

SECOND QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT
**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**
**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD
FROM 1 JANUARY 2018 TO 30 JUNE 2018**

1(a)(i) Consolidated Statements of Profit or Loss and Other Comprehensive Income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Qtr 2018	2nd Qtr 2017	Change	YTD June 2018	YTD June 2017	Change
		(Restated)			(Restated)	
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Revenue	81,772,583	100,407,407	(19)	180,547,595	248,875,983	(27)
Cost of sales	(71,497,845)	(84,129,075)	(15)	(151,790,508)	(187,549,776)	(19)
Gross profit	10,274,738	16,278,332	(37)	28,757,087	61,326,207	(53)
Operating expenses						
Distribution expenses	(151,623)	(403,041)	(62)	(344,454)	(546,568)	(37)
Administrative expenses	(10,353,891)	(9,209,433)	12	(23,482,613)	(20,197,673)	16
Finance costs	(1,695)	(6,993)	(76)	(4,886)	(10,597)	(54)
	(10,507,209)	(9,619,467)	9	(23,831,953)	(20,754,838)	15
Other items of income/(expenses)						
Interest income	2,760,869	3,387,279	(18)	5,730,116	7,309,623	(22)
Other income	(59,276)	2,474,989	n.m	901,875	11,153,620	(92)
Other expenses	(1,402,141)	(154,296)	809	(2,893,920)	(1,073,200)	170
Foreign exchange gain/(loss), net	2,406,739	(905,454)	n.m	(2,627,186)	(6,468,188)	(59)
	3,706,191	4,802,518	(23)	1,110,885	10,921,855	(90)
Profit before income tax	3,473,720	11,461,383	(70)	6,036,019	51,493,224	(88)
Tax	(886,573)	(3,422,152)	(74)	(2,448,584)	(13,553,956)	(82)
Profit for the financial period	2,587,147	8,039,231	(68)	3,587,435	37,939,268	(91)
n.m.: Not meaningful						

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

	2nd Qtr 2018	2nd Qtr 2017	Change	YTD June 2018	YTD June 2017	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Interest income	(2,760,869)	(3,387,279)	-18	(5,730,116)	(7,309,623)	-22
Finance costs	1,695	6,993	-76	4,866	10,597	-54
Depreciation of property, plant and equipment	2,999,198	2,921,367	3	6,023,607	5,779,942	4
Amortisation of operating use rights	10,828	10,827	n.m.	21,656	17,407	24
Depreciation of bearer plants	2,293,705	3,476,134	-34	4,587,410	5,026,507	-9
Foreign exchange (gain)/loss, net	(2,406,740)	905,454	n.m.	2,627,185	6,468,188	-59
Loss/(gain) on disposal of plant and equipment, net	15,384	(4,585)	n.m.	15,384	(4,585)	n.m.
Gain on disposal of bearer plants	-	-	n.m.	-	(286,567)	-100
Provision for plasma loan impairment	1,132,813	-	100	1,132,813	-	100
Operating use rights written off	-	-	n.m.	-	15,546	-100
Bearer plants written off	-	-	n.m.	-	248,448	-100
Fair value gain on derivative financial instruments, net	-	(118,773)	-100	-	(8,164,927)	-100
Fair value loss from financial assets at fair value through profit of loss	298,383	54,180	451	281,006	(45,360)	n.m.
Employment benefits expenses						
- salaries, wages and bonuses	7,474,295	6,389,037	17	17,024,145	13,931,330	22
Operating lease expenses						
- rental of premises	278,239	274,904	1	552,413	546,691	1
Representation and entertainment	144,024	76,992	87	413,918	275,317	50
Transportation, travelling and accommodation	175,244	254,311	-31	434,581	468,937	-7
Additional information:						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	6,018,277	14,489,425	-58	10,943,462	55,018,054	-80

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

	Group		
	As at		
	30/6/2018	31/12/2017	31/12/2016
		(Restated)	(Restated)
	Rp '000	Rp '000	Rp '000
Non-current assets			
Bearer plants	112,483,204	110,076,428	109,105,613
Property, plant and equipment	134,446,622	133,449,817	129,735,933
Investments in subsidiaries	-	-	-
Plasma plantation receivables	55,466,751	52,839,932	52,456,380
Operating use rights	525,568	547,223	606,080
Club memberships	684,427	658,679	604,430
Deferred charges	6,194,318	6,194,318	5,882,978
	309,800,890	303,766,397	298,391,414
Current assets			
Biological assets	1,689,697	1,689,697	2,373,420
Inventories	58,493,516	40,215,065	48,808,518
Trade and other receivables	18,408,683	23,690,286	26,647,493
Current income tax recoverable	7,953,932	1,965,452	14,387,248
Dividend receivable	-	-	-
Prepayments	950,890	630,916	459,954
Financial assets at fair value through profit or loss	1,448,284	1,729,290	189,000
Cash and cash equivalents	330,387,405	382,844,694	372,943,082
	419,332,407	452,765,400	465,808,715
Less:			
Current liabilities			
Trade and other payables	30,514,755	38,550,237	58,325,862
Dividend payable to non-controlling interest	3,367,500	4,377,500	2,847,500
Finance lease payables	36,218	169,154	64,544
Current income tax payable	1,627,776	8,013,464	3,753,622
	35,546,249	51,110,355	64,991,528
Net current asset	383,786,158	401,655,045	400,817,187
Less:			
Non-current liabilities			
Finance lease payables	25,093	25,093	95,891
Provision for post-employment benefits	31,444,188	42,067,917	39,669,527
Deferred tax liabilities	7,590,882	5,386,206	3,448,279
	39,060,163	47,479,216	43,213,697
Net assets	654,526,885	657,942,226	655,994,904
Capital and reserves			
Share capital	647,889,213	648,501,310	660,381,631
Foreign currency translation reserve	126,597,359	112,472,113	81,469,615
Accumulated losses	(135,093,838)	(117,797,045)	(99,688,198)
Equity attributable to owners of the parent	639,392,734	643,176,378	642,163,048
Non-controlling interests	15,134,151	14,765,848	13,831,856
Total equity	654,526,885	657,942,226	655,994,904

	Company		
	As at		
	30/6/2018	31/12/2017	31/12/2016
		(Restated)	(Restated)
	Rp '000	Rp '000	Rp '000
Non-current assets			
Property, plant and equipment	105,300	85,373	37,688
Investments in subsidiaries	715,442,984	688,529,042	631,820,942
Club memberships	684,426	658,679	604,430
	716,232,710	689,273,094	632,463,060
Current assets			
Trade and other receivables	162,528,386	153,384,014	164,345,834
Dividend receivable	36,533,776	36,679,457	57,833,614
Prepayments	446,460	210,874	211,529
Cash and cash equivalents	157,358,430	177,467,335	158,744,236
	356,867,052	367,741,680	381,135,213
Less:			
Current liabilities			
Trade and other payables	990,493	1,201,791	1,217,056
Current income tax payable	373,015	1,266,691	520,173
	1,363,508	2,468,482	1,737,229
Net current asset	355,503,544	365,273,198	379,397,984
Less:			
Non-current liabilities			
Deferred tax liabilities	225,018	216,554	195,277
	225,018	216,554	195,277
Net assets	1,071,511,236	1,054,329,738	1,011,665,767
Capital and reserves			
Share capital	647,889,213	648,501,310	660,381,631
Foreign currency translation reserve	404,123,007	363,083,818	275,373,221
Accumulated profits	19,499,016	42,744,610	75,910,915
Equity attributable to owners of the parent	1,071,511,236	1,054,329,738	1,011,665,767
Non-controlling interests	-	-	-
Total equity	1,071,511,236	1,054,329,738	1,011,665,767

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

	As at	
	30/6/2018	30/6/2017
	Rp '000	Rp '000
Amount repayable in one year or less, or on demand		
Secured	36,218	224,884
Unsecured	-	-
Total	36,218	224,884
Amount repayable after one year		
Secured	25,093	194,246
Unsecured	-	-
Total	25,093	194,246

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

	2nd Qtr 2018	2nd Qtr 2017	YTD	YTD
			June 2018	June 2017
	Rp '000	Rp '000	Rp '000	Rp '000
Cash flows from operating activities				
Profit before income tax	3,473,720	11,461,383	6,036,019	51,493,224
Adjustments for:				
Amortisation of operating use rights	10,828	10,827	21,656	17,407
Changes in fair value of financial assets at fair value through profit or loss	298,383	54,180	281,006	(45,360)
Fair value gain on derivative financial instruments	-	(118,773)	-	(8,164,927)
Depreciation of property, plant and equipment	2,999,198	2,921,367	6,023,607	5,779,942
Depreciation of bearer plants	2,293,705	3,476,134	4,587,410	5,026,507
Gain on disposal of bearer plants	-	-	-	(286,567)
Loss/(gain) on disposal of plant and equipment, net	15,384	(4,585)	15,384	(4,585)
Provision for Plasma loan impairment	1,132,813	-	1,132,813	-
Bearer plants written off	-	-	-	248,448
Operating use rights written off	-	-	-	15,546
Interest expense	1,695	6,993	4,886	10,597
Interest income	(2,760,869)	(3,387,279)	(5,730,116)	(7,309,623)
Unrealised currency translation loss	(1,895,438)	(309,746)	758,781	5,678,380
Operating cash flows before working capital changes	5,569,419	14,110,501	13,131,446	52,458,989
Working capital changes:				
Inventories	(11,364,379)	(1,646,966)	(18,278,451)	13,926,325
Trade and other receivables	2,444,447	23,770,832	4,244,998	5,998,482
Prepayments	91,091	(221,462)	(307,720)	(281,647)
Trade and other payables	(7,062,278)	(6,520,840)	(8,081,932)	(17,106,198)
Utilisation of post-employment benefits	(2,279,701)	(3,359,810)	(10,623,729)	(3,359,810)
Cash generated from operations	(12,601,401)	26,132,255	(19,915,388)	51,636,141
Interest received	1,411,923	1,837,356	2,985,393	4,116,559
Income tax (paid)/refunded	(9,688,671)	5,977,225	(12,247,646)	4,427,040
Net cash (used in)/from operating activities	(20,878,149)	33,946,836	(29,177,641)	60,179,740
Cash flows from investing activities				
Capital expenditure on bearer plants	(4,741,864)	(1,544,352)	(6,994,186)	(3,422,199)
Cash receipts from trading of derivative financial instruments	-	71,809,127	-	134,889,844
Cash payments for trading of derivative financial instruments	-	(70,287,513)	-	(127,262,695)
Purchases of property, plant and equipment	(3,340,656)	(2,464,022)	(7,079,520)	(4,147,222)
Proceeds from disposal of property, plant and equipment	47,350	17,750	47,350	17,750
Payments for deferred charges	-	(310,087)	-	(311,340)
Net cash used in investing activities	(8,035,170)	(2,779,097)	(14,026,356)	(235,862)
Cash flows from financing activities				
Dividends paid to owners of the parent	(20,515,925)	(56,804,376)	(20,515,925)	(56,804,376)
Dividends paid to non-controlling interest	(360,000)	-	(1,010,000)	-
Shares buy back held in treasury	(484,393)	(4,130,157)	(582,483)	(6,617,696)
Finance lease interest paid	(1,695)	(6,993)	(4,886)	(10,597)
Repayments of obligations under finance leases	(17,490)	(111,644)	(132,936)	(127,225)
Net cash used in financing activities	(21,379,503)	(61,053,170)	(22,246,230)	(63,559,894)
Net change in cash and cash equivalents	(50,292,822)	(29,885,431)	(65,450,227)	(3,616,016)
Cash and cash equivalents at beginning of financial period	377,482,554	402,924,377	382,844,694	372,943,082
Effects of currency translation on cash and cash equivalents	3,197,673	1,868,724	12,992,938	5,580,604
Cash and cash equivalents at end of financial period	330,387,405	374,907,670	330,387,405	374,907,670

Reconciliation of liabilities arising from financing activities

	1 January 2018 Rp '000	Cash flow Rp '000	Non-cash changes Rp '000		30 June 2018 Rp '000
			Acquisition	Accretion in interest	
Finance lease liabilities	194,247	(137,822)	-	4,886	61,311

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

Group	Attributable to owners of the parent				Non-controlling interests Rp '000	Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated (losses)/profits Rp '000	Equity attributable to owners of the parent Rp '000		
Balance as at 1 January 2018	648,501,310	112,481,865	(117,590,243)	643,392,932	14,765,848	658,158,780
Adoption of SFRS(I)	-	(9,752)	(206,802)	(216,554)	-	(216,554)
Balance as at 1 January 2018 (Restated)	648,501,310	112,472,113	(117,797,045)	643,176,378	14,765,848	657,942,226
Profit for the financial period	-	-	3,219,132	3,219,132	368,303	3,587,435
Other comprehensive income for the financial period:						
Currency translation differences	-	14,125,246	-	14,125,246	-	14,125,246
Total comprehensive income for the financial period	-	14,125,246	3,219,132	17,344,378	368,303	17,712,681
Contribution by and distribution to owners of the parent:						
Shares buy back held in treasury	(612,097)	-	-	(612,097)	-	(612,097)
Dividend to owners of the parent	-	-	(20,515,925)	(20,515,925)	-	(20,515,925)
Total transactions with owners of the parent, recognised directly in equity	(612,097)	-	(20,515,925)	(21,128,022)	-	(21,128,022)
Balance as at 30 June 2018	647,889,213	126,597,359	(135,093,838)	639,392,734	15,134,151	654,526,885

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

	Attributable to owners of the parent						Non-controlling interests Rp '000	Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated (losses)/profits Rp '000	Equity attributable to owners of the parent Rp '000				
Group								
Balance as at 1 January 2017	660,381,631	81,461,691	(99,484,996)	642,358,326	13,831,856	656,190,182		
Adoption of SFRS(I)	-	7,924	(203,202)	(195,278)	-	(195,278)		
Balance as at 1 January 2017 (Restated)	660,381,631	81,469,615	(99,688,198)	642,163,048	13,831,856	655,994,904		
Profit for the financial period	-	-	36,106,572	36,106,572	1,832,696	37,939,268		
Other comprehensive income for the financial period:								
Currency translation differences	-	11,497,820	-	11,497,820	-	11,497,820		
Total comprehensive income for the financial period	-	11,497,820	36,106,572	47,604,392	1,832,696	49,437,088		
Contribution by and distribution to owners of the parent:								
Shares buy back held in treasury	(6,617,696)	-	-	(6,617,696)	-	(6,617,696)		
Dividend to owners of the parent	-	-	(56,804,376)	(56,804,376)	-	(56,804,376)		
Total transactions with owners of the parent, recognised directly in equity	(6,617,696)	-	(56,804,376)	(63,422,072)	-	(63,422,072)		
Balance as at 30 June 2017 (Restated)	653,763,935	92,967,435	(120,386,002)	626,345,368	15,664,552	642,009,920		

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

	Share capital	translation reserve	Accumulated profits/(losses)	Total equity
Company	Rp '000	Rp '000	Rp '000	Rp '000
Balance as at 1 January 2018	648,501,310	363,093,570	42,951,412	1,054,546,292
Adoption of SFRS(I)	-	(9,752)	(206,802)	(216,554)
Balance as at 1 January 2018 (Restated)	648,501,310	363,083,818	42,744,610	1,054,329,738
Profit for the financial period	-	-	(2,729,669)	(2,729,669)
Other comprehensive income for the financial period:				
Currency translation differences	-	41,039,189	-	41,039,189
Total comprehensive income for the financial period	-	41,039,189	(2,729,669)	38,309,520
Contribution by and distribution to owners of the parent:				
Shares buy back held in treasury	(612,097)	-	-	(612,097)
Dividend to owners of the parent	-	-	(20,515,925)	(20,515,925)
Total transactions with owners of the parent, recognised directly in equity	(612,097)	-	(20,515,925)	(21,128,022)
Balance as at 30 June 2018	647,889,213	404,123,007	19,499,016	1,071,511,236
Balance as at 1 January 2017	660,381,631	275,365,297	76,114,116	1,011,861,044
Adoption of SFRS(I)	-	7,924	(203,201)	(195,277)
Balance as at 1 January 2017 (Restated)	660,381,631	275,373,221	75,910,915	1,011,665,767
Profit for the financial period	-	-	3,031,668	3,031,668
Other comprehensive income for the financial period:				
Currency translation differences	-	31,319,598	-	31,319,598
Total comprehensive income for the financial period	-	31,319,598	3,031,668	34,351,266
Contribution by and distribution to owners of the parent:				
Shares buy back held in treasury	(6,617,696)	-	-	(6,617,696)
Dividend to owners of the parent	-	-	(56,804,376)	(56,804,376)
Total transactions with owners of the parent, recognised directly in equity	(6,617,696)	-	(56,804,376)	(63,422,072)
Balance as at 30 June 2017 (Restated)	653,763,935	306,692,819	22,138,207	982,594,961

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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.

As at 30 June 2018, the number of ordinary shares in issue was 206,484,000 of which 10,202,000 were held by the Company as treasury shares (30 June 2017: 206,484,000 ordinary shares of which 9,188,800 were held as treasury shares).

During the period from April 2018 to June 2018, the Company purchased 142,300 shares from the open market (April 2017 to June 2017: 1,719,600 shares).

The total number of treasury shares held by the Company as at 30 June 2018 was 10,202,000 (30 June 2017: 9,188,800).

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

Group and Company	Number of treasury shares	Treasury shares Rp '000
Balance as at 1 April 2018	10,059,700	33,443,442
Purchase of treasury shares	142,300	484,392
Balance as at 30 June 2018	10,202,000	33,927,834

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

Number of shares	As at 30 June 2018	As at 30 June 2017
Treasury shares	10,202,000	9,188,800
Issued shares (excluding treasury shares)	196,282,000	197,295,200
Total shares in issue	206,484,000	206,484,000

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

Total number of issued shares (excluding treasury shares):

As at 30 June 2018	As at 31 December 2017
196,282,000	196,454,300

As at 30 June 2018, the number of ordinary shares in issue was 206,484,000 of which 10,202,000 were held by the Company as treasury shares (31 December 2017: 206,484,000 ordinary shares of which 10,029,700 were held as treasury shares).

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

During the period from April 2018 to June 2018, the Company purchased 142,300 shares from the open market (April 2017 to June 2017: 1,719,600 shares).

The total number of treasury shares held by the Company as at 30 June 2018 was 10,202,000 (30 June 2017: 9,188,800).

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

Group and Company	Number of shares	Treasury shares Rp '000
Balance as at 1 April 2018	10,059,700	33,443,442
Purchase of treasury shares	142,300	484,392
Balance as at 30 June 2018	10,202,000	33,927,834

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

These figures have not been audited, or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Accounting Standards Council announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange will apply a new financial reporting framework identical to the International Financial Reporting Standards. The Group and Company has adopted the new financial reporting framework on 1 January 2018 and adopted the Singapore Financial Reporting Standards (International) ("SFRS(I)") which are effective on 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 changed, as well as the reasons for, and the effect of, the change.

Other than the adoption of SFRS(I) which are effective for its financial year beginning 1 January 2018, the Group expects that the adoption of the new financial reporting framework will have no material impact to the Group's and the Company's financial statements in the year of initial application. The impact of adopting the following SFRS(I) which are effective for financial year beginning 1 January 2018, are detailed as follows:

SFRS(I) 1 – First-time adoption of Singapore Financial Reporting Standards (International)

On transition to SFRS(I), the Group restated comparative periods financial statements to retrospectively apply SFRS(I) where applicable, except where SFRS(I) 1 specifically prohibited such retrospective applications and where optional exemptions from retrospective applications were elected.

Summary of Impact

Consolidated income statement	2nd Qtr 2017	Effects	2nd Qtr 2017	YTD June 2017	Effects	YTD June 2017
	As previously reported		(Restated)	As previously reported		(Restated)
	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000
Tax	(3,592,886)	170,734	(3,422,152)	(13,909,040)	355,084	(13,553,956)
Profit for the financial period	7,868,497	170,734	8,039,231	37,584,184	355,084	37,939,268
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	1,960,658	1,780	1,962,438	11,504,176	(6,356)	11,497,820
Total comprehensive income for the financial period	9,829,155	172,514	10,001,669	49,088,360	348,728	49,437,088
Profit attributable to:						
Owners of the parent	7,445,094	170,734	7,615,828	35,751,488	355,084	36,106,572
Total comprehensive income attributable to:						
Owners of the parent	9,405,752	172,514	9,578,266	47,255,664	348,728	47,604,392

Balance sheet as at 1 January 2017 and 31 December 2017	Group			Group		
	As at			As at		
	1/1/2017		1/1/2017	31/12/2017		31/12/2017
	(As previously reported)	Effects	(Restated)	(As previously reported)	Effects	(Restated)
Rp '000	Rp '000	Rp '000	Rp '000	Rp '000	Rp '000	
Non-current liabilities						
Deferred tax liabilities	3,253,001	195,278	3,448,279	5,169,652	216,554	5,386,206
	43,018,419	195,278	43,213,697	47,262,662	216,554	47,479,216
Net assets	656,190,182	(195,278)	655,994,904	658,158,780	(216,554)	657,942,226
Capital and reserves						
Foreign currency translation reserve	81,461,691	7,924	81,469,615	112,481,865	(9,752)	112,472,113
Accumulated losses	(99,484,996)	(203,202)	(99,688,198)	(117,590,243)	(206,802)	(117,797,045)
Equity attributable to owners of the parent	642,358,326	(195,278)	642,163,048	643,392,932	(216,554)	643,176,378
Total equity	656,190,182	(195,278)	655,994,904	658,158,780	(216,554)	657,942,226

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

	2nd Qtr 2018	2nd Qtr 2017	YTD	YTD
		(Restated)	June 2018	June 2017
	Rp	Rp	Rp	Rp
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	13	38	16	182
(b) based on a fully diluted basis	13	38	16	182
Number of shares outstanding				
- Weighted average number of shares	198,498,674	198,194,758	196,378,993	198,748,487

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the; (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at		As at	
	30 June 2018	31 December 2017	30 June 2018	31 December 2017
Net asset value per ordinary share (Rp)	3,335	3,349	5,459	5,367
Number of issued shares excluding treasury shares	196,282,000	196,454,300	196,282,000	196,454,300

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following; (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group performance

2Q2018 versus 2Q2017

Revenue

Our revenue for 2Q2018 decreased Rp18.6 billion or 16%, from Rp100.4 billion in 2Q2017 to Rp81.8 billion in 2Q2018. This was mainly due to the decrease in crude palm oil ("CPO") sales revenue of Rp16.8 billion and decrease in palm kernel ("PK") sales revenue of Rp1.8 billion.

CPO sales revenue decreased by Rp16.8 billion or 19%, from Rp88.4 billion in 2Q2017 to Rp71.6 billion in 2Q2018. This was mainly due to the decrease in CPO sales volume and CPO average selling price. Sales volume of CPO decreased by 1,998 tons or 17% from 11,505 tons in 2Q2017 to 9,507 tons in 2Q2018. The decrease in CPO sales volume was influenced by unfavorable market and logistics conditions, coupled with lower productions that resulted from the Group's recent replanting programme. CPO average selling price decreased by Rp156 per kilogram or 2%, from Rp7,685 per kilogram in 2Q2017 to Rp7,529 per kilogram in 2Q2018.

PK sales revenue decreased by Rp1.8 billion or 15%, from Rp12.0 billion in 2Q2017 to Rp10.2 billion in 2Q2018. The decrease was mainly due to the decrease in PK sales volume from 3,003 tons in 2Q2017 to 2,000 tons in 2Q2018. This was offset by higher PK average selling price from Rp3,995 per kilogram in 2Q2017 to Rp5,094 per kilogram in 2Q2018.

Costs of sales

Cost of sales decreased by Rp12.6 billion or 15%, from Rp84.1 billion in 2Q2017 to Rp71.5 billion in 2Q2018. The decrease mainly resulted from the decrease in CPO and PK sales volume in 2Q2018.

Gross profit

As a result of the foregoing, gross profit decreased by Rp6.0 billion or 37%, from Rp16.3 billion in 2Q2017 to Rp10.3 billion in 2Q2018. Gross profit margin decreased by 3.6% from 16.2% in 2Q2017 to 12.6% in 2Q2018.

Distribution expenses

Distribution expenses decreased by Rp0.2 billion or 62%, from Rp0.4 billion in 2Q2017 to Rp0.2 billion in 2Q2018. This was mainly due to lower freight charges incurred in 2Q2018 for the transportation of PK, which is in line with the lower PK sales volume in 2Q2018.

Administrative expenses

Administrative expenses increased by Rp1.1 billion or 12% from Rp9.2 billion in 2Q2017 to Rp10.3 billion in 2Q2018. The increase is mainly due to increase in salaries and wages for the Group and higher professional fees incurred in 2Q2018.

Finance costs

Finance cost remained stable in both 2Q2018 and in 2Q2017.

Interest income

Interest income decreased by Rp0.6 billion or 18%, from Rp3.4 billion in 2Q2017 to Rp2.8 billion in 2Q2018, mainly due to lower interest earned from bank deposits and lower interest earned from the plasma plantation receivables in 2Q2018.

Other income

Other income decreased by Rp2.5 billion, mainly due to the decrease in sales of sludge oil of Rp2.0 billion, decrease in sales of kernel shells of Rp0.1 billion, higher net fair value losses from financial assets at fair value through profit or loss of Rp0.2 billion and decrease in fair value gain on derivative financial instruments of Rp0.1 billion.

Other expenses

Other expenses increased by Rp1.2 billion or 809%, from Rp0.2 billion in 2Q2017 to Rp1.4 billion in 2Q2018, mainly due to the provision for Plasma loan impairment of Rp1.1 billion.

Foreign exchange gain, net

Net foreign exchange gain of Rp2.4 billion in 2Q2018 was mainly attributable to the strengthening of USD and SGD against IDR, in relation to the Group's USD and SGD bank balances held.

Profit before income tax

As a result of the foregoing, profit before income tax decreased by Rp8.0 billion or 70%, from Rp11.5 billion in 2Q2017 to Rp3.5 billion in 2Q2018.

Income tax expense

Income tax expense decreased by Rp2.5 billion or 74% from Rp3.4 billion in 2Q2017 to Rp0.9 billion in 2Q2018. The decrease is in line with the lower profit generated.

Profit after income tax

As a result of the above, profit after income tax decreased by Rp5.4 billion or 68%, from Rp8.0 billion in 2Q2017 to Rp2.6 billion in 2Q2018.

1H2018 versus 1H2017

Revenue

Our revenue for 1H2018 decreased Rp68.3 billion or 27%, from Rp248.9 billion in 1H2017 to Rp180.6 billion in 1H2018. This was mainly due to the decrease in crude palm oil (“CPO”) sales revenue of Rp65.9 billion and decrease in palm kernel (“PK”) sales revenue of Rp2.4 billion.

CPO sales revenue decreased by Rp65.9 billion or 29%, from Rp224.0 billion in 1H2017 to Rp158.1 billion in 1H2018. This was mainly due to the decrease in CPO sales volume and CPO average selling price. Sales volume of CPO decreased by 6,300 tons or 23% from 27,312 tons in 1H2017 to 21,012 tons in 1H2018. The decrease in CPO sales volume was influenced by unfavorable market and logistics conditions, coupled with lower productions that resulted from the Group’s recent replanting programme. CPO average selling price decreased by Rp680 per kilogram or 8%, from Rp8,202 per kilogram in 1H2017 to Rp7,522 per kilogram in 1H2018.

PK sales revenue decreased by Rp2.4 billion or 10%, from Rp24.9 billion in 1H2017 to Rp22.5 billion in 1H2018. The decrease was mainly due to the decrease in PK sales volume from 5,003 tons in 1H2017 to 4,001 tons in 1H2018. This was offset by higher PK average selling price from Rp4,971 per kilogram in 1H2017 to Rp5,622 per kilogram in 1H2018.

Costs of sales

Cost of sales decreased by Rp35.8 billion or 19%, from Rp187.6 billion in 1H2017 to Rp151.8 billion in 1H2018. The decrease mainly resulted from the decrease in CPO and PK sales volume in 1H2018.

Gross profit

As a result of the foregoing, gross profit decreased by Rp32.6 billion or 53%, from Rp61.3 billion in 1H2017 to Rp28.7 billion in 1H2018. Gross profit margin decreased by 8.7% from 24.6% in 1H2017 to 15.9% in 1H2018.

Distribution expenses

Distribution expenses decreased by Rp0.2 billion or 37%, from Rp0.5 billion in 1H2017 to Rp0.3 billion in 1H2018. This was mainly due to lower freight charges incurred for the transportation of PK, which is in line with the lower PK sales volume in 1H2018.

Administrative expenses

Administrative expenses increased by Rp3.3 billion or 16% from Rp20.2 billion in 1H2017 to Rp23.5 billion in 2Q2018. The increase is mainly due to increase in salaries and wages for the Group and higher professional fees incurred in 1H2018.

Finance costs

Finance cost remained stable in both 1H2018 and in 1H2017.

Interest income

Interest income decreased by Rp1.6 billion or 22%, from Rp7.3 billion in 1H2017 to Rp5.7 billion in 1H2018, mainly due to lower interest earned from bank deposits and lower interest earned from the plasma plantation receivables in 1H2018.

Other income

Other income decreased by Rp10.2 billion or 92%, from Rp11.1 billion in 1H2017 to Rp0.9 billion, mainly due to the fair value gain on derivative financial instruments of Rp8.2 billion recognized in 1H2017, and the decrease in sales of sludge oil of Rp2.0 billion.

Other expenses

Other expenses increased by Rp1.8 billion or 170%, from Rp1.1 billion in 1H2017 to Rp2.9 billion in 1H2018, mainly due to the provision for Plasma loan impairment of Rp1.1 billion in 1H2018.

Foreign exchange loss, net

Net foreign exchange loss of Rp2.6 billion in 1H2018 was mainly attributable to the depreciation of IDR against SGD in relation to the Company's IDR denominated inter-company non-working capital financing for its subsidiary.

Profit before income tax

As a result of the foregoing, profit before income tax decreased by Rp45.5 billion or 88%, from Rp51.5 billion in 1H2017 to Rp6.0 billion in 1H2018.

Income tax expense

Income tax expense decreased by Rp11.1 billion or 82% from Rp13.4 billion in 1H2017 to Rp2.5 billion in 1H2018. The decrease is in line with the lower profit generated.

Profit after income tax

As a result of the above, profit after income tax decreased by Rp34.3 billion or 91%, from Rp37.9 billion in 1H2017 to Rp3.6 billion in 1H2018.

Review of Financial Position as at 30 June 2018

Non-current assets

Non-current assets for the Group increased by Rp6.0 billion or 2%, from Rp303.8 billion as at 31 December 2017 to Rp309.8 billion as at 30 June 2018. This was mainly due to the net increase in bearer plants of Rp2.4 billion, increase of Rp2.6 billion from the credit extended to the Plasma farmers for the biological assets transferred and increase of Rp1.0 billion in property, plant and equipment.

Current assets

Current assets for the Group decreased by Rp33.5 billion or 7%, from Rp452.8 billion as at 31 December 2017 to Rp419.3 billion as at 30 June 2018. This was mainly due to decrease in cash and cash equivalent of Rp52.5 billion from lower cash generated from operating activities of Rp29.2 billion, cash used in investing activities of Rp14.0 billion and cash used in financing activities of Rp22.2 billion. This was offset by increase in inventories of Rp18.3 billion from lower sales in 1H2018.

Current liabilities

Current liabilities for the Group decreased by Rp15.6 billion or 30%, from Rp51.1 billion as at 31 December 2017 to Rp35.5 billion as at 30 June 2018. This was mainly due to decrease in trade and other payables of Rp8.0 billion, decrease in current income tax payable of Rp6.4 billion and payment of dividend payable to non-controlling interest of Rp1.0 billion.

Non-current liabilities

Non-current liabilities for the Group decreased by Rp8.4 billion or 18% from Rp47.5 billion as at 31 December 2017 to Rp39.1 billion as at 30 June 2018, mainly due to decrease in provision for post-employment benefits of Rp10.6 billion and increase in deferred tax liabilities of Rp2.2 billion.

Accumulated losses

The accumulated losses of Rp135.1 billion was mainly contributed by the accumulated losses of Rp117.8 billion brought forward from FY2017 and dividend paid to owners of the parent of Rp20.5 billion in 1H2018, offset by the net profit attributable to owners of the parent of Rp3.2 billion in 1H2018.

Review of Consolidated Cash Flows

Net cash used in operating activities of Rp29.2 billion in 1H2018, compared to net cash generated from operating activities of Rp60.2 billion in 1H2017, was mainly due to the decrease in operating profit in 1H2018.

Net cash used in investing activities of Rp14.0 billion in 1H2018 was mainly due to capital expenditure on bearer plants of Rp7.0 billion and purchases of property, plant and equipment of Rp7.1 billion in 1H2018.

Net cash used in financing activities of Rp22.2 billion in 1H2018 mainly due to dividend paid to owners of the parent of Rp20.5 billion, dividend paid to non-controlling interest of Rp1.0 billion, and buyback of Rp0.6 billion of the Company's shares to be held as treasury shares.

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

Not applicable.

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

CPO prices are expected to remain within the current price range given the supply situation and the uncertainty in the global economy and abnormal weather's affect on market dynamics. However, the demand for palm oil is expected to be well supported in view of rising food requirements from China, India, Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries. Indonesia's recent announcement of a 20% biofuel mixed-use diesel to include in all diesel engine vehicles, should increase the demand of CPO when the policy is successfully implemented.

In view of the current low CPO price, the Group will speed up the replacement of older palm trees with newer breed of higher-yielding palm trees. The management expects to see higher yield per hectare when the replanted palm trees reach maturity. This together with the management continuous effort to increase productivity, should result in a positive sustainable future for the Group.

11. Dividend

(a) Current Financial Period Reported on
Any dividend to be declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the quarter ended 30 June 2018.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp' million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (Rp' million)
	1H2018	1H2018
PT Bumiraya Utama Lines	530	NIL*
PT Cemar Lestari	NIL	NIL*

*The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5)

The Directors of the Company do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the financial period from 1 January 2018 to 30 June 2018 to be false or misleading in any material aspects.

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

The Company confirmed that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

15. Update of the utilization of the Initial Public Offering (“IPO”) proceeds of S\$50.6 million

As at 30 June 2018, the use of net proceeds from the IPO are as follows:

Use of net proceeds	Amount allocated (S\$' million)	Amount utilised (S\$' million)	Balance (S\$' million)
Development of existing uncultivated land banks into oil palm plantations	15.61	13.34 ⁽¹⁾	2.27
Acquisition of other oil palm plantations and land banks	15.00	1.12 ⁽²⁾	13.88 ⁽³⁾
Repayment of the loans to PT Bank CIMB Niaga Tbk (“Bank Niaga”)	5.00	5.00	-
Construction of the co-composting plant	2.00	1.49	0.51
Working capital	9.50	9.50	-
Invitation expenses	3.49	3.49	-
Total	50.60	33.94	16.66

As at 30 June 2018, the use of net proceeds from the IPO for working capital are as follows:

	Indonesia Office (S\$' million)	Singapore Office (S\$' million)	Amount utilised (S\$' million)
Plantation & Mill Expenses	1.26	-	1.26
Purchase of FFB	1.76	-	1.76
Transport & Freight	0.36	-	0.36
Fertilizers	1.57	-	1.57
Purchase Fuel	0.35	-	0.35
Suppliers	0.65	-	0.65
Administration Expenses	0.49	1.00	1.49
Bank Interest	0.11	-	0.11
Leasing	0.09	-	0.09
Tax Payment	1.86	-	1.86
Total	8.50	1.00	9.50

Notes:

- (1) Out of the S\$13.34 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$11.12 million were used for land clearing and new planting purposes.
- (2) The S\$1.12 million utilized for the acquisition of other oil palm plantations and land banks are expenses of S\$0.46 million incurred for the land location permit for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan and expenses of S\$0.66 million incurred for the land location permit for 6,546 hectares of land in sub-districts of Ngabang and Jelimpo, both located in Landak Regency, West Kalimantan.
- (3) The Company has the option to acquire PT Cemar, an Indonesian-incorporated company which holds *Hak Guna Usaha* to approximately 6,429 ha of oil palm plantation land in the Landak Regency in West Kalimantan. The acquisition is subject to the fulfillment of conditions such as the conduct of legal and financial due diligence on PT Cemar as well as approvals required by the Indonesian authorities.

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO

13 August 2018