



BUMITAMA AGRI LTD.

Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2018

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

	Group					
	4th Quarter			FY		
	2018 IDR million	2017 IDR million	Change (%)	2018 IDR million	2017 IDR million	Change (%)
Revenue	2,204,667	2,059,750	7.0%	8,381,185	8,131,384	3.1%
Cost of sales	(1,681,019)	(1,384,965)	21.4%	(5,990,133)	(5,742,214)	4.3%
Gross profit	523,648	674,785	-22.4%	2,391,052	2,389,170	0.1%
Interest Income	44,866	46,558	-3.6%	164,847	147,919	11.4%
Fair value changes in biological assets	(47,657)	35,819	n.m.	(47,657)	35,819	n.m.
Selling expense	(89,709)	(62,977)	42.4%	(280,143)	(207,604)	34.9%
General and administrative expense	(55,963)	(52,586)	6.4%	(262,700)	(241,750)	8.7%
Finance cost	(53,753)	(47,052)	14.2%	(199,804)	(166,028)	20.3%
Foreign exchange gain/(loss)	19,326	(11,464)	n.m.	(57,148)	(5,817)	n.m.
Other expenses	(13,176)	(28,815)	-54.3%	(14,517)	(71,702)	-79.8%
Other income	5,209	11,595	-55.1%	11,358	16,734	-32.1%
Share of loss of associate companies	-	-	-	-	(2,285)	n.m.
Profit before income tax	332,791	565,863	-41.2%	1,705,288	1,894,456	-10.0%
Income tax expense	(79,120)	(110,720)	-28.5%	(409,950)	(470,260)	-12.8%
Profit for the period	253,671	455,143	-44.3%	1,295,338	1,424,196	-9.0%
Attributable to:						
Owners of the Company	207,369	363,607	-43.0%	1,097,080	1,193,341	-8.1%
Non-controlling interests	46,302	91,536	-49.4%	198,258	230,855	-14.1%
	253,671	455,143	-44.3%	1,295,338	1,424,196	-9.0%

n.m. – not meaningful

Additional Information

	Group					
	4th Quarter			FY		
	2018 IDR million	2017 IDR million	Change (%)	2018 IDR million	2017 IDR million	Change (%)
Profit before income tax	332,791	565,863	-41.2%	1,705,288	1,894,456	-10.0%
Depreciation and amortisation	138,429	138,303	0.1%	549,600	518,046	6.1%
Foreign exchange (gain)/loss	(19,326)	11,464	n.m.	57,148	5,817	n.m.
Finance cost	53,753	47,052	14.2%	199,804	166,028	20.3%
Interest income	(44,866)	(46,558)	-3.6%	(164,847)	(147,919)	11.4%
Fair value changes in biological assets	47,657	(35,819)	n.m.	47,657	(35,819)	n.m.
Impairment of property, plant, and equipment (in Other expenses)	-	24,867	n.m.	-	24,867	n.m.
Other expense	-	-	-	-	1,440	n.m.
EBITDA	508,438	705,172	-27.9%	2,394,650	2,426,916	-1.3%

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					
	4th Quarter			FY		
	2018 IDR million	2017 IDR million	Change (%)	2018 IDR million	2017 IDR million	Change (%)
Profit for the period / year	253,671	455,143	-44.3%	1,295,338	1,424,196	-9.0%
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation gain/(loss)	129,458	(18,010)	n.m.	(257,001)	(26,522)	n.m.
Item that will not be reclassified to profit or loss:						
Fair value reserve on derivative financial liabilities	482	5,869	-91.8%	11,560	55,126	-79.0%
Re-measurement gain on defined benefit plans	720	1,392	-48.3%	720	1,392	-48.3%
Other comprehensive income for the period / year, net of tax	130,660	(10,749)	n.m.	(244,721)	29,996	n.m.
Total comprehensive income for the period / year	384,331	444,394	-13.5%	1,050,617	1,454,192	-27.8%
Attributable to:						
Owners of the Company	337,731	352,781	-4.3%	852,061	1,223,260	-30.3%
Non-controlling interests	46,600	91,613	-49.1%	198,556	230,932	-14.0%
	384,331	444,394	-13.5%	1,050,617	1,454,192	-27.8%

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		
	31-Dec-2018	31-Dec-2017	1-Jan-17	31-Dec-2018	31-Dec-2017	1-Jan-17
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million
ASSETS						
Non-current assets						
Plasma receivables	1,716,271	1,258,436	923,331	-	-	-
Property, plant and equipment	3,458,793	3,443,333	3,307,380	3,468	34	79
Bearer plants	7,503,534	7,293,124	7,024,690	-	-	-
Land use rights	958,837	909,603	815,034	-	-	-
Investment in subsidiaries	-	-	-	2,131,110	1,402,450	854,370
Investment in associate companies	-	-	2,285	154,070	144,144	142,952
Intangible assets	177,424	174,165	176,034	-	-	-
Deferred tax assets	231,221	231,920	149,113	-	-	-
Deferred charges	-	-	6,228	-	-	6,228
Due from subsidiaries	-	-	-	7,175,044	7,262,010	8,041,210
Loan to an associate company	82,693	72,541	68,084	82,693	72,541	68,084
Total Non-current assets	14,128,773	13,383,122	12,472,179	9,546,385	8,881,179	9,112,923
Current assets						
Biological assets	248,413	296,070	260,251	-	-	-
Inventories	592,400	443,559	611,617	-	-	-
Deferred charges	8,538	7,779	5,333	60	88	50
Trade and other receivables	479,847	286,518	277,770	194	-	-
Due from related companies	50	50	478	-	-	-
Plasma receivables	219,590	259,675	302,246	-	-	-
Prepayments and advances	18,660	10,646	10,784	1,078	62	101
Dividend receivables	-	-	-	-	-	13,314
Prepaid taxes	543,480	385,412	309,230	80	60	44
Cash and short-term deposits	299,053	216,715	517,097	40,637	28,236	23,700
Total Current assets	2,410,031	1,906,424	2,294,806	42,049	28,446	37,209
Total Assets	16,538,804	15,289,546	14,766,985	9,588,434	8,909,625	9,150,132
LIABILITIES AND EQUITY						
Current liabilities						
Loans and borrowings	796,455	338,700	1,007,700	796,455	338,700	1,007,700
Islamic medium term notes	3,492,597	-	-	3,492,597	-	-
Trade and other payables	774,865	499,605	572,029	2,225	1,303	12
Accrued operating expenses	209,829	190,679	171,012	64,586	54,977	56,366
Dividend payables	-	-	1,397	-	-	-
Sales advances	12,927	50,495	30,996	-	-	-
Income taxes payable	112,013	198,357	132,231	-	-	1
Derivative financial liabilities	1,028,512	-	-	1,028,512	-	-
Total Current liabilities	6,427,198	1,277,836	1,915,365	5,384,375	394,980	1,064,079
Non-current liabilities						
Deferred tax liabilities	128,273	183,759	164,488	-	-	-
Loans and borrowings	934,900	1,077,638	868,634	934,900	1,077,638	868,634
Islamic medium term notes	-	3,332,622	2,991,828	-	3,332,622	2,991,828
Post employment benefits	48,705	39,139	39,082	-	-	-
Derivative financial liabilities	-	906,840	1,265,881	-	906,840	1,265,881
Total Non-current liabilities	1,111,878	5,539,998	5,329,913	934,900	5,317,100	5,126,343
Total Liabilities	7,539,076	6,817,834	7,245,278	6,319,275	5,712,080	6,190,422
Net Assets	8,999,728	8,471,712	7,521,707	3,269,159	3,197,545	2,959,710
Equity attributable to owners of the Company						
Share capital	1,807,045	1,807,045	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	(133,713)	(131,028)	(17,946)	(133,713)	(131,028)	(17,946)
Other reserves	(209,891)	(199,808)	(254,934)	(3,310)	(14,870)	(69,996)
Retained earnings	6,569,298	5,977,826	5,162,032	481,822	636,267	360,142
Foreign currency translation reserve	(261,629)	(4,628)	21,894	1,117,315	900,131	880,465
	7,771,110	7,449,407	6,718,091	3,269,159	3,197,545	2,959,710
Non-controlling interests	1,228,618	1,022,305	803,616	-	-	-
Total Equity	8,999,728	8,471,712	7,521,707	3,269,159	3,197,545	2,959,710

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

	31-Dec-2018 IDR Million	31-Dec-2017 IDR Million
Amount due within one year		
Unsecured	4,289,052	338,700
Total	4,289,052	338,700
Amount due more than one year		
Unsecured	934,900	4,410,260
Total	934,900	4,410,260

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	4th Quarter		FY	
	2018	2017	2018	2017
	IDR million	IDR million	IDR million	IDR million
Cash flows from operating activities				
Cash receipts from customers	1,771,272	1,981,863	8,135,990	8,137,497
Cash payments to suppliers, employees and for other operating expenses	(1,354,630)	(1,444,583)	(6,161,653)	(5,893,540)
Income tax paid	(66,002)	(73,071)	(456,883)	(361,166)
Net cash flows generated from operating activities	350,640	464,209	1,517,454	1,882,791
Cash flows from investing activities				
Increase in plasma receivables	(85,698)	(93,963)	(379,114)	(222,705)
Investment in intangible assets	-	(574)	(3,483)	(574)
Investment in bearer plants	(165,261)	(138,369)	(338,817)	(424,107)
Investment in property, plant and equipment	(134,675)	(118,628)	(290,340)	(372,051)
Investment in land use rights	(12,032)	(34,871)	(76,452)	(79,326)
Net cash outflows for the acquisition of subsidiaries	-	-	-	(74,437)
Interest received	43,313	45,427	159,210	143,650
Net cash flows used in investing activities	(354,353)	(340,978)	(928,996)	(1,029,550)
Cash flows from financing activities				
Proceeds from loans and borrowings	76,165	-	508,771	199,800
Repayment of loan and borrowings	-	(135,770)	(291,410)	(668,315)
Decrease in amount due from related companies	-	297	-	428
Payment of dividend	(64,088)	-	(570,118)	(381,859)
Buy-back of ordinary shares	(2,685)	(32,136)	(2,685)	(113,082)
Contribution from non-controlling interests	61,511	-	61,511	-
Interest paid	(11,132)	(10,454)	(217,449)	(187,588)
Net cash flows generated from/(used) in financing activities	59,771	(178,063)	(511,380)	(1,150,616)
Net increase/(decrease) in cash and cash equivalents	56,058	(54,832)	77,078	(297,375)
Effect of exchange rate changes on cash and cash equivalents	(2,367)	(703)	5,260	(3,007)
Cash and cash equivalents at beginning of period / year	245,362	272,250	216,715	517,097
Cash and cash equivalents at end of period / year	299,053	216,715	299,053	216,715

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:	4th Quarter		FY	
	2018	2017	2018	2017
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	332,791	565,863	1,705,288	1,894,456
Depreciation and amortisation	138,429	138,303	549,600	518,046
Finance cost	53,753	47,052	199,804	166,028
Interest income	(44,866)	(46,558)	(164,847)	(147,919)
Post employment benefits	18,272	17,666	18,272	17,666
Unrealized foreign exchange loss	96,857	11,716	48,462	23,898
Impairment of property, plant and equipment	-	24,867	-	24,867
Share of loss of associate companies	-	-	-	2,285
Fair value changes in biological assets	47,657	(35,819)	47,657	(35,819)
Operating cash flows before working capital changes	642,893	723,090	2,404,236	2,463,508
Decrease/(increase) in:				
- Trade and other receivables	(298,583)	(44,001)	(191,384)	(6,766)
- Inventories	442,056	(51,405)	(148,840)	165,643
- Prepaid taxes	189,219	245,038	(158,064)	(91,143)
- Prepayments and advances	1,536	3,980	(8,010)	322
- Deferred charges	158	(1,057)	(753)	(1,395)
(Decrease)/increase in:				
- Trade and other payables	(134,458)	5,791	244,710	(148,535)
- Accrued operating expenses	(8,240)	(21,168)	(16,498)	(31,366)
- Other taxes payable	(295,775)	(258,061)	(105,747)	(110,056)
- Sales advances	(114,418)	(49,173)	(37,567)	19,499
Employee benefits contribution paid	(7,746)	(15,754)	(7,746)	(15,754)
Cash flows generated from operations	416,642	537,280	1,974,337	2,243,957
Income tax paid	(66,002)	(73,071)	(456,883)	(361,166)
Net cash flows generated from operating activities	350,640	464,209	1,517,454	1,882,791

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 2018	1,807,045	(131,028)	5,977,826	(199,808)	(4,628)	7,449,407	1,022,305	8,471,712
Profit for the year	-	-	1,097,080	-	-	1,097,080	198,258	1,295,338
Other comprehensive income:								
Foreign currency translation	-	-	-	-	(257,001)	(257,001)	-	(257,001)
Fair value reserve on derivative	-	-	-	11,560	-	11,560	-	11,560
Re-measurement on defined benefit plan	-	-	422	-	-	422	298	720
Total comprehensive income for the year, net of tax	-	-	1,097,502	11,560	(257,001)	852,061	198,556	1,050,617
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	61,511	61,511
Buy-back of ordinary shares	-	(2,685)	-	-	-	(2,685)	-	(2,685)
Dividends on ordinary shares	-	-	(506,030)	-	-	(506,030)	(75,397)	(581,427)
Changes in ownership interest in subsidiaries:								
Increase in ownership in subsidiary without a change in control	-	-	-	(21,643)	-	(21,643)	21,643	-
Closing balance at 31 December 2018	1,807,045	(133,713)	6,569,298	(209,891)	(261,629)	7,771,110	1,228,618	8,999,728
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 year	-	-	1,193,341	-	-	1,193,341	230,855	1,424,196
Other comprehensive income:								
Foreign currency translation	-	-	-	-	(26,522)	(26,522)	-	(26,522)
Fair value reserve on derivative	-	-	-	55,126	-	55,126	-	55,126
Re-measurement on defined benefit plan	-	-	1,315	-	-	1,315	77	1,392
Total comprehensive income for the year, net of tax	-	-	1,194,656	55,126	(26,522)	1,223,260	230,932	1,454,192
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	87,004	87,004
Buy-back of ordinary shares	-	(113,082)	-	-	-	(113,082)	-	(113,082)
Dividends on ordinary shares	-	-	(378,862)	-	-	(378,862)	(99,247)	(478,109)
Closing balance at 31 December 2017	1,807,045	(131,028)	5,977,826	(199,808)	(4,628)	7,449,407	1,022,305	8,471,712

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 2018	1,807,045	(131,028)	636,267	(14,870)	900,131	3,197,545
Profit for the year	-	-	351,585	-	-	351,585
Other comprehensive income:						
Foreign currency translation	-	-	-	-	217,184	217,184
Fair value reserve on derivative	-	-	-	11,560	-	11,560
Total comprehensive income for the year, net of tax	-	-	351,585	11,560	217,184	580,329
Distribution to owners:						
Buy-back of ordinary shares	-	(2,685)	-	-	-	(2,685)
Dividends on ordinary shares	-	-	(506,030)	-	-	(506,030)
Closing balance at 31 December 2018	1,807,045	(133,713)	481,822	(3,310)	1,117,315	3,269,159
Opening balance at 1 January 2017	1,807,045	(17,946)	360,142	(69,996)	880,465	2,959,710
Profit for the year	-	-	654,987	-	-	654,987
Other comprehensive income:						
Foreign currency translation	-	-	-	-	19,666	19,666
Fair value reserve on derivative	-	-	-	55,126	-	55,126
Total comprehensive income for the year, net of tax	-	-	654,987	55,126	19,666	729,779
Distribution to owners:						
Buy-back of ordinary shares	-	(113,082)	-	-	-	(113,082)
Dividends on ordinary shares	-	-	(378,862)	-	-	(378,862)
Closing balance at 31 December 2017	1,807,045	(131,028)	636,267	(14,870)	900,131	3,197,545

- 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.**

The Company's treasury shares had increased by 415,100 shares since the end of the last report period as at 30 September 2018. Details of the treasury shares as at 31 December 2018 and 31 December 2017 were as follows:

	Company	
	Number of shares	
	31-Dec-2018	31-Dec-2017
Treasury shares	18,123,000	17,707,900
Issued ordinary shares excluding treasury shares	1,739,408,844	1,739,823,944
Issued ordinary shares	1,757,531,844	1,757,531,844

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	
	31-Dec-2018	31-Dec-17
Issued ordinary shares excluding treasury shares	1,739,408,844	1,739,823,944

- 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 2017, except for the new and revised standards that are effective for annual periods beginning on or after 1 January 2018.

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

The Singapore Accounting Standards Council ("ASC") has introduced a new Singapore financial reporting framework that is equivalent to the International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). The new framework is referred to as the Singapore Financial Reporting Standards (International) ("SFRS(I)"). The Group's financial statements for the financial year ending 31 December 2018 will be prepared in accordance with SFRS(I) as issued by the ASC.

The Group has applied the same accounting policies and methods of computation on the financial statements for the current reporting period as that of the audited financial statements for the year ended 31 December 2017, except for the adoption of new/revised SFRS(I) applicable for the financial period beginning 1 January 2018 as follows:

SFRS(I) 1 *First-time Adoption of Singapore Financial Reporting Standards (International)*

SFRS(I) requires that the Group applies SFRS(I) on a retrospective basis and restatement of comparatives may be required because SFRS(I) 1 requires both the opening balance sheet and comparative information to be prepared using the most current accounting policies. SFRS(I) 1 provides mandatory exceptions and optional exemptions from retrospective application, but these are often different from those specific transition provisions in individual FRSS applied to FRSS financial statements. The application of the mandatory exceptions and the optional exemptions in SFRS(I) 1 does not have any significant impact on the Group's financial statements. No restatement to the previous years' audited figures has been made.

These financial statements for the year ended 31 December 2018 are the first of the Group and the Company which prepared in accordance with SFRS(I). Accordingly, the Group and the Company have prepared financial statements that comply with SFRS(I) applicable as at 31 December 2018, together with the comparative period data for the year ended 31 December 2017. On preparing the financial statements, the Group's and the Company's opening balance sheets were prepared as at 1 January 2017, the Group and the Company's date of transition to SFRS(I).

SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting. Overall, the Group does not expect a significant change to the measurement basis arising from adopting the new classification and measurement model under SFRS(I) 9. The Group's existing hedges that are designated in effective hedging relationship continue to qualify for hedge accounting under SFRS(I) 9. SFRS(I) 9 requires the Group to record expected credit losses on all of its loans and trade receivables, either on a 12-month or lifetime basis. The Group adopts the simplified approach and records lifetime expected losses on all trade receivables. The impairment calculated using the expected credit loss model does not have a significant impact on the financial statements.

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its debt securities, loans, trade receivables and plasma receivables, either on a 12-month or lifetime basis. The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables. For financial assets that contain significant financing component such as the Group's plasma receivables, the Group and the Company expects to apply general approach. Under the general approach, the Group and the Company assessed if there are any significant changes in credit risk of the receivables to determine whether to provide credit losses based on 12-month or lifetime basis. There is no material impact upon the application of the expected credit loss model in the year of initial application of the standard.

- 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)	4th Quarter		FY	
	2018	2017	2018	2017
Based on weighted average number of share (in IDR)	118	208	627	682
Weighted number of shares	1,750,762,217	1,749,516,469	1,750,901,692	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	
	31-Dec-2018	31-Dec-2017	31-Dec-2018	31-Dec-2017
Net asset value per ordinary share (in IDR)	4,468	4,282	1,879	1,838
Number of issued ordinary shares *	1,739,408,844	1,739,823,944	1,739,408,844	1,739,823,944

* 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

The Group's financial performance in the fourth quarter ("4Q2018") and full year of 2018 ("FY2018") were impacted by the weakening of the agriculture commodity prices, especially during the last quarter of 2018. However, the increase in sales volume was more than sufficient to offset the drop in selling prices in the 4Q2018 and for FY2018. Foreign exchange loss and loss on fair value changes in biological assets during FY2018 contributed to the decline of the Group's net profit by 9.0% to IDR 1,295 billion.

Revenue

Revenue increased by 7.0% to IDR 2,205 billion in 4Q2018 and 3.1% to IDR 8,381 billion in FY2018 compared to the previous corresponding periods. This was mainly attributable to an increase in sales volume of Crude Palm Oil ("CPO") and Palm Kernel ("PK") arising from improved palm production compared to previous corresponding periods.

To focus on its core business, the Group had ceased its biodiesel operation in late 2017.

Revenue	4Q2018	4Q2017	Change	FY2018	FY2017	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,973,252	1,683,950	17.2%	7,299,413	6,744,121	8.2%
Palm Kernel	231,415	310,723	-25.5%	1,081,772	1,118,711	-3.3%
Biodiesel	-	63,572	-	-	265,326	-
Glycerin	-	1,505	-	-	3,226	-
Total	2,204,667	2,059,750	7.0%	8,381,185	8,131,384	3.1%
Volume	4Q2018	4Q2017	Change	FY2018	FY2017	Change
	mt	mt	(%)	mt	mt	(%)
CPO	325,389	207,617	56.7%	1,038,471	832,723	24.7%
Palm Kernel	53,162	41,647	27.6%	204,605	163,061	25.5%
Biodiesel	-	6,414	-	-	26,575	-
Glycerin	-	982	-	-	4,246	-
Average sales prices	4Q2018	4Q2017	Change	FY2018	FY2017	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	6,064	8,111	-25.2%	7,029	8,099	-13.2%
Palm Kernel	4,353	7,461	-41.7%	5,287	6,861	-22.9%
Biodiesel	-	9,911	-	-	9,984	-
Glycerin	-	1,533	-	-	760	-

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).

Increase in the Group’s cost of sales, especially during 4Q2018, was mainly attributable to the increase in manuring cost compared to previous corresponding period due to higher fertiliser application in 4Q2018.

Interest Income

Interest income amounting to IDR 45 billion in 4Q2018 and IDR 165 billion in FY2018 mainly consisted of interest income earned from advances extended to the plasma farmers.

Fair Value Changes in Biological Assets

In accordance with the implementation of FRS 41, the agriculture produce growing on bearer plants are measured at fair value less cost to sell.

The Group recorded decrease in fair value changes in biological assets amounted to IDR 48 billion based on market value of agricultural produce as at 31 December 2018.

Selling Expenses

Selling expenses mainly comprised of freight and loading expenses, increased to IDR 90 billion in 4Q2018 and IDR 280 billion in FY2018. Higher selling expenses during the period were mainly attributable to higher sales volume, fuel price, 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 6.4% to IDR 56 billion in 4Q2018 and by 8.7% to IDR 263 billion in FY2018 mainly due to increase in salaries and employee benefits.

Finance Cost

Finance cost increased by 14.2% to IDR 54 billion in 4Q2018 and by 20.3% to IDR 200 billion in FY2018 mainly attributable to higher London Interbank Offered Rate (“LIBOR”) in 2018.

Foreign Exchange Gain/(Loss)

The Group recorded a net foreign exchange gain of IDR 19 billion in 4Q2018 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 4Q2018. On the contrary, a net foreign exchange loss of IDR 57 billion occurred in FY2018 due to the depreciation of IDR against USD during 2018.

Income Tax Expense

The Group recorded a decrease in income tax expense to IDR 79 billion in 4Q2018 compared to IDR 111 billion in 4Q2017 and IDR 410 billion in FY2018 compared to IDR 470 billion in FY2017. The decrease was due to the decrease in profit before tax.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 31 December 2018, the Group's total non-current assets increased by IDR 746 billion from IDR 13,383 billion to IDR 14,129 billion. This was mainly attributable to increase in plasma receivables by IDR 458 billion to IDR 1,716 billion arising from advances given to plasma farmers for the maintenance of immature plasma plantations and bearer plants by IDR 210 billion which was mainly attributable to development of immature plantations.

Current Assets

As at 31 December 2018, the Group's total current assets increased by IDR 504 billion from IDR 1,906 billion to IDR 2,410 billion. Save for the increase in cash and cash equivalents which was explained in the cash flow section below, the net increase in the current assets was mainly due to:

- a) Increase in inventories by IDR 149 billion to IDR 592 billion as at 31 December 2018 was mainly due to higher fertilisers for 2019 first semester application.
- b) Increase in trade and other receivables by IDR 193 billion to IDR 480 billion as at 31 December 2018 was mainly due to the increase in sales volume of palm products.
- c) Increase in prepaid taxes by IDR 158 billion to IDR 543 billion as at 31 December 2018 was mainly attributable to the increase in claim for tax refund in regards with Value-Added Tax ("VAT") overpayment.

Current Liabilities

Increase in current liabilities by IDR 5,149 billion as at 31 December 2018 from IDR 1,278 billion to IDR 6,427 billion was mainly due to reclassification of some Revolving Credit Facilities ("RCF") loans and Islamic Medium Term Notes ("IMTN") and its corresponding derivative financial liabilities from non-current liabilities in accordance with its maturity.

Non-Current Liabilities

As at 31 December 2018, the Group's total non-current liabilities decreased by IDR 4,428 billion from IDR 5,540 billion to IDR 1,112 billion mainly due to reclassification of some RCF loans, IMTN and derivative financial liabilities as in line with their maturity which explained under the section of current liabilities above.

The Company has already secured a 5-year term loan to refinance IMTN which will be matured in 2019.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net increase in cash and cash equivalents of IDR 77 billion as at 31 December 2018, bringing the cash and bank balances to IDR 299 billion, as follows:

- The Group recorded lower net cash flow generated from operating activities of IDR 351 billion in 4Q2018 mainly due to lower cash receipts from customers. In FY2018, the lower net cash flow generated from operating activities of IDR 1,517 billion was due to higher cash payments to suppliers, employees and for other operating expenses as well as higher income tax paid during the year.
- The Group recorded lower net cash used in investing activities of IDR 929 billion in FY2018 compared to the previous corresponding period mainly due to lower investment for bearer plants and property, plant and equipment.
- Net cash used in financing activities reported by the Group of IDR 511 billion in FY2018 comprised mainly payment of FY2017 final dividend and FY2018 interim dividend as well as repayment of some RCF bank loans and debts related finance costs.

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 price has increased in January 2019, and is expected to maintain in the near future. This higher price will mitigate the lower seasonal fresh fruit bunches production in first quarter FY2019.

The Group will continue to strengthen its business strategies, improve cost management and increase the contribution from young matured plantations.

11. Dividend**(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on?

Yes.

The Directors have recommended for the Company to pay a final dividend in respect of the financial year ended 31 December 2018.

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

FY2017	
Name of Dividend	Final dividend
Dividend Type	Cash
Dividend amount per share	SGD 2 cents
Payment Type	Tax Exempted (1-tier)

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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

Not applicable.

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

The Group has the following interested person transactions ("IPT") for FY2018:

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⁾	2,400	-
Goldwood Investments Ltd ⁽²⁾	-	-
IOI Corporation Berhad ⁽³⁾	-	155,770
PT Sawit Nabati Agro ⁽⁴⁾	-	-
PT Lima Srikandi Jaya ⁽⁵⁾	4,800	-
TOTAL	7,200	155,770

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 FY2018 pursuant to the lease agreement between Goldwood Investments Ltd and the Company as described on page 211 of the Prospectus.*
- (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.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

The Group's primary business activities are cultivating and harvesting palm trees, processing FFB from our oil palm plantations, our plasma plantations, and third parties into CPO and PK, and selling CPO and PK in Indonesia. In late 2017, the Group has ceased its biodiesel operation in order to focus on its core business. Accordingly, no segmental information is presented.

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

Not applicable.

- 17. A breakdown of sales**

FY2018	The Group		
	FY2018	FY2017	Increase / (Decrease)
	IDR million	IDR million	IDR million
(a) Sales reported for the first half year	4,258,013	4,014,770	243,243
(b) Operating profit before deducting minority interests reported for the first half year	726,258	659,271	66,987
(c) Sales reported for the second half year	4,123,172	4,116,614	6,558
(d) Operating profit before deducting minority interests reported for the second half year	569,080	764,925	(195,845)

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

Please refer to Para. 11 above.

19. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13). If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Lim Liana Sarwono	66	The Sister of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, Lim Christina Hariyanto, Executive Director of BAL and daughter of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL.	Senior Purchasing Manager since 1998. - Responsible for securing quality purchases at reasonable prices.	No Change
Gunardi Hariyanto Lim	53	The Brother of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL, and Lim Christina Hariyanto, Executive Director of BAL, and son of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL	Chief Commissioner of PT Bumitama Gunajaya Agro since 2018. - Supervising commissioners and the company in accordance with the articles of association; - Collating advises from other commissioner and shares this advice to the board of directors; and provide oversight on management policies.	No Change

For and on behalf of the Board of Directors

Lim Gunawan Hariyanto
Executive Chairman and CEO
26 February 2019

Tan Boon Hoo
Lead Independent Director