



BUMITAMA AGRI LTD.

Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 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					
	4th Quarter			FY		
	2017 IDR million	2016 IDR million	Change (%)	2017 IDR million	2016 IDR million	Change (%)
Revenue	2,065,750	2,270,176	-9.0%	8,131,384	6,629,772	22.6%
Cost of sales	(1,384,965)	(1,376,229)	0.6%	(5,742,214)	(4,654,131)	23.4%
Gross profit	680,785	893,947	-23.8%	2,389,170	1,975,641	20.9%
Interest Income	46,558	62,568	-25.6%	147,919	182,223	-18.8%
Fair value changes in biological assets	35,819	26,943	32.9%	35,819	26,943	32.9%
Selling expense	(62,977)	(59,855)	5.2%	(207,604)	(188,144)	10.3%
General and administrative expense	(52,586)	(60,537)	-13.1%	(241,750)	(206,138)	17.3%
Finance cost	(47,052)	(39,400)	19.4%	(166,028)	(163,344)	1.6%
Foreign exchange (loss) / gain	(11,464)	(55,359)	-79.3%	(5,817)	15,857	n.m.
Other expenses	(3,225)	(22,932)	-85.9%	(71,702)	(86,178)	-16.8%
Other income	5,595	4,764	17.4%	16,734	16,122	3.8%
Share of loss of associate companies	-	(6,893)	-100.0%	(2,285)	(21,784)	-89.5%
Profit before income tax	591,453	743,246	-20.4%	1,894,456	1,551,198	22.1%
Income tax expense	(136,310)	(179,823)	-24.2%	(470,260)	(363,062)	29.5%
Profit for the period / year	455,143	563,423	-19.2%	1,424,196	1,188,136	19.9%
Attributable to:						
Owners of the Company	363,607	461,578	-21.2%	1,193,341	1,005,086	18.7%
Non-controlling interests	91,536	101,845	-10.1%	230,855	183,050	26.1%
	455,143	563,423	-19.2%	1,424,196	1,188,136	19.9%

n.m. – not meaningful

Additional Information

	Group					
	4th Quarter			FY		
	2017 IDR million	2016 IDR million	Change (%)	2017 IDR million	2016 IDR million	Change (%)
Profit before income tax	591,453	743,246	-20.4%	1,894,456	1,551,198	22.1%
Depreciation and amortisation	138,303	83,727	65.2%	518,046	435,907	18.8%
Foreign exchange gain / (loss)	11,464	55,359	-79.3%	5,817	(15,857)	n.m.
Finance cost	47,052	39,400	19.4%	166,028	163,344	1.6%
Interest income	(46,558)	(62,568)	-25.6%	(147,919)	(182,223)	-18.8%
Fair value changes in biological assets	(35,819)	(26,943)	32.9%	(35,819)	(26,943)	32.9%
Gain on sale of property, plant, and equipment	-	(5)	-100.0%	-	(75)	-100.0%
Impairment of property, plant, and equipment (in Other expenses)	24,867	-	100.0%	24,867	-	100.0%
Other expense	-	-	100.0%	1,440	-	100.0%
EBITDA	730,762	832,216	-12.2%	2,426,916	1,925,351	26.1%

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		
	2017 IDR million	2016 IDR million	Change (%)	2017 IDR million	2016 IDR million	Change (%)
Profit for the period / year	455,143	563,423	-19.2%	1,424,196	1,188,136	19.9%
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss) / gain	(18,010)	(75,160)	-76.0%	(26,522)	173,637	n.m.
Item that will not be reclassified to profit or loss:						
Fair value reserve on derivative financial liabilities	5,869	(65,740)	n.m.	55,126	(37,461)	n.m.
Re-measurement gain on defined benefit plans	1,392	2,267	-38.6%	1,392	2,267	-38.6%
Other comprehensive income for the period / year, net of tax	(10,749)	(138,633)	-92.2%	29,996	138,443	-78.3%
Total comprehensive income for the period / year	444,394	424,790	4.6%	1,454,192	1,326,579	9.6%
Attributable to:						
Owners of the Company	352,781	322,945	9.2%	1,223,260	1,143,529	7.0%
Non-controlling interests	91,613	101,845	-10.0%	230,932	183,050	26.2%
	444,394	424,790	4.6%	1,454,192	1,326,579	9.6%

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-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
	IDR million	IDR million	IDR million	IDR million
ASSETS				
Non-current assets				
Plasma receivables	1,258,436	923,331	-	-
Property, plant and equipment	3,443,333	3,307,380	34	79
Bearer plants	7,293,124	7,024,690	-	-
Land use rights	909,603	815,034	-	-
Investment in subsidiaries	-	-	1,402,450	854,370
Investment in associate companies	-	2,285	144,144	142,952
Intangible assets	174,165	176,034	-	-
Deferred tax assets	231,920	149,113	-	-
Deferred charges/other receivable	-	6,228	-	6,228
Due from subsidiaries	-	-	7,262,010	8,041,210
Loan to an associate company	72,541	68,084	72,541	68,084
Total Non-current assets	13,383,122	12,472,179	8,881,179	9,112,923
Current assets				
Biological assets	296,070	260,251	-	-
Inventories	443,559	611,617	-	-
Deferred charges	7,779	5,333	88	50
Trade and other receivables	286,518	277,770	-	-
Due from related companies	50	478	-	-
Plasma receivables	259,675	302,246	-	-
Prepayments and advances	10,646	10,784	62	101
Dividend receivables	-	-	-	13,314
Prepaid taxes	385,412	309,230	60	44
Cash and short-term deposits	216,715	517,097	28,236	23,700
Total Current assets	1,906,424	2,294,806	28,446	37,209
Total Assets	15,289,546	14,766,985	8,909,625	9,150,132
LIABILITIES AND EQUITY				
Current liabilities				
Loans and borrowings	338,700	1,007,700	338,700	1,007,700
Trade and other payables	499,605	572,029	1,303	12
Accrued operating expenses	190,679	171,012	54,976	56,366
Dividend payables	-	1,397	-	-
Sales advances	50,495	30,996	-	-
Income taxes payable	198,357	132,231	-	1
Total Current liabilities	1,277,836	1,915,365	394,979	1,064,079
Non-current liabilities				
Deferred tax liabilities	183,759	164,488	-	-
Loans and borrowings	1,077,638	868,634	1,077,638	868,634
Islamic medium term notes	3,332,622	2,991,828	3,332,622	2,991,828
Post employment benefits	39,139	39,082	-	-
Derivative financial liabilities	906,840	1,265,881	906,841	1,265,881
Total Non-current liabilities	5,539,998	5,329,913	5,317,101	5,126,343
Total Liabilities	6,817,834	7,245,278	5,712,080	6,190,422
Net Assets	8,471,712	7,521,707	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
Treasury shares	(131,028)	(17,946)	(131,028)	(17,946)
Other reserves	(199,808)	(254,934)	(14,870)	(69,996)
Retained earnings	5,977,826	5,162,032	636,267	360,142
Foreign currency translation reserve	(4,628)	21,894	900,131	880,465
	7,449,407	6,718,091	3,197,545	2,959,710
Non-controlling interests	1,022,305	803,616	-	-
Total Equity	8,471,712	7,521,707	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-2017 IDR Million	31-Dec-2016 IDR Million
Amount due within one year		
Unsecured	338,700	1,007,700
Total	338,700	1,007,700
Amount due more than one year		
Unsecured	4,410,260	3,860,462
Total	4,410,260	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			
	4th Quarter		FY	
	2017	2016	2017	2016
	IDR million	IDR million	IDR million	IDR million
Cash flows from operating activities				
Cash receipts from customers	1,981,863	2,268,076	8,137,497	6,919,475
Cash payments to suppliers, employees and for other operating expenses	(1,418,993)	(1,453,711)	(5,893,540)	(5,280,530)
Income tax paid	(98,661)	(154,131)	(361,166)	(266,722)
Net cash flows generated from operating activities	464,209	660,234	1,882,791	1,372,223
Cash flows from investing activities				
(Increase) / Decrease in plasma receivables	(93,963)	74,242	(222,705)	(117,066)
Investment in intangible assets	(574)	(1,979)	(574)	(5,601)
Investment in bearer plants	(138,369)	(100,586)	(424,107)	(328,978)
Investment in property, plant and equipment	(118,628)	(76,077)	(372,051)	(392,315)
Investment in land use rights	(34,871)	(54,911)	(79,326)	(179,299)
Receipt of loan repayment from associate companies	-	-	-	262,700
Net cash outflows for the acquisition of subsidiaries	-	(11,094)	(74,437)	(96,203)
Interest received	45,427	43,106	143,650	151,713
Net cash flows used in investing activities	(340,978)	(127,299)	(1,029,550)	(705,049)
Cash flows from financing activities				
Proceeds from loans and borrowings	-	-	199,800	132,455
Repayment of loan and borrowings	(135,770)	(426,707)	(668,315)	(597,427)
Decrease / (Increase) in amount due from related companies	297	63,891	428	(34,038)
Payment of dividend	-	-	(381,859)	(112,112)
Contribution from non-controlling interests	-	325	-	43,182
Buy-back of ordinary shares	(32,136)	-	(113,082)	-
Interest paid	(10,454)	(11,452)	(187,588)	(180,094)
Net cash flows used in financing activities	(178,063)	(373,943)	(1,150,616)	(748,034)
Net (decrease) / increase in cash and cash equivalents	(54,832)	158,992	(297,375)	(80,860)
Effect of exchange rate changes on cash and cash equivalents	(703)	3,651	(3,007)	(840)
Cash and cash equivalents at beginning of period / year	272,250	354,454	517,097	598,797
Cash and cash equivalents at end of period / year	216,715	517,097	216,715	517,097

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			
	4th Quarter		FY	
	2017	2016	2017	2016
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	591,453	743,246	1,894,456	1,551,198
Depreciation and amortisation	138,303	83,727	518,046	435,907
Finance cost	47,052	39,400	166,028	163,344
Interest income	(46,558)	(62,568)	(147,919)	(182,223)
Post employment benefits	17,666	16,919	17,666	16,919
Unrealized foreign exchange loss / (gain)	11,716	113	23,898	(87,483)
Impairment of property, plant and equipment	24,867	-	24,867	-
Gain on disposal of property, plant and equipment	-	(5)	-	(75)
Share of loss of associate companies	-	6,893	2,285	21,784
Fair value changes in biological assets	(35,819)	(26,943)	(35,819)	(26,943)
Operating cash flows before working capital changes	748,680	800,782	2,463,508	1,892,428
Decrease / (increase) in:				
- Trade and other receivables	(44,001)	40,735	(6,766)	354,203
- Inventories	(51,405)	(150,265)	165,643	43,298
- Prepaid taxes	245,038	185,892	(91,143)	24,719
- Prepayments and advances	3,980	1,800	322	69,551
- Deferred charges	(1,057)	617	(1,395)	2,767
(Decrease) / increase in:				
- Trade and other payables	5,791	39,385	(148,535)	(568,581)
- Accrued operating expenses	(21,168)	(3,632)	(31,366)	(51,179)
- Other taxes payable	(258,061)	(64,626)	(110,056)	(97,137)
- Sales advances	(49,173)	(36,323)	19,499	(31,124)
Employee benefits contribution paid	(15,754)	-	(15,754)	-
Cash flows generated from operations	562,870	814,365	2,243,957	1,638,945
Income tax paid	(98,661)	(154,131)	(361,166)	(266,722)
Net cash flows generated from operating activities	464,209	660,234	1,882,791	1,372,223

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 year	-	-	1,193,341	-	-	1,193,341	230,855	1,424,196
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
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
Opening balance at 1 January 2016 (As restated)	1,807,045	(17,946)	4,241,266	(217,473)	(151,743)	5,661,149	545,893	6,207,042
Profit for the year	-	-	1,005,086	-	-	1,005,086	183,050	1,188,136
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	173,637	173,637	-	173,637
Fair value reserve on derivative	-	-	-	(37,461)	-	(37,461)	-	(37,461)
Re-measurement on defined benefit plan	-	-	2,267	-	-	2,267	-	2,267
Total comprehensive income for the year, net of tax	-	-	1,007,353	(37,461)	173,637	1,143,529	183,050	1,326,579
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	76,317	76,317
Dividends on ordinary shares	-	-	(86,587)	-	-	(86,587)	-	(86,587)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,644)	(1,644)
Closing balance at 31 December 2016	1,807,045	(17,946)	5,162,032	(254,934)	21,894	6,718,091	803,616	7,521,707

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)	360,142	(69,996)	880,465	2,959,710
Profit for the year	-	-	654,987	-	-	654,987
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	19,666	19,666
Item that will not be reclassified subsequently to profit or loss:						
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:						
Share issuance expense	-	-	-	-	-	-
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
Opening balance at 1 January 2016	1,807,045	(17,946)	326,096	(32,535)	958,320	3,040,980
Profit for the year	-	-	120,633	-	-	120,633
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	(77,855)	(77,855)
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	-	-	-	(37,461)	-	(37,461)
Total comprehensive income for the year, net of tax	-	-	120,633	(37,461)	(77,855)	5,317
Distribution to owners:						
Dividends on ordinary shares	-	-	(86,587)	-	-	(86,587)
Closing balance at 31 December 2016	1,807,045	(17,946)	360,142	(69,996)	880,465	2,959,710

- 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 as at 31 December 2017. Details of treasury shares as at 31 December 2017 and 31 December 2016 are as follows:

	Company	
	Number of shares	
	31-Dec-2017	31-Dec-2016
Treasury shares	17,707,900	2,255,300
Issued ordinary shares excluding treasury shares	1,739,823,944	1,755,276,544
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-2017	31-Dec-2016
Issued ordinary shares excluding treasury shares	1,739,823,944	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 standards 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)	4th Quarter		FY	
	2017	2016	2017	2016
Based on weighted average number of share (in IDR)	208	263	682	572
Weighted number of shares	1,749,516,469	1,757,153,644	1,750,948,694	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	
	31-Dec-2017	31-Dec-2016	31-Dec-2017	31-Dec-2016
Net asset value per ordinary share (in IDR)	4,282	3,827	1,838	1,686
Number of issued ordinary shares *	1,739,823,944	1,755,276,544	1,739,823,944	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

The Group's financial performance in 4Q2017 had been impacted by slower production compared to the fourth quarter of 2016 ("4Q2016"). However, the Group recorded a higher net profit of IDR 1,424 billion for the full year ended 31 December 2017 ("FY2017") as compared to IDR 1,188 billion in the corresponding year of 2016 ("FY2016"). The improved performance was primarily due to higher revenue, higher fair value changes in biological assets, and lower loss from associate companies which also resulted in higher EBITDA of IDR 2,427 billion as compared to IDR 1,925 billion in FY2016.

Revenue

For FY2017, revenue increased by 22.6% to IDR 8,131 billion compared to FY2016. This was attributable to an overall increase in aggregate sales volume of Crude Palm Oil (CPO) and Palm Kernel (PK) by 13.4% and 14.9% as well as an increase in selling price of both CPO and PK by 9.8% and 7.9% respectively. However, revenue decreased by 9.0% to IDR 2,066 billion in 4Q2017 compared to 4Q2016. This was due to decrease in sales volume of CPO and PK by 11.7% and 13.9% respectively which could not be offset by the 4.8% and 1.5% increase in selling price of CPO and PK in 4Q2017 respectively.

Biodiesel accounted for 3.3% of the total revenue of FY2017, a decreased of 14.4% compared FY2016. The Group had discontinued its biodiesel production plant at the end of 2017. In view of thin profit margin, uncertain biodiesel market conditions and the need to focus on improving the productivity of palm oil, it was in the best interest of the Company and the Group to close this plant.

Revenue	4Q2017	4Q2016	Change	FY2017	FY2016	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,689,950	1,826,943	-7.5%	6,744,121	5,416,743	24.5%
Palm Kernel	310,723	355,516	-12.6%	1,118,711	902,170	24.0%
Biodiesel	63,572	87,404	-27.3%	265,326	309,968	-14.4%
Glycerin	1,505	313	380.8%	3,226	891	262.1%
Total	2,065,750	2,270,176	-9.0%	8,131,384	6,629,772	22.6%
Volume	4Q2017	4Q2016	Change	FY2017	FY2016	Change
	mt	mt	(%)	mt	mt	(%)
CPO	207,617	235,131	-11.7%	832,723	734,219	13.4%
Palm Kernel	41,647	48,347	-13.9%	163,061	141,866	14.9%
Biodiesel	6,414	8,624	-25.6%	26,575	32,183	-17.4%
Glycerin	982	1,450	-32.3%	4,246	3,779	12.4%
Average sales prices	4Q2017	4Q2016	Change	FY2017	FY2016	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	8,140	7,770	4.8%	8,099	7,378	9.8%
Palm Kernel	7,461	7,353	1.5%	6,861	6,359	7.9%
Biodiesel	9,911	10,135	-2.2%	9,984	9,631	3.7%
Glycerin	1,533	216	609.7%	760	236	222.0%

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, milling, and fresh fruit bunches ("FFB") purchased externally (including plasma and third parties). Biodiesel costs mainly consist of processing and feed stock purchase costs.

The Group's cost of sales increased by 0.6% to IDR 1,385 billion in 4Q2017 and 23.4% to IDR 5,742 billion in FY2017 compared to the previous corresponding periods respectively. The increase in cost of sales during FY2017 was mainly attributable to higher production volume, higher fertiliser application, and higher purchase price of external FFB during the year.

Interest Income

Interest income amounting to IDR 47 billion in 4Q2017 and IDR 148 billion in FY2017 mainly consist of interest income earned from advances to the plasma farmers.

Fair Value Changes in Biological Assets

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

The Group recorded fair value changes in biological assets amounted to IDR 36 billion based on market value of the agricultural produce as at 31 December 2017.

General and Administrative Expenses

General and administrative expenses decreased by 13.1% to IDR 53 billion in 4Q2017 and increased by 17.3% to IDR 242 billion in FY2017. The increase in general and administrative expenses during FY2017 was mainly due to increase in salaries and employee benefits, training, and land & building taxes.

Foreign Exchange (Loss) / Gain

The Group recorded a net foreign exchange loss of IDR 11 billion in 4Q2017 and IDR 6 billion in FY2017 mainly due to translation loss on USD denominated borrowings in the Group's IDR financial statements as a result of the depreciation of IDR against USD.

Other Expenses

Other expenses amounting to IDR 3 billion in 4Q2017 and IDR 72 billion in FY2017 mainly consist of expenses in regard to participation by some of the Group's subsidiaries in the tax incentive programme and provision for impairment of property, plant and equipment ("PPE").

Share of Loss of Associate Companies

Share of loss of associate companies amounting to IDR 2 billion in FY2017 was due to share of losses from the Group's associate companies namely, PT Sawit Nabati Agro and PT Berkas Agro Sawitindo Group of companies ("SNA Group"). Despite the associate companies' recurring losses, the Group remains positive on the long-term performance outlook of SNA Group.

Income Tax Expense

Income tax expense decreased 24.2% to IDR 136 billion in 4Q2017 but increased 29.5% to IDR 470 billion in FY2017. The increase in income tax expense for FY2017 was mainly due to higher profit before income tax.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 31 December 2017, the Group's total non-current assets increased by IDR 911 billion from IDR 12,472 billion to IDR 13,383 billion, mainly due to:

- a) Advances given to the plasma farmers with respect to maintenance cost of immature plasma plantation and the development of new plasma plantation which resulted in higher plasma receivables by IDR 335 billion to IDR 1,258 billion;
- b) The acquisition of a new subsidiary and new planting during the year which resulted in the Group's bearer plants to increase by IDR 268 billion to IDR 7,293 billion; and,
- c) The construction of new palm oil mill, purchase of machinery and equipment, vehicles and heavy equipments and acquisition of a new subsidiary during the year that have contributed to the increase in the Group's PPE by IDR 136 billion to IDR 3,443 billion.

Current Assets

As at 31 December 2017, the Group's total current assets decreased by IDR 388 billion from IDR 2,295 billion to IDR 1,906 billion. Save for the decrease in cash and cash equivalents which is explained under Review of Statement of Cash Flow on page 13, the net decrease in the current assets was mainly due to the decrease in inventory, especially inventory of fertiliser decreased by IDR 168 billion to IDR 444 billion. This decrease was partially offset by the increase in prepaid taxes by IDR 76 billion to IDR 385 billion which was mainly attributable to input VAT for purchases of raw materials.

Current Liabilities

The decrease in current liabilities from IDR 1,915 billion to IDR 1,278 billion was mainly due to repayment and extension of some of the revolving credit facilities ("RCF") during FY2017, which was partially offset by the increase in income taxes payable as a result of improved profitability of the Group during the year.

Non-Current Liabilities

As at 31 December 2017, the Group's total non-current liabilities increased from IDR 5,330 billion to IDR 5,540 billion. This was mainly due to the extension of some RCF loans to more than 1 year tenure at the end of the year.

The improved mark-to-market cross currency swap for the Islamic Medium Term Note ("IMTN") decreased the derivative financial liabilities by IDR 359 billion to IDR 907 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 297 billion as at 31 December 2017, bringing the cash and bank balances to IDR 217 billion, which was mainly attributable to the following:

- The Group recorded lower net cash flow from operating activities of IDR 464 billion in 4Q2017 and higher net cash flow from operating activities of IDR 1,883 billion in FY2017 compared to the corresponding periods. Higher net cash flow from operating activities in FY2017 was mainly due to higher revenue in FY2017 compared to FY2016;
- The Group recorded higher net cash used in investing activities of IDR 341 billion in 4Q2017 and IDR 1,030 billion in FY2017 compared to the corresponding periods. Higher net cash used in investing activities in FY2017 was mainly attributable to loans repayment from the associate company amounting to IDR 263 billion in FY2016;
- The Group recorded lower net cash used in financing activities of IDR 178 billion in 4Q2017 and higher net cash used in financing activities of IDR 1,151 billion in FY2017 compared to the corresponding periods. Higher net cash used in financing activities in FY2017 was mainly due to higher dividend payment, buy back of ordinary shares, as well as repayment of some RCF bank loans during the year.

- 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 price of CPO is affected by global vegetable oil supply and demand, climatic conditions and fluctuating foreign currency exchange rate. The CPO price is expected to remain at the current level for the first half of 2018, in the absence of fresh positive news which can lift palm prices from its current level. Nonetheless the long term fundamental of the palm oil industry remains positive, supported by increasing demand particularly from the growing domestic and emerging markets.

The Group will continue to strengthen its business strategy and management, focusing on the upstream of this industry after a decision was made to close its biodiesel production plant.

- 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 2017.

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 2018.

(b) Corresponding Period of the Immediately Preceding Financial Year

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

Yes.

FY2016	
Name of Dividend	Final dividend
Dividend Type	Cash
Dividend amount per share	1.5 Singapore 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 FY2017:

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	2,400 ⁽¹⁾	-
IOI Corporation Berhad	-	107,475 ⁽²⁾
PT Sawit Nabati Agro ⁽³⁾	-	-
PT Lima Srikandi Jaya	7,200 ⁽⁴⁾	-
TOTAL	9,600	107,475

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 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 officers (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. Since FY2015, the Group has initiated low capacity of biodiesel production through one of its subsidiary. Accordingly, no segmental information is presented based on business segment as biodiesel contribution is not material to the Group's total revenue.

- 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**

FY2017	The Group		
	FY2017	FY2016	Increase / (Decrease)
	IDR million	IDR million	IDR million
(a) Sales reported for the first half year	4,014,770	2,864,909	1,149,861
(b) Operating profit before deducting minority interests reported for the first half year	659,271	387,009	272,262
(c) Sales reported for the second half year	4,116,614	3,764,863	351,751
(d) Operating profit before deducting minority interests reported for the second half year	764,925	801,127	(36,202)

- 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	65	The sister of Lim Gunawan Hariyanto, Executive Chairman and CEO 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

For and on behalf of the Board of Directors

Lim Gunawan Hariyanto
Executive Chairman and CEO
27 February 2018

Tan Boon Hoo
Lead Independent Director