



## BUMITAMA AGRI LTD.

### Unaudited Financial Statements for the Second Quarter ("2Q") and First Half ("1H") Year Ended 30 June 2019

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

	Group					
	2nd Quarter			1st Half		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
<b>Revenue</b>	1,778,682	2,348,381	-24.3%	3,455,738	4,256,161	-18.8%
Cost of sales	(1,427,082)	(1,587,504)	-10.1%	(2,812,213)	(2,977,455)	-5.5%
<b>Gross profit</b>	<b>351,600</b>	<b>760,877</b>	<b>-53.8%</b>	<b>643,525</b>	<b>1,278,706</b>	<b>-49.7%</b>
Interest income	45,054	29,327	53.6%	86,761	66,342	30.8%
Selling expense	(83,599)	(44,513)	87.8%	(174,198)	(93,677)	86.0%
General and administrative expense	(64,789)	(54,223)	19.5%	(161,867)	(141,655)	14.3%
Finance cost	(58,091)	(48,824)	19.0%	(114,547)	(94,836)	20.8%
Foreign exchange gain/(loss)	11,064	(33,016)	n.m.	95,250	(48,958)	n.m.
Other expenses	(514)	(552)	-6.9%	(1,120)	(552)	n.m.
Other income	1,693	3,169	-46.6%	4,040	4,046	-0.1%
<b>Profit before income tax</b>	<b>202,418</b>	<b>612,245</b>	<b>-66.9%</b>	<b>377,844</b>	<b>969,416</b>	<b>-61.0%</b>
Income tax expense	(52,730)	(159,615)	-67.0%	(92,554)	(243,158)	-61.9%
<b>Profit for the period</b>	<b>149,688</b>	<b>452,630</b>	<b>-66.9%</b>	<b>285,290</b>	<b>726,258</b>	<b>-60.7%</b>
<b>Attributable to:</b>						
Owners of the Company	124,638	388,056	-67.9%	235,245	619,826	-62.0%
Non-controlling interests	25,050	64,574	-61.2%	50,045	106,432	-53.0%
	<b>149,688</b>	<b>452,630</b>	<b>-66.9%</b>	<b>285,290</b>	<b>726,258</b>	<b>-60.7%</b>

n.m. – not meaningful

#### Additional Information

	Group					
	2nd Quarter			1st Half		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
Profit before income tax	202,418	612,245	-66.9%	377,844	969,416	-61.0%
Depreciation and amortisation	147,929	137,797	7.4%	295,508	275,301	7.3%
Foreign exchange (gain)/loss	(11,064)	33,016	n.m.	(95,250)	48,958	n.m.
Finance cost	58,091	48,824	19.0%	114,547	94,836	20.8%
Interest income	(45,054)	(29,327)	53.6%	(86,761)	(66,342)	30.8%
<b>EBITDA</b>	<b>352,320</b>	<b>802,555</b>	<b>-56.1%</b>	<b>605,888</b>	<b>1,322,169</b>	<b>-54.2%</b>

n.m. – not meaningful

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

Statement of comprehensive income:	Group					
	2nd Quarter			1st Half		
	2019 IDR million	2018 IDR million	Change (%)	2019 IDR million	2018 IDR million	Change (%)
Profit for the period	149,688	452,630	-66.9%	285,290	726,258	-60.7%
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss)	39,460	(183,347)	n.m.	40,191	(227,227)	n.m.
Fair value reserve on derivative financial liabilities	3,977	5,560	-28.5%	(1,856)	15,963	n.m.
Other comprehensive income for the period, net of tax	43,437	(177,787)	n.m.	38,335	(211,264)	n.m.
Total comprehensive income for the period	193,125	274,843	-29.7%	323,625	514,994	-37.2%
Attributable to:						
Owners of the Company	168,075	210,269	-20.1%	273,580	408,562	-33.0%
Non-controlling interests	25,050	64,574	-61.2%	50,045	106,432	-53.0%
	193,125	274,843	-29.7%	323,625	514,994	-37.2%

*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-June-2019	31-Dec-2018	30-June-2019	31-Dec-2018
	IDR million	IDR million	IDR million	IDR million
<b>ASSETS</b>				
<b>Non-current assets</b>				
Plasma receivables	2,223,321	1,716,271	-	-
Property, plant and equipment	3,451,732	3,458,793	3,611	3,468
Bearer plants	7,468,763	7,503,534	-	-
Land use rights	964,518	958,837	-	-
Investment in subsidiaries	-	-	2,081,073	2,131,110
Investment in associate companies	-	-	150,453	154,070
Intangible assets	175,891	177,424	-	-
Deferred tax assets	249,859	231,221	-	-
Due from subsidiaries	-	-	7,304,413	7,175,044
Loan to an associate company	83,442	82,693	83,442	82,693
<b>Total Non-current assets</b>	<b>14,617,526</b>	<b>14,128,773</b>	<b>9,622,992</b>	<b>9,546,385</b>
<b>Current assets</b>				
Biological assets	220,542	248,413	-	-
Inventories	729,196	592,400	-	-
Deferred charges	8,309	8,538	1	60
Trade and other receivables	255,229	479,847	718	194
Due from related companies	50	50	-	-
Plasma receivables	133,176	219,590	-	-
Prepayments and advances	27,698	18,660	235	1,078
Prepaid taxes	751,979	543,480	193	80
Cash and short-term deposits	363,456	299,053	36,475	40,637
<b>Total Current assets</b>	<b>2,489,635</b>	<b>2,410,031</b>	<b>37,622</b>	<b>42,049</b>
<b>Total Assets</b>	<b>17,107,161</b>	<b>16,538,804</b>	<b>9,660,614</b>	<b>9,588,434</b>
<b>LIABILITIES AND EQUITY</b>				
<b>Current liabilities</b>				
Loans and borrowings	989,870	796,455	989,870	796,455
Islamic medium term notes	1,706,368	3,492,597	1,706,368	3,492,597
Trade and other payables	884,757	774,865	258	2,225
Accrued operating expenses	171,789	209,829	34,810	64,586
Sales advances	48,072	12,927	-	-
Income taxes payable	138,979	112,013	1	-
Derivative financial liabilities	540,208	1,028,512	540,208	1,028,512
<b>Total Current liabilities</b>	<b>4,480,043</b>	<b>6,427,198</b>	<b>3,271,515</b>	<b>5,384,375</b>
<b>Non-current liabilities</b>				
Deferred tax liabilities	110,402	128,273	-	-
Loans and borrowings	3,526,790	934,900	3,526,790	934,900
Post employment benefits	48,706	48,705	-	-
<b>Total Non-current liabilities</b>	<b>3,685,898</b>	<b>1,111,878</b>	<b>3,526,790</b>	<b>934,900</b>
<b>Total Liabilities</b>	<b>8,165,941</b>	<b>7,539,076</b>	<b>6,798,305</b>	<b>6,319,275</b>
<b>Net Assets</b>	<b>8,941,220</b>	<b>8,999,728</b>	<b>2,862,309</b>	<b>3,269,159</b>
<b>Equity attributable to owners of the Company</b>				
Share capital	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	(147,449)	(133,713)	(147,449)	(133,713)
Other reserves	(211,747)	(209,891)	(5,166)	(3,310)
Retained earnings	6,436,146	6,569,298	159,644	481,822
Foreign currency translation reserve	(221,438)	(261,629)	1,048,235	1,117,315
	<b>7,662,557</b>	<b>7,771,110</b>	<b>2,862,309</b>	<b>3,269,159</b>
<b>Non-controlling interests</b>	<b>1,278,663</b>	<b>1,228,618</b>	<b>-</b>	<b>-</b>
<b>Total Equity</b>	<b>8,941,220</b>	<b>8,999,728</b>	<b>2,862,309</b>	<b>3,269,159</b>

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

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

	30-June-2019 IDR Million	31-Dec-2018 IDR Million
Amount due within one year		
Unsecured	2,696,238	4,289,052
<b>Total</b>	<b>2,696,238</b>	<b>4,289,052</b>
Amount due more than one year		
Unsecured	3,526,790	934,900
<b>Total</b>	<b>3,526,790</b>	<b>934,900</b>

The unsecured borrowings contain negative pledge clauses.

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

CASH FLOW	Group			
	2nd Quarter		1st Half	
	2019	2018	2019	2018
	IDR million	IDR million	IDR million	IDR million
<b>Cash flows from operating activities</b>				
Cash receipts from customers	1,766,508	2,177,026	3,720,796	4,195,946
Cash payments to suppliers, employees and for other operating expenses	(1,588,042)	(1,617,360)	(3,100,540)	(3,081,064)
Income tax paid	(102,385)	(172,492)	(207,720)	(300,169)
<b>Net cash flows generated from operating activities</b>	<b>76,081</b>	<b>387,174</b>	<b>412,536</b>	<b>814,713</b>
<b>Cash flows from investing activities</b>				
Increase in plasma receivables	(53,681)	(17,879)	(251,867)	(195,569)
Investment in intangible assets	-	(284)	-	(284)
Investment in bearer plants	(67,148)	(23,095)	(152,813)	(122,209)
Investment in property, plant and equipment	(56,765)	(45,348)	(132,150)	(81,984)
Investment in land use rights	(13,843)	(15,347)	(18,949)	(49,548)
Interest received	43,513	27,946	83,760	63,727
<b>Net cash flows used in investing activities</b>	<b>(147,924)</b>	<b>(74,007)</b>	<b>(472,019)</b>	<b>(385,867)</b>
<b>Cash flows from financing activities</b>				
Proceeds from loans and borrowings	714,575	251,568	3,353,990	251,568
Repayment of loan and borrowings	(140,660)	(104,093)	(497,035)	(104,093)
Repayment of islamic medium term notes	-	-	(2,193,206)	-
Payment of dividend	(368,397)	(365,155)	(368,397)	(365,155)
Buy-back of ordinary shares	-	-	(13,736)	-
Interest paid	(54,720)	(13,241)	(156,180)	(98,842)
<b>Net cash flows generated from/(used in) from financing activities</b>	<b>150,798</b>	<b>(230,921)</b>	<b>125,436</b>	<b>(316,522)</b>
<b>Net increase in cash and cash equivalents</b>	<b>78,955</b>	<b>82,246</b>	<b>65,953</b>	<b>112,324</b>
<b>Effect of exchange rate changes on cash and cash equivalents</b>	<b>(1,189)</b>	<b>3,533</b>	<b>(1,550)</b>	<b>3,611</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>285,690</b>	<b>246,871</b>	<b>299,053</b>	<b>216,715</b>
<b>Cash and cash equivalents at end of period</b>	<b>363,456</b>	<b>332,650</b>	<b>363,456</b>	<b>332,650</b>

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

Cash Flows from Operating Activities:	Group			
	2nd Quarter		1st Half	
	2019	2018	2019	2018
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	202,418	612,245	377,844	969,416
Depreciation and amortisation	147,929	137,797	295,508	275,301
Finance cost	58,091	48,824	114,547	94,836
Interest income	(45,054)	(29,327)	(86,761)	(66,342)
Unrealized foreign exchange gain	(19,003)	(51,985)	(125,762)	(46,048)
Operating cash flows before working capital changes	<b>344,381</b>	<b>717,554</b>	<b>575,376</b>	<b>1,227,163</b>
Decrease/(increase) in:				
- Trade and other receivables	(21,221)	(134,319)	223,840	(23,353)
- Inventories	(148,971)	(221,047)	(136,797)	(280,692)
- Prepaid taxes	(98,850)	(91,049)	(208,501)	(205,045)
- Prepayments and advances	(2,289)	3,041	(9,064)	(7,472)
- Deferred charges	(10)	(695)	227	(907)
(Decrease)/increase in:				
- Trade and other payables	98,283	270,551	111,461	365,688
- Accrued operating expenses	(52,264)	(3,225)	(77,057)	(9,471)
- Other taxes payable	50,910	52,972	105,626	78,296
- Sales advances	8,497	(34,117)	35,145	(29,325)
Cash flows generated from operations	<b>178,466</b>	<b>559,666</b>	<b>620,256</b>	<b>1,114,882</b>
Income tax paid	(102,385)	(172,492)	(207,720)	(300,169)
<b>Net cash flows generated from operating activities</b>	<b>76,081</b>	<b>387,174</b>	<b>412,536</b>	<b>814,713</b>

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

Group	----- Attributable to owners of the Group -----						Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserve	Total share capital and reserves		
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million		
<b>Opening balance at 1 January 2019</b>	<b>1,807,045</b>	<b>(133,713)</b>	<b>6,569,298</b>	<b>(209,891)</b>	<b>(261,629)</b>	<b>7,771,110</b>	<b>1,228,618</b>	<b>8,999,728</b>
Profit for the period	-	-	235,245	-	-	235,245	50,045	285,290
<b>Other comprehensive income:</b>								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	40,191	40,191	-	40,191
Fair value reserve on derivative	-	-	-	(1,856)	-	(1,856)	-	(1,856)
Total comprehensive income for the period, net of tax	-	-	235,245	(1,856)	40,191	273,580	50,045	323,625
<b>Distribution to owners:</b>								
Buy-back of ordinary shares	-	(13,736)	-	-	-	(13,736)	-	(13,736)
Dividends on ordinary shares	-	-	(368,397)	-	-	(368,397)	-	(368,397)
<b>Closing balance at 30 June 2019</b>	<b>1,807,045</b>	<b>(147,449)</b>	<b>6,436,146</b>	<b>(211,747)</b>	<b>(221,438)</b>	<b>7,662,557</b>	<b>1,278,663</b>	<b>8,941,220</b>
<b>Opening balance at 1 January 2018</b>	<b>1,807,045</b>	<b>(131,028)</b>	<b>5,977,826</b>	<b>(199,808)</b>	<b>(4,628)</b>	<b>7,449,407</b>	<b>1,022,305</b>	<b>8,471,712</b>
Profit for the period	-	-	619,826	-	-	619,826	106,432	726,258
<b>Other comprehensive income:</b>								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	(227,227)	(227,227)	-	(227,227)
Fair value reserve on derivative	-	-	-	15,963	-	15,963	-	15,963
Total comprehensive income for the period, net of tax	-	-	619,826	15,963	(227,227)	408,562	106,432	514,994
<b>Distribution to owners:</b>								
Contribution from non-controlling interests	-	-	-	-	-	-	40,458	40,458
Dividends on ordinary shares	-	-	(365,155)	-	-	(365,155)	-	(365,155)
<b>Closing balance at 30 June 2018</b>	<b>1,807,045</b>	<b>(131,028)</b>	<b>6,232,497</b>	<b>(183,845)</b>	<b>(231,855)</b>	<b>7,492,814</b>	<b>1,169,195</b>	<b>8,662,009</b>

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
<b>Opening balance at 1 January 2019</b>	<b>1,807,045</b>	<b>(133,713)</b>	<b>481,822</b>	<b>(3,310)</b>	<b>1,117,315</b>	<b>3,269,159</b>
Profit for the period	-	-	46,219	-	-	46,219
<b>Other comprehensive income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	(69,080)	(69,080)
Fair value reserve on derivative	-	-	-	(1,856)	-	(1,856)
Total comprehensive income for the period, net of tax	-	-	46,219	(1,856)	(69,080)	(24,717)
<b>Distribution to owners:</b>						
Buy-back of ordinary shares	-	(13,736)	-	-	-	(13,736)
Dividends on ordinary shares	-	-	(368,397)	-	-	(368,397)
<b>Closing balance at 30 June 2019</b>	<b>1,807,045</b>	<b>(147,449)</b>	<b>159,644</b>	<b>(5,166)</b>	<b>1,048,235</b>	<b>2,862,309</b>
<b>Opening balance at 1 January 2018</b>	<b>1,807,045</b>	<b>(131,028)</b>	<b>636,267</b>	<b>(14,870)</b>	<b>900,131</b>	<b>3,197,545</b>
Profit for the period	-	-	64,197	-	-	64,197
<b>Other comprehensive income:</b>						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	196,014	196,014
Fair value reserve on derivative	-	-	-	15,963	-	15,963
Total comprehensive income for the period, net of tax	-	-	64,197	15,963	196,014	276,174
<b>Distribution to owners:</b>						
Dividends on ordinary shares	-	-	(365,155)	-	-	(365,155)
<b>Closing balance at 30 June 2018</b>	<b>1,807,045</b>	<b>(131,028)</b>	<b>335,309</b>	<b>1,093</b>	<b>1,096,145</b>	<b>3,108,564</b>

- 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 the last report period as at 31 March 2019. Details of the treasury shares as at 30 June 2019 and 2018 were as follows:

	Company	
	Number of shares	
	30-Jun-2019	30-Jun-2018
Treasury shares	20,034,800	17,707,900
Issued ordinary shares excluding treasury shares	1,737,497,044	1,739,823,944
<b>Issued ordinary shares</b>	<b>1,757,531,844</b>	<b>1,757,531,844</b>

The Company did not have any outstanding convertibles against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediate preceding financial year.

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

	Company	
	Number of shares	
	30-Jun-19	31-Dec-2018
Issued ordinary shares excluding treasury shares	1,737,497,044	1,739,408,844

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

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

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

Not applicable.

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

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



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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2018, except for the new and revised Singapore Financial Reporting Standards (International) ("SFRS(I)") that are effective for annual periods beginning on or after 1 January 2019. The adoption of these standards has no significant impact to the Group's consolidated financial statements.

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

Not applicable.

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

Earning per share for the period (weighted average number of shares)	2nd Quarter		1st Half	
	2019	2018	2019	2018
Based on weighted average number of share (in IDR)	71	222	134	354
Weighted number of shares	1,749,953,262	1,750,948,694	1,749,468,694	1,750,948,694

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

Net asset value per share	Group		Company	
	30-June-2019	31-Dec-2018	30-June-2019	31-Dec-2018
Net asset value per ordinary share (in IDR)	4,410	4,468	1,647	1,879
Number of issued ordinary shares *	1,737,497,044	1,739,408,844	1,737,497,044	1,739,408,844

\* excluding Treasury Shares

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

## REVIEW OF INCOME STATEMENT

### Overview

During the second quarter of 2019 ("2Q2019") and first half of the year ("1H2019"), the Group recorded decrease in gross profit of 53.8% and 49.7% respectively due to weaker palm oil prices and lower sales volume.

### Revenue

Revenue decreased by 24.3% to IDR 1,779 billion in 2Q2019 and 18.8% to IDR 3,456 billion in 1H2019 compared to previous corresponding periods. This was mainly attributable to the decrease in average selling prices of Crude Palm Oil ("CPO") and Palm Kernel ("PK").

Revenue	2Q2019	2Q2018	Change	1H2019	1H2018	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,606,783	2,075,923	-22.6%	3,078,756	3,687,881	-16.5%
PK	171,899	272,458	-36.9%	376,982	568,280	-33.7%
<b>Total</b>	<b>1,778,682</b>	<b>2,348,381</b>	<b>-24.3%</b>	<b>3,455,738</b>	<b>4,256,161</b>	<b>-18.8%</b>
<b>Sales Volume</b>						
Sales Volume	2Q2019	2Q2018	Change	1H2019	1H2018	Change
	mt	mt	(%)	mt	mt	(%)
CPO	244,109	266,802	-8.5%	468,656	472,661	-0.8%
PK	51,241	49,706	3.1%	101,475	94,393	7.5%
<b>Average sales prices</b>						
Average sales prices	2Q2019	2Q2018	Change	1H2019	1H2018	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	6,582	7,781	-15.4%	6,569	7,802	-15.8%
PK	3,355	5,481	-38.8%	3,715	6,020	-38.3%

**Cost of Sales**

Cost of sales comprised mainly cost in relation to plantation maintenance, harvesting, plantation overhead, depreciation and amortisation, milling, and Fresh Fruit Bunches ("FFB") purchased externally (including plasma and third parties).

**Interest Income**

Interest income amounting to IDR 45 billion in 2Q2019 and IDR 87 billion in 1H2019 mainly consisted of interest income earned from advances extended to the plasma farmers.

**Selling Expenses**

Selling expenses mainly comprises of freight and loading expenses, increased to IDR 84 billion in 2Q2019 and IDR 174 billion in 1H2019. Higher selling expenses during the period were mainly attributable to higher CPO sales with CIF Incoterms compared to previous periods as well as additional barges rented to expedite loading and delivery of palm products to customers.

**General and Administrative Expenses**

General and administrative expenses increased by 19.5% to IDR 65 billion in 2Q2019 and 14.3% to IDR 162 billion in 1H2019 mainly due to increase in salaries and employee benefits.

**Finance Cost**

Finance cost increased by 19.0% to IDR 58 billion in 2Q2019 and 20.8% to IDR 115 billion in 1H2019 mainly attributable to higher interest rate arising from higher London Interbank Offered Rate ("LIBOR") during the period.

**Foreign Exchange Gain/(Loss)**

The Group recorded a net foreign exchange gain of IDR 11 billion in 2Q2019 and IDR 95 billion in 1H2019 mainly due to translation on USD denominated borrowings in the Group's IDR financial statements as a result of the appreciation of IDR against USD during both periods.

**Income Tax Expense**

The Group recorded a decrease in income tax expense to IDR 53 billion in 2Q2019 compared to IDR 160 billion in 2Q2018 and IDR 93 billion in 1H2019 compared to IDR 243 billion in 1H2018. The decrease was in line with the decrease in profit before income tax.

## REVIEW OF STATEMENT OF FINANCIAL POSITION

### Non-Current Assets

As at 30 June 2019, the Group's total non-current assets increased by IDR 489 billion from IDR 14,129 billion to IDR 14,618 billion. This was mainly attributable to the increase in plasma receivables by IDR 507 billion to IDR 2,223 billion arising from advances given to plasma farmers for the maintenance of immature plasma plantations.

### Current Assets

As at 30 June 2019, the Group's total current assets increased by IDR 80 billion from IDR 2,410 billion to IDR 2,490 billion. The increase in the current assets was mainly due to increase in inventories to IDR 729 billion, especially fertiliser which will be applied to the field in 2H2019, and offset by the decrease in trade and other receivables by IDR 225 billion to IDR 255 billion arising from lower revenue.

### Current Liabilities

Decrease in current liabilities by IDR 1,947 billion as at 30 June 2019 from IDR 6,427 billion to IDR 4,480 billion was mainly due to repayment of the first tranche of Islamic Medium Term Notes ("IMTN") which matured in March 2019. The repayment resulted in the realisation of derivative financial liabilities of the matured IMTN.

The Company had issued another tranches of IMTN totaling to MYR 700 million on 22 July 2019 for the repayment of the second tranche of IMTN due in September 2019. Part of the newly issued IMTN amounted to MYR 300 million bears a coupon rate of 4.1% p.a. with 5-year tenure while the remaining balance of MYR 400 million bears a coupon rate of 4.2% p.a. with 7-year tenure. The Company had also entered into a cross currency interest rate swap contract of the IMTNs into US Dollar (USD) with fixed interests.

### Non-Current Liabilities

As at 30 June 2019, the Group's total non-current liabilities increased by IDR 2,574 billion from IDR 1,112 billion to IDR 3,686 billion, arising mainly from the issuance of a 5-year term loan in March 2019 as refinancing for the matured IMTN.

## REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net increase in cash and cash equivalents of IDR 66 billion as at 30 June 2019, bringing the cash and bank balances to IDR 363 billion, as follows:

- The Group recorded lower net cash flow generated from operating activities amounting to IDR 76 billion in 2Q2019 and IDR 413 billion in 1H2019 mainly due to lower cash receipts from customers as affected by lower average selling prices.
- The Group recorded net cash used in investing activities amounting to IDR 148 billion in 2Q2019 and IDR 472 billion in 1H2019. These increase compared to each previous corresponding period mainly due to higher advances given to plasma farmers and investment in property, plant and equipment, as well as bearer plants.
- Net cash flow generated from financing activities reported by the Group of IDR 151 billion in 2Q2019 and IDR 125 billion in 1H2019 comprised mainly issuance of a 5-year term loan which was used to refinance the first tranche of IMTN, and payment of BAL's FY2018 final dividend in May 2019.

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

Not applicable.

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

The low prices of vegetable oils and the high stock level of palm oil had kept palm oil prices low. We do not foresee any changes in palm oil prices in the near future unless there are changes affecting supply and demand dynamics.

The Group anticipates improvement in its production volume to provide support and mitigate the impact of low palm oil prices. The Group will continue to strengthen its business strategies, improve cost management and increase contribution from newly matured plantations.

**11. Dividend**

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

Any dividend declared for the current financial period reported on?

Yes.

<b>2QFY2019</b>	
Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share	0.38 Singapore cent
Payment Type	Tax Exempted (1-tier)

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

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

Yes.

<b>2QFY2018</b>	
Name of Dividend	Interim
Dividend Type	Cash
Dividend amount per share	0.75 Singapore cent
Payment Type	Tax Exempted (1-tier)

**(c) Date payable**

17 September 2019

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of BUMITAMA AGRI LTD. ("the Company") will be closed on 10 September 2019 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, B.A.C.S. Private Limited at 8 Robinson Road #03 - 00 ASO Building, Singapore 048544 up to 5.00 p.m. on 9 September 2019 will be registered to determine shareholders' entitlements to the said dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 9 September 2019 will be entitled to the proposed dividend.

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

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 1H2019:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
	in IDR million	in IDR million
Mr Gunardi Hariyanto Lim <sup>(1)</sup>	1,200	-
Goldwood Investments Ltd <sup>(2)</sup>	-	-
IOI Corporation Berhad <sup>(3)</sup>	-	79,418
PT Sawit Nabati Agro <sup>(4)</sup>	-	-
PT Lima Srikandi Jaya <sup>(5)</sup>	3,600	-
<b>TOTAL</b>	<b>4,800</b>	<b>79,418</b>

Notes:

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

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

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

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

**15. Negative Assurance Confirmation Statement**

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

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

**Lim Gunawan Hariyanto**  
Executive Chairman and CEO  
14 August 2019

**Tan Boon Hoo**  
Lead Independent Director