	287,011,177

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 30/09/2019	As at 31/12/2018	As at 30/09/2019	As at 31/12/2018
	US Cents	US Cents	US Cents	US Cents
Net asset value per ordinary share	6.78	7.72	23.95	23.53
Number of shares outstanding	287,011,177	287,011,177	287,011,177	287,011,177

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 financial performance

3Q2019 vs 3Q2018

Revenue and profit

The Group's revenue decreased by 26% from US\$33.9 million in 3Q2018 to US\$25.0 million in 3Q2019. The decrease was mainly due to lower Average Selling Price ("ASP") of Crude Palm Oil ("CPO") and lower sales volume. ASP of CPO decreased 14% from US\$499 in 3Q2018 to US\$432 in 3Q2019 and sales volume of CPO decreased by approximately 11% from 57,423 MT in 3Q2018 to 51,283 MT in 3Q2019. The Group recorded an Operating Profit ("OP") of US\$3.7 million and a Net Loss After Tax ("NLAT") of US\$1.2 million in 3Q2019. The NLAT in 3Q2019 was mainly due to lower ASP, share of loss from equity accounted joint venture, interest cost and fair value loss in biological assets.

Cost of operation

Cost of sales decreased by 21% from US\$23.1 million in 3Q2018 to US\$18.3 million in 3Q2019. The decrease was in line with the decrease in revenue. Gross profit margin decreased due to a decrease in CPO production from 62,926 MT in 3Q2018 to 52,168 MT in 3Q2019 resulting in a higher cost per unit.

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Sales and distribution costs remained fairly stable in 3Q2019 as compared to 3Q2018.

The Group recorded a decrease in administrative expenses from US\$2.0 million in 3Q2018 to US\$1.7 million in 3Q2019 mainly due to decrease in staff cost.

Other losses comprise mainly of expenses from tax assessment results offset by plasma management fee income.

Interest income decreased by 10% from US\$1.1 million in 3Q2018 to US\$0.9 million in 3Q2019 mainly due to repayment of loans from equity accounted joint venture.

Increase in interest expenses mainly due to an increase in short-term borrowings.

9M2019 vs 9M2018

Revenue and profit

The Group's revenue decreased by 23% from US\$91.2 million in 9M2018 to US\$70.7 million in 9M2019. The decrease was mainly due to lower Average Selling Price ("ASP") of Crude Palm Oil ("CPO"). ASP of CPO decreased 20% from US\$544 in 9M2018 to US\$435 in 9M2019. The Group recorded an Operating Profit ("OP") of US\$7.4 million in 9M2019 and a Net Loss After Tax ("NLAT") of US\$3.0 million in 9M2019. The NLAT in 9M2019 was mainly due to lower ASP and share of loss from equity accounted joint venture offset by fair value gain in biological assets and foreign exchange gain as a result of the IDR strengthening against the USD.

Cost of operation

Cost of sales decreased by 19% from US\$73.3 million in 9M2018 to US\$59.4 million in 9M2019 mainly due to a lower mix of CPO purchased. Gross margin was lower mainly due to lower ASP. CPO production decreased from 142,995 MT in 9M2018 to 133,851 MT in 9M2019.

Sales and distribution costs increased by 22% from US\$1.5 million in 9M2018 to US\$1.8 million in 9M2019 mainly due to an increase in freight costs.

The Group recorded a decrease in administrative expenses from US\$7.7 million in 9M2018 to US\$6.8 million in 9M2019 mainly due to decrease in staff cost.

Other gains comprise mainly of sale of waste and plasma management fee income offset by expense from tax assessment results.

Interest income decrease by 7% from US\$2.8 million in 9M2018 to US\$2.6 million in 9M2019 mainly due to repayment of loans from equity accounted joint venture.

Review of financial position

Shareholders' equity decreased from US\$22.1 million as at 31 December 2018 to US\$19.4 million as at 30 September 2019 mainly due to the loss for the period of US\$3.0 million offset by a translation gain of US\$0.3 million.

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The Group's total current assets decreased by US\$2.7 million from US\$69.2 million as at 31 December 2018 to US\$66.5 million as at 30 September 2019. Save for the movement in cash and cash equivalents as explained in the cash flow section below, the remaining movement in current assets arose mainly from:

- a) decrease in trade and other receivables amounting to US\$2.6 million due to collection of VAT receivables;
- b) decrease in other assets amounting to US\$1.1 million due lesser prepaid expenses incurred; and
- c) increase in biological assets amounting to US\$3.9 million due to higher forecasted FFB production.

Total non-current assets decreased by US\$2.2 million from US\$288.1 million as at 31 December 2018 to US\$286.0 million as at 30 September 2019. This was mainly due to the following:

- a) decrease in bearer plants of US\$2.2 million mainly due to depreciation and transfer of bearer plants to plasma;
- b) decrease in property plant and equipment of US\$ 2.3 million mainly due to depreciation; and
- c) increase in deferred tax assets of US\$3.1 million mainly due to additional deferred tax assets recognised in relation to certain subsidiaries which are making losses for the period.

The Group's total current liabilities decreased by US\$3.2 million from US\$132.3 million as at 31 December 2018 to US\$129.1 million as at 30 September 2019. This was mainly due to the following:

- a) decrease in other financial liabilities of US\$6.9 million due to decrease in current portion of long - term borrowings as a result of refinancing activities; and
- b) increase in tax payables of US\$3.5 million due to additional provision for income tax recognised in relation to subsidiaries making profit for the period.

Total non-current liabilities remained fairly stable between 30 September 2019 and 31 December 2019.

The Group reported negative working capital of US\$62.6 million as at 30 September 2019. This was mainly due to a portion of borrowings used to invest in plantation assets.

Review of group cash flows

The closing cash and cash equivalents (net of bank overdrafts) of the Group decreased by US\$2.7 million from US\$16.8 million as at 31 December 2018 to US\$14.1 million as at 30 September 2019. The decrease was due to net cash outflow from investing and financing activities offset by net cash inflow from operating activities.

The Group's operating cash flows was higher by US\$4.2 million in 9M2019 as compared to 9M2018 mainly due to lower losses incurred for the period.

The Group reported a net cash outflow used in investing activities of US\$3.4 million in 9M2019 mainly due to purchase of property, plant and equipment. Net cash flows used in financing activities was US\$24.5 million mainly due to repayments of borrowings and interest offset by proceeds from new borrowings.

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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.

Production picked up in 3Q2019 but palm oil prices remained weak for the quarter. However, we have seen a small rally in CPO prices in recent weeks due to diminished supply caused by dry weather and an increase in demand from China. We are optimistic that the coming B30 mandate in Indonesia will provide further support to CPO prices in the last quarter of 2019 and into 2020.

11. Dividend

(a) *Current Financial Period Reported On*
Nil

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

(c) *Date payable*
Not applicable.

(d) *Books closure date*
Not applicable.

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

In view of the current market condition and the capital expenditure for 2019, no dividend has been declared or recommended for the financial period ended 30 September 2019.

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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)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
	2019	2019
	<u>US\$'000</u>	<u>US\$'000</u>
Wilmar Group (Sales)	-	7,799
Wilmar Group (Purchases)	-	463
Wilmar Group (Interest)	141	-
PT Berkah Wahana Sukses (Services Received)	222	-
PT Berkah Wahana Sukses (Services Received, shareholders' mandate obtained at EGM held on 29 April 2019)	694	-
PT Kencana Energi Lestari, TBK (Interest)	92	-

14. Negative confirmation by the Board pursuant to Rule 705(5).

The Directors 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 period ended 30 September 2019 to be false or misleading in any material aspect.

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

BY ORDER OF THE BOARD

Henry Maknawi

Executive Chairman

14 November 2019