



BUMITAMA AGRI LTD.

Unaudited Financial Statements for the Third Quarter (“3Q”) and Nine Months (“9M”) Ended 30 September 2017

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

	Group					
	3rd Quarter			9 Months		
	2017 IDR million	2016 IDR million	Change (%)	2017 IDR million	2016 IDR million	Change (%)
Revenue	2,050,864	1,494,687	37.2%	6,065,634	4,359,596	39.1%
Cost of sales	(1,441,385)	(1,069,799)	34.7%	(4,357,249)	(3,277,902)	32.9%
Gross profit	609,479	424,888	43.4%	1,708,385	1,081,694	57.9%
Interest Income	33,600	34,644	-3.0%	101,361	119,655	-15.3%
Selling expense	(63,718)	(50,842)	25.3%	(144,627)	(128,289)	12.7%
General and administrative expense	(59,491)	(34,175)	74.1%	(189,164)	(145,601)	29.9%
Finance cost	(40,051)	(39,128)	2.4%	(118,976)	(123,944)	-4.0%
Foreign exchange gain / (loss)	(6,431)	25,598	n.m.	5,647	71,216	-92.1%
Other expenses	(53,814)	(51,497)	4.5%	(68,477)	(63,246)	8.3%
Other income	4,431	2,616	69.4%	11,139	11,358	-1.9%
Share of gain / (loss) of associate companies	-	1,199	-100.0%	(2,285)	(14,891)	-84.7%
Profit before income tax	424,005	313,303	35.3%	1,303,003	807,952	61.3%
Income tax expense	(114,223)	(75,599)	51.1%	(333,950)	(183,239)	82.2%
Profit for the period	309,782	237,704	30.3%	969,053	624,713	55.1%
Attributable to:						
Owners of the Company	266,250	206,423	29.0%	829,734	543,508	52.7%
Non-controlling interests	43,532	31,281	39.2%	139,319	81,205	71.6%
	309,782	237,704	30.3%	969,053	624,713	55.1%

n.m. – not meaningful

Additional Information

	Group					
	3rd Quarter			9 Months		
	2017 IDR million	2016 IDR million	Change (%)	2017 IDR million	2016 IDR million	Change (%)
Profit before income tax	424,005	313,303	35.3%	1,303,003	807,952	61.3%
Depreciation and amortisation	126,954	128,991	-1.6%	379,743	352,180	7.8%
Foreign exchange (gain)/ loss	6,431	(25,598)	n.m.	(5,647)	(71,216)	-92.1%
Finance cost	40,051	39,128	2.4%	118,976	123,944	-4.0%
Interest income	(33,600)	(34,644)	-3.0%	(101,361)	(119,655)	-15.3%
Withholding tax expense on dividend (in Other expenses)	-	-	0.0%	1,440	-	100.0%
Gain on sale of property, plant, and equipment	-	(70)	-100.0%	-	(70)	-100.0%
EBITDA	563,841	421,110	33.9%	1,696,154	1,093,135	55.2%

n.m. – not meaningful

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

Statement of comprehensive income:	Group					
	3rd Quarter			9 Months		
	2017	2016	Change	2017	2016	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
Profit for the period	309,782	237,704	30.3%	969,053	624,713	55.1%
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss) / gain	(46,425)	52,551	n.m.	(8,512)	248,797	n.m.
Item that will not be reclassified to profit or loss:						
Fair value reserve on derivative financial liabilities	20,800	(40,199)	n.m.	49,257	28,278	74.2%
Other comprehensive income for the period, net of tax	(25,625)	12,352	n.m.	40,745	277,075	-85.3%
Total comprehensive income for the period	284,157	250,056	13.6%	1,009,798	901,788	12.0%
Attributable to:						
Owners of the Company	240,625	218,775	10.0%	870,479	820,583	6.1%
Non-controlling interests	43,532	31,281	39.2%	139,319	81,205	71.6%
	284,157	250,056	13.6%	1,009,798	901,788	12.0%

n.m. – not meaningful

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

	Group		Company	
	30-Sep-2017	31-Dec-2016	30-Sep-2017	31-Dec-2016
	IDR million	IDR million	IDR million	IDR million
ASSETS				
Non-current assets				
Plasma receivables	1,090,486	923,331	-	-
Property, plant and equipment	3,452,235	3,307,380	42	79
Bearer plants	7,193,677	7,024,690	-	-
Land use rights	868,524	815,034	-	-
Investment in subsidiaries	-	-	857,931	854,370
Investment in associate companies	-	2,285	143,548	142,952
Intangible assets	174,190	176,034	-	-
Deferred tax assets	145,680	149,113	-	-
Deferred charges/other receivable	-	6,228	-	6,228
Due from subsidiaries	-	-	7,337,998	8,041,210
Loan to an associate company	71,226	68,084	71,226	68,084
Total Non-current assets	12,996,018	12,472,179	8,410,745	9,112,923
Current assets				
Biological assets	308,609	260,251	-	-
Inventories	392,155	611,617	-	-
Deferred charges	5,696	5,333	190	50
Trade and other receivables	242,405	277,770	-	-
Due from related companies	347	478	-	-
Plasma receivables	313,057	302,246	-	-
Prepayments and advances	14,626	10,784	96	101
Dividend receivables	-	-	-	13,314
Prepaid taxes	630,351	309,230	80	44
Cash and short-term deposits	272,250	517,097	28,208	23,700
Total Current assets	2,179,496	2,294,806	28,574	37,209
Total Assets	15,175,514	14,766,985	8,439,319	9,150,132
LIABILITIES AND EQUITY				
Current liabilities				
Loans and borrowings	876,980	1,007,700	876,980	1,007,700
Trade and other payables	536,660	572,029	1,485	13
Accrued operating expenses	148,947	171,012	15,312	56,366
Dividend payables	-	1,397	-	-
Sales advances	99,667	30,996	-	-
Income taxes payable	332,440	132,231	1	1
Total Current liabilities	1,994,694	1,915,365	893,778	1,064,080
Non-current liabilities				
Deferred tax liabilities	171,080	164,488	-	-
Loans and borrowings	669,204	868,634	669,204	868,634
Islamic medium term notes	3,187,660	2,991,828	3,187,660	2,991,828
Post employment benefits	39,082	39,082	-	-
Derivative financial liabilities	1,039,692	1,265,881	1,039,692	1,265,881
Total Non-current liabilities	5,106,718	5,329,913	4,896,556	5,126,343
Total Liabilities	7,101,412	7,245,278	5,790,334	6,190,423
Net Assets	8,074,102	7,521,707	2,648,985	2,959,709
Equity attributable to owners of the Company				
Share capital	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	(98,892)	(17,946)	(98,892)	(17,946)
Other reserves	(205,677)	(254,934)	(20,739)	(69,996)
Retained earnings	5,612,904	5,162,032	73,433	360,141
Foreign currency translation reserve	13,382	21,894	888,138	880,465
	7,128,762	6,718,091	2,648,985	2,959,709
Non-controlling interests	945,340	803,616	-	-
Total Equity	8,074,102	7,521,707	2,648,985	2,959,709

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

- Amount repayable in one year or less, or on demand
- Amount repayable after one year

	30-Sep-2017 IDR Million	31-Dec-2016 IDR Million
Amount due within one year		
Unsecured	876,980	1,007,700
Total	876,980	1,007,700
Amount due more than one year		
Unsecured	3,856,864	3,860,462
Total	3,856,864	3,860,462

The unsecured borrowings contain negative pledge clauses.

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

CASH FLOW	Group			
	3rd Quarter		9 Months	
	2017	2016	2017	2016
	IDR million	IDR million	IDR million	IDR million
Cash flows from operating activities				
Cash receipts from customers	1,923,638	1,425,967	6,155,634	4,651,399
Cash payments to suppliers, employees and for other operating expenses	(1,417,808)	(1,294,665)	(4,474,547)	(3,826,819)
Corporate income tax paid	(57,665)	(51,346)	(262,505)	(112,591)
Net cash flows generated from operating activities	448,165	79,956	1,418,582	711,989
Cash flows from investing activities				
Increase in plasma receivables	(60,312)	22,740	(128,742)	(191,308)
Investment in intangible assets	-	(3,312)	-	(3,622)
Investment in bearer plants	(129,023)	(25,348)	(285,738)	(228,392)
Investment in property, plant and equipment	(121,604)	(109,124)	(253,423)	(316,238)
Investment in land use rights	(15,452)	(33,119)	(44,455)	(124,388)
Receipt of loan repayment from associate companies	-	262,700	-	262,700
Net cash outflows for the acquisition of subsidiaries	-	(11,750)	(74,437)	(85,109)
Interest received	32,513	32,664	98,223	108,607
Net cash flows (used in) / generated from investing activities	(293,878)	135,451	(688,572)	(577,750)
Cash flows from financing activities				
Proceeds from loans and borrowings	-	65,860	199,800	132,455
Repayment of loan and borrowings	-	(100,720)	(532,545)	(170,720)
Decrease / (Increase) in amount due from related companies	(99)	(20,854)	131	(97,929)
Payment of dividend	(129,034)	-	(381,859)	(112,112)
Contribution from non-controlling interests	-	42,757	-	42,857
Buy-back of ordinary shares	(51,247)	-	(80,946)	-
Interest paid	(84,645)	(79,758)	(177,134)	(168,642)
Net cash flows used in from financing activities	(265,025)	(92,715)	(972,553)	(374,091)
Net (decrease)/increase in cash and cash equivalents	(110,738)	122,692	(242,543)	(239,852)
Effect of exchange rate changes on cash and cash equivalents	1,036	(3,308)	(2,304)	(4,491)
Cash and cash equivalents at beginning of period	381,952	235,070	517,097	598,797
Cash and cash equivalents at end of period	272,250	354,454	272,250	354,454

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

Cash Flows from Operating Activities:	Group			
	3rd Quarter		9 Months	
	2017	2016	2017	2016
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	424,005	313,303	1,303,003	807,952
Depreciation and amortisation	126,954	128,991	379,743	352,180
Finance cost	40,051	39,128	118,976	123,944
Interest income	(33,600)	(34,644)	(101,361)	(119,655)
Unrealized foreign exchange loss / (gain)	44,502	(56,039)	12,182	(87,596)
(Gain) /Loss on disposal of property, plant and equipment	-	(70)	-	(70)
Share of loss of associate companies	-	(1,198)	2,285	14,891
Operating cash flows before working capital changes	601,912	389,471	1,714,828	1,091,646
Decrease/(increase) in:				
- Trade and other receivables	(86,703)	(111,307)	37,235	313,468
- Inventories	125,755	(40,181)	217,048	193,563
- Prepaid taxes	(150,372)	(48,712)	(336,181)	(161,173)
- Prepayments and advances	(975)	3,616	(3,658)	67,751
- Deferred charges	(565)	649	(338)	2,150
(Decrease)/increase in:				
- Trade and other payables	413	(109,547)	(154,326)	(607,966)
- Accrued operating expenses	4,827	(3,140)	(10,198)	(47,547)
- Tax payable	52,202	56,458	148,005	(32,511)
- Sales advances	(40,664)	(6,005)	68,672	5,199
Cash flows generated from operations	505,830	131,302	1,681,087	824,580
Corporate income tax paid	(57,665)	(51,346)	(262,505)	(112,591)
Net cash flows generated from operating activities	448,165	79,956	1,418,582	711,989

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

Group	----- Attributable to owners of the Group -----						Non- controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserve	Total share capital and reserves		
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million		
Opening balance at 1 January 2017	1,807,045	(17,946)	5,162,032	(254,934)	21,894	6,718,091	803,616	7,521,707
Profit for the period	-	-	829,734	-	-	829,734	139,319	969,053
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	(8,512)	(8,512)	-	(8,512)
Fair value reserve on derivative	-	-	-	49,257	-	49,257	-	49,257
Total comprehensive income for the period	-	-	829,734	49,257	(8,512)	870,479	139,319	1,009,798
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	4,005	4,005
Buy-back of ordinary shares	-	(80,946)	-	-	-	(80,946)	-	(80,946)
Dividends on ordinary shares	-	-	(378,862)	-	-	(378,862)	(1,600)	(380,462)
Closing balance at 30 September 2017	1,807,045	(98,892)	5,612,904	(205,677)	13,382	7,128,762	945,340	8,074,102
Opening balance at 1 January 2016 (restated)	1,807,045	(17,946)	4,241,266	(217,473)	(151,743)	5,661,149	545,893	6,207,042
Profit for the period	-	-	543,508	-	-	543,508	81,205	624,713
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	248,797	248,797	-	248,797
Fair value reserve on derivative	-	-	-	28,278	-	28,278	-	28,278
Total comprehensive income for the period	-	-	543,508	28,278	248,797	820,583	81,205	901,788
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	68,398	68,398
Dividends on ordinary shares	-	-	(86,588)	-	-	(86,588)	-	(86,588)
Closing balance at 30 September 2016	1,807,045	(17,946)	4,698,186	(189,195)	97,054	6,395,144	695,496	7,090,640

Company	----- Attributable to owners of the Company -----					
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserves	Total share capital and reserves
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million
Opening balance at 1 January 2017	1,807,045	(17,946)	360,141	(69,996)	880,465	2,959,709
Profit for the period	-	-	92,154	-	-	92,154
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	7,673	7,673
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	-	-	-	49,257	-	49,257
Total comprehensive income for the period	-	-	92,154	49,257	7,673	149,084
Distribution to owners:						
Share issuance expense	-	-	-	-	-	-
Buy-back of ordinary shares	-	(80,946)	-	-	-	(80,946)
Dividends on ordinary shares	-	-	(378,862)	-	-	(378,862)
Closing balance at 30 September 2017	1,807,045	(98,892)	73,433	(20,739)	888,138	2,648,985
Opening balance at 1 January 2016	1,807,045	(17,946)	326,096	(32,535)	958,320	3,040,980
Profit for the period	-	-	73,865	-	-	73,865
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	(175,515)	(175,515)
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	-	-	-	28,278	-	28,278
Total comprehensive income for the period	-	-	73,865	28,278	(175,515)	(73,372)
Distribution to owners:						
Dividends on ordinary shares	-	-	(86,588)	-	-	(86,588)
Closing balance at 30 September 2016	1,807,045	(17,946)	313,373	(4,257)	782,805	2,881,020

- 1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.**

There is no change in the Company's share capital since the end of last reported period as at 30 June 2017. Details of treasury shares as at 30 September 2017 and 30 September 2016 are as follows:

	Company	
	Number of shares	
	30-Sep-2017	30-Sep-2016
Treasury shares	13,433,900	2,255,300
Issued ordinary shares excluding treasury shares	1,744,097,944	1,755,276,544
Issued ordinary shares	1,757,531,844	1,757,531,844

The Company did not have any outstanding convertibles and subsidiary holdings as at 30 September 2017 and 30 September 2016.

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

	Company	
	Number of shares	
	30-Sep-2017	31-Dec-2016
Issued ordinary shares excluding treasury shares	1,744,097,944	1,755,276,544

- 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.**

There were no treasury shares which were sold, transferred, disposed, cancelled or used in the current financial period.

- 1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.**

Not applicable.

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

The financial statements presented above have not been audited or reviewed by the Company's auditors.

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2016, except for the new and revised standard that are effective for annual periods beginning on or after 1 January 2017. The adoption of these new standards has no significant impact to the Group's consolidated financial statements.

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

Not applicable.

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

Earning per share for the period (weighted average number of shares)	3rd Quarter		9 Months	
	2017	2016	2017	2016
Based on weighted average number of share (in IDR)	152	117	474	309
Weighted number of shares	1,751,064,078	1,757,153,644	1,751,109,470	1,757,153,644

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

Net asset value per share	Group		Company	
	30-Sep-2017	31-Dec-2016	30-Sep-2017	31-Dec-2016
Net asset value per ordinary share (in IDR)	4,087	3,827	1,519	1,686
Number of issued ordinary shares *	1,744,097,944	1,755,276,544	1,744,097,944	1,755,276,544

* excluding Treasury Shares

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:
- 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
 - Any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

REVIEW OF INCOME STATEMENT

Overview

During the third quarter of 2017 ("3Q2017") and nine months of the year ("9M2017"), the Group recorded an increase in net profit after tax by 30.3% to IDR 310 billion and 55.1% to IDR 969 billion, respectively. The improved net profit for 9M2017 was mainly attributable to higher sales volume from the recovery in palm production and higher average selling price compared to the previous corresponding period.

Revenue

Revenue increased by 37.2% to IDR 2,051 billion in 3Q2017 and 39.1% to IDR 6,066 billion in 9M2017 compared to the previous corresponding periods. The improved palm oil and palm kernel production as well as higher average selling price had contributed to the improvement in revenue.

Revenue	3Q2017	3Q2016	Change	9M2017	9M2016	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,690,636	1,219,742	38.6%	5,054,171	3,589,800	40.8%
Palm Kernel	265,752	189,487	40.2%	807,988	546,654	47.8%
Biodiesel	93,182	85,212	9.4%	201,754	222,564	-9.4%
Glycerin	1,294	246	426.0%	1,721	578	197.8%
Total	2,050,864	1,494,687	37.2%	6,065,634	4,359,596	39.1%
Volume						
Volume	3Q2017	3Q2016	Change	9M2017	9M2016	Change
	mt	mt	(%)	mt	mt	(%)
CPO	217,367	155,925	39.4%	625,106	499,088	25.2%
Palm Kernel	44,183	27,836	58.7%	121,414	93,519	29.8%
Biodiesel	10,035	8,773	14.4%	20,161	23,559	-14.4%
Glycerin	1,712	1,162	47.3%	3,264	2,329	40.1%
Average sales prices						
Average sales prices	3Q2017	3Q2016	Change	9M2017	9M2016	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	7,778	7,823	-0.6%	8,085	7,193	12.4%
Palm Kernel	6,015	6,807	-11.6%	6,655	5,845	13.9%
Biodiesel	9,286	9,713	-4.4%	10,007	9,447	5.9%
Glycerin	756	212	256.6%	527	248	112.5%

Cost of Sales

The Group's cost of sales comprised of palm oil and biodiesel costs. Palm oil costs mainly consist of costs in relation to plantation maintenance, harvesting, plantation overhead, depreciation and amortisation, mill processing, and fresh fruit bunches ("FFB") purchased externally (plasma and third parties). Biodiesel costs mainly consist of processing and feed stock purchased costs.

The Group's cost of sales increased by 34.7% to IDR 1,441 billion in 3Q2017 and by 32.9% to IDR 4,357 billion in 9M2017 compared to the previous corresponding periods. The increase was mainly attributable to higher production volume, purchase price of external FFB and higher fertiliser application for the current period.

Interest Income

Interest income amounting to IDR 34 billion in 3Q2017 and IDR 101 billion in 9M2017 mainly consist of interest income earned from advances to the plasma farmers.

General and administrative expenses

Increase in general and administrative expenses to IDR 59 billion in 3Q2017 and IDR 189 billion in 9M2017 was mainly due to increase in land & building taxes as well as salaries and employee benefits, training, and professional fees.

Foreign Exchange Gain/(Loss)

The Group recorded a net foreign exchange loss of IDR 6 billion in 3Q2017 and net foreign exchange gain of IDR 6 billion in 9M2017 which was lower compared to previous period mainly due to translation loss on USD denominated borrowings in the Group's IDR financial statements arising from the depreciation of IDR against USD during the current period.

Other expenses

Other expenses amounting to IDR 54 billion and IDR 68 billion in 3Q2017 and 9M2017, respectively, mainly consist of expenses arising from the participation of some of the Group's subsidiaries in the tax incentive programme and the withholding tax expense on interest received by the Company from its subsidiaries.

Share of loss of associate companies

Share of loss of associate companies amounting to IDR 2 billion in 9M2017 was due to share of losses from the Group's associate companies namely, PT Sawit Nabati Agro and PT Berkat Agro Sawitindo Group of companies ("SNA Group"). Despite the associate companies are still making recurring losses, the Group remains positive on their long term outlook performance.

Income tax expense

The Group recorded an increase in income tax expense to IDR 114 billion in 3Q2017 compared to IDR 76 billion in 3Q2016 and IDR 334 billion in 9M2017 compared to IDR 183 billion in 9M2016, due to higher profit before income tax as well as expenses recognised as a result of participation in the Indonesian tax incentive programme by some of the subsidiaries.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 30 September 2017, the Group's total non-current assets increased by IDR 524 billion from IDR 12,472 billion to IDR 12,996 billion, mainly due to:

- a) The acquisition of a new subsidiary caused bearer plants to increase by IDR 169 billion to IDR 7,194 billion.
- b) Advances given to the plasma farmers with respect to maintenance cost of immature plasma plantation and the development of new plasma plantation resulted in higher plasma receivables by IDR 167 billion to IDR 1,090 billion.
- c) The construction of new palm oil mill, purchase of vehicles and heavy equipments and acquisition of a new subsidiary during the period had contributed to the increase in the Group's property, plant and equipment ("PPE") by IDR 145 billion to IDR 3,452 billion.

Current Assets

As at 30 September 2017, the Group's total current assets decreased by IDR 115 billion from IDR 2,295 billion to IDR 2,179 billion. Save for the decrease in cash and cash equivalents which was explained in the cash flow section below, the net decrease in the current assets was mainly due to:

- a) Early application of fertiliser in the plantations reduced inventory by IDR 219 billion to IDR 392 billion.
- b) Improved collections received from the customers were reflected in the decrease of trade and other receivables by IDR 35 billion to IDR 242 billion and improved in trade receivables turn over days for palm products (9M2017: 10 days; FY2016: 11 days).

The decrease in current assets above was partially offset by the increase in prepaid taxes by IDR 321 billion to IDR 630 billion which mainly attributable to input VAT for purchases of raw materials.

Current Liabilities

Increase in current liabilities by 4.1% or equals to IDR 79 billion as at 30 September 2017 was mainly due to higher sales advances and income taxes payable as a result of improved revenue and profitability of the Group, which was partially offset by repayment of RCF bank loans during the period.

Non-Current Liabilities

As at 30 September 2017, the Group's total non-current liabilities decreased by IDR 223 billion from IDR 5,330 billion to IDR 5,107 billion mainly due to:

- a) Loans and borrowings decreased by IDR 199 billion due to repayment of RCF bank loans during the period.
- b) The improved mark-to-market of cross currency swap of Islamic Medium Term Note ("IMTN") decreased the derivative financial liabilities by IDR 226 billion to IDR 1,040 billion; which will be reversed when the IMTN is due.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net decrease in cash and cash equivalents of IDR 243 billion as at 30 September 2017, bringing the cash and bank balances to IDR 272 billion, which was mainly attributable to the following:

- The Group generated net cash flow from operating activities of IDR 448 billion in 3Q2017 compared to IDR 80 billion in 3Q2016 and IDR 1,419 billion in 9M2017 compared to IDR 712 billion in 9M2016 mainly due to better cash collection from customers.
- The Group reported net cash used in investing activities of IDR 294 billion in 3Q2017 and IDR 689 billion in 9M2017. Significant changes from previous corresponding period was mainly attributable to receipt of loans repayment from associate company amounting to IDR 263 billion.
- The Group reported net cash used in financing activities of IDR 265 billion in 3Q2017 compared to IDR 93 billion in 3Q2016 and of IDR 973 billion in 9M2017 compared to IDR 374 billion in 9M2016 mainly due to higher repayment of some RCF bank loans, higher dividend payment, as well as buy-back of ordinary shares during current period.

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.

We foresee the recovery of palm oil production will continue into the last quarter of 2017. The expected La Nina may provide the impetus for CPO price to shift higher from current level.

Supported by growing demand in domestic and emerging markets, the Group remains positive on the long term outlook of the palm oil industry and will continue to focus on yield improvement and cost management.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on?

Not applicable.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Not applicable.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

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 interested person transactions ("IPT") for 9M2017:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
	in IDR million	in IDR million
Mr Gunardi Hariyanto Lim	1,800 ⁽¹⁾	-
IOI Corporation Berhad	-	77,262 ⁽²⁾
PT Sawit Nabati Agro	-	297 ⁽³⁾
PT Lima Srikandi Jaya	5,400 ⁽⁴⁾	-
TOTAL	7,200	77,559

Notes:

**For illustrative purpose the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate during the financial year under review using the current period closing rate*

- (1) *In respect of the aggregate rent paid by the Group to Mr. Gunardi Hariyanto Lim for office space in Indonesia pursuant to the lease agreement between Mr. Gunardi Hariyanto Lim and PT Bumitama Gunajaya Agro.*
- (2) *In respect of transactions conducted pursuant to the Shareholders' Mandate for transactions with IOI Corporation and its Associates (as described in the Prospectus).*
- (3) *In respect of transactions conducted pursuant to the Shareholders' Mandate for transaction with Sawit Nabati Agro (SNA) Group (as described in the Prospectus).*
- (4) *In respect of the rental agreement of vessels transactions involving PT Lima Srikandi Jaya which is one of the subsidiaries of Harita Group. Harita Group is owned by Lim family and also one of the Company's controlling shareholders.*

14. Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

15. Negative Assurance Confirmation Statement

We, Lim Gunawan Hariyanto (Executive Chairman and CEO) and Tan Boon Hoo (Lead Independent Director) of Bumitama Agri Ltd. ("the Company"), confirm that to the best of our knowledge, nothing has come to the attention of the Board of Directors of the Company which may render these unaudited interim financial results for the third quarter and nine months ended 30 September 2017 to be false or misleading in any material aspect.

For and on behalf of the Board of Directors

Lim Gunawan Hariyanto
Executive Chairman and CEO
14 November 2017

Tan Boon Hoo
Lead Independent Director