FIRST PACIFIC

FIRST PACIFIC COMPANY LIMITED
第一太平有限公司

(Incorporated with limited liability under the laws of Bermuda)
Website: http://www.firstpacific.com
(Stock Code: 00142)

OVERSEAS REGULATORY ANNOUNCEMENT

Please refer to the attached filings made by Indofood Agri Resources Ltd. to the Singapore Stock Exchange, in relation to (i) Unaudited Financial Statements for the third quarter ended 30 September 2018; and (ii) Press Release for the 3Q2018 Results.

Dated this the 31st day of October, 2018

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

Executive Directors:
Manuel V. Pangilinan, *Managing Director and CEO*
Robert C. Nicholson
Christopher H. Young

Non-executive Directors:
Anthoni Salim, *Chairman*
Benny S. Santoso
Tedy Djuhar
Ambassador Albert F. del Rosario

Independent Non-executive Directors:
Prof. Edward K.Y. Chen, *GBS, CBE, JP*
Margaret Leung Ko May Yee, *SBS, JP*
Philip Fan Yan Hok
Madeleine Lee Suh Shin

Financial Statements and Related Announcement::Third Quarter Results

Issuer & Securities

Issuer/ Manager	INDOFOOD AGRI RESOURCES LTD.
Securities	INDOFOOD AGRI RESOURCES LTD. - SG1U47933908 - 5JS
Stapled Security	No

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	31-Oct-2018 06:36:06
Status	New
Announcement Sub Title	Third Quarter Results
Announcement Reference	SG181031OTHR801V
Submitted By (Co./ Ind. Name)	Mak Mei Yook
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	IndoAgri's 3Q 2018 Results and Press Release Please see attached.

Additional Details

For Financial Period Ended	30/09/2018

Attachments	IFAR9M18Result.pdf IFAR9M18Press.pdf Total size =240K

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 2018

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

	Group - Q3			Group- YTD 9 months		
	30/09/2018	30/09/2017 Restated	Change	30/09/2018	30/09/2017 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,706,057	3,684,805	0.6	10,261,936	12,160,464	(15.6)
Cost of sales	(3,081,758)	(2,966,929)	3.9	(8,461,373)	(9,767,370)	(13.4)
Gross Profit	**624,299**	**717,876**	**(13.0)**	**1,800,563**	**2,393,094**	**(24.8)**
Gross Profit %	16.8%	19.5%		17.5%	19.7%	
Selling and distribution expenses	(149,935)	(141,601)	5.9	(390,439)	(396,134)	(1.4)
General and administrative expenses	(251,238)	(264,608)	(5.1)	(713,488)	(728,743)	(2.1)
Foreign exchange loss	(39,333)	(21,467)	83.2	(137,965)	(1,966)	n/m
Other operating income	18,418	18,550	(0.7)	55,892	64,817	(13.8)
Other operating expenses	(25,146)	(27,972)	(10.1)	(76,725)	(89,878)	(14.6)
Share of results of associate companies	(5,917)	(2,563)	130.9	4,858	4,146	17.2
Share of results of joint ventures	48,345	70,539	(31.5)	59,567	97,395	(38.8)
Gain/ (loss) arising from changes in fair value of biological assets	16,338	46,371	(64.8)	5,091	(38,789)	n/m
Profit from operations	**235,831**	**395,125**	**(40.3)**	**607,354**	**1,303,942**	**(53.4)**
Financial income	22,498	26,338	(14.6)	77,429	80,820	(4.2)
Financial expenses	(189,740)	(163,137)	16.3	(521,083)	(490,097)	6.3
Profit before tax	**68,589**	**258,326**	**(73.4)**	**163,700**	**894,665**	**(81.7)**
Income tax expense	(86,854)	(144,620)	(39.9)	(228,346)	(372,729)	(38.7)
Net (loss)/ profit for the period	**(18,265)**	**113,706**	**n/m**	**(64,646)**	**521,936**	**n/m**
Core net profit after tax [(1)]	**23,191**	**101,574**	**(77.2)**	**95,523**	**572,117**	**(83.3)**
Profit attributable to:						
Owners of the Company	8,739	100,532	(91.3)	(10,064)	370,377	n/m
Non-controlling interests	(27,004)	13,174	n/m	(54,582)	151,559	n/m
	(18,265)	**113,706**	**n/m**	**(64,646)**	**521,936**	**n/m**

Notes

n/m denotes "Not Meaningful"

(1) Earnings before the accounting for the effects of foreign exchange, changes in the fair value of biological assets and changes in amortised cost of plasma receivables.

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	Group - Q3			Group- YTD 9 months		
	30/09/2018	30/09/2017 Restated	Change	30/09/2018	30/09/2017 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Other comprehensive income (OCI):						
Items that may be reclassified subsequently to profit or loss						
Foreign currency translation	21,330	49,133	(56.6)	(29,835)	29,134	n/m
Items that will not be reclassified to profit or loss						
Re-measurement gain/ (loss) on employee benefits liability	8,038	(967)	n/m	24,116	(2,900)	n/m
Share of other comprehensive loss of an associate company	(9,829)	(9,709)	1.2	(37,194)	(17,727)	109.8
Other comprehensive gain/ (loss) for the period, net of tax	19,539	38,457	(49.2)	(42,913)	8,507	n/m
Total comprehensive income	**1,274**	**152,163**	**(99.2)**	**(107,559)**	**530,443**	**n/m**
Total comprehensive income attributable to:-						
Owners of the Company	23,103	139,103	(83.4)	(68,380)	380,084	n/m
Non-controlling interests	(21,829)	13,060	n/m	(39,179)	150,359	n/m
	1,274	**152,163**	**(99.2)**	**(107,559)**	**530,443**	**n/m**

n/m denotes “Not Meaningful”

Additional Information: -

Earnings before interests and tax expense, depreciation and amortisation, and gain/ (loss) arising from changes in fair value of biological assets (“EBITDA”)

	Group - Q3			Group- YTD 9 months		
	30/09/2018	30/09/2017	Change	30/09/2018	30/09/2017	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	235,830	395,125	(40.3)	607,354	1,303,942	(53.4)
Add: Depreciation & amortisation	464,464	417,623	11.2	1,151,290	1,109,359	3.8
Less: Gain/ (loss) arising from changes in fair value of biological assets	16,338	46,371	(64.8)	5,091	(38,789)	n/m
EBITDA includes foreign exchange loss	683,956	766,377	(10.8)	1,753,553	2,452,090	(28.5)
Less: Foreign exchange loss	(39,333)	(21,467)	83.2	(137,965)	(1,966)	n/m
EBITDA excludes foreign exchange loss	723,289	787,844	(8.2)	1,891,518	2,454,056	(22.9)
EBITDA%	19.5	21.4		18.4	20.2	

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

Other information:-	Group - Q3			Group- YTD 9 months		
	30/09/2018	30/09/2017	Change	30/09/2018	30/09/2017	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	432,766	385,794	12.2	1,098,947	1,051,886	4.5
Amortisation of deferred charges and others	31,698	31,829	(0.4)	52,343	57,473	(8.9)
Interest on borrowings	184,349	159,689	15.4	507,001	479,245	5.8
Provision for uncollectible and changes in amortised cost of plasma receivables	17,642	6,080	190.2	43,526	24,991	74.2
Write-off of property and equipment	4	264	(98.5)	324	500	(35.2)
(Gain)/ Loss on disposal of property, plant and equipment	(3,395)	428	n/m	(1,513)	216	n/m
Changes in provision for asset dismantling costs	92	1,436	(93.6)	(3,039)	2,405	n/m

n/m denotes "Not Meaningful"

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

	Group		Company	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	318,409	313,305	-	-
Property, plant and equipment	21,179,752	21,178,399	37,323	39,986
Goodwill	3,245,837	3,245,837	-	-
Claims for tax refund	131,256	126,732	-	-
Deferred tax assets	1,227,889	1,346,976	-	-
Investment in subsidiary companies	-	-	10,633,423	10,533,516
Investment in associate companies	1,485,066	1,358,774	551,139	551,139
Investment in joint ventures	947,298	874,911	-	-
Amount due from a subsidiary	-	-	1,150,000	730,000
Advances and prepayments	409,703	385,116	-	-
Other non-current receivables	1,387,417	1,209,487	10	10
Total non-current assets	**30,332,627**	**30,039,537**	**12,371,895**	**11,854,651**
Current assets				
Inventories	3,022,705	2,204,549	-	-
Trade and other receivables	1,487,665	1,200,404	105,108	76,172
Advances and prepayments	338,715	188,330	683	228
Prepaid taxes	437,895	273,845	-	-
Biological assets	492,433	536,821	-	-
Assets held for sale	41,795	41,795	-	-
Cash and cash equivalents	2,374,280	2,929,674	136,044	664,267
Total current assets	**8,195,488**	**7,375,418**	**241,835**	**740,667**
Total assets	**38,528,115**	**37,414,955**	**12,613,730**	**12,595,318**
Current liabilities				
Trade and other payables and accruals	2,204,304	1,631,014	115,415	104,739
Advances and taxes payable	232,316	194,703	-	-
Interest-bearing loans and borrowings	7,160,995	4,462,704	1,118,369	-
Income tax payable	28,679	91,731	17	18
Total current liabilities	**9,626,294**	**6,380,152**	**1,233,801**	**104,757**
Net current (liabilities)/ assets	**(1,430,806)**	**995,266**	**(991,966)**	**635,910**

	Group		Company	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current liabilities				
Interest-bearing loans and borrowings	4,262,943	6,067,793	-	1,013,390
Amounts due to related parties and other payables	418,637	364,106	-	-
Provision and other liabilities	31,111	34,149	-	-
Employee benefits liabilities	2,509,649	2,361,278	-	-
Deferred tax liabilities	633,504	784,827	5,363	-
Total non-current liabilities	**7,855,844**	**9,612,153**	**5,363**	**1,013,390**
Total liabilities	**17,482,138**	**15,992,305**	**1,239,164**	**1,118,147**
Net assets	**21,045,977**	**21,422,650**	**11,374,566**	**11,477,171**
Share capital	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares	(390,166)	(390,166)	(390,166)	(390,166)
Revenue reserves	8,224,713	8,327,924	708,169	810,774
Other reserves	514,449	582,329	144,152	144,152
	11,933,275	**12,104,366**	**11,374,566**	**11,477,171**
Non-controlling interests	9,112,702	9,318,284	-	-
Total equity	**21,045,977**	**21,422,650**	**11,374,566**	**11,477,171**

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_1(b)(ii)._ Aggregate amount of the Group's borrowings and debt securities

		Group	
		30/09/2018	31/12/2017
		Rp ' million	Rp ' million
(i)	Amounts payable in one year or less, or on demand		
	Secured	2,104,538	1,519,848
	Unsecured	5,056,457	2,942,856
	Sub-total	**7,160,995**	**4,462,704**
(ii)	Amounts repayable after one year		
	Secured	4,262,943	4,751,693
	Unsecured	-	1,316,100
	Sub-total	**4,262,943**	**6,067,793**
	TOTAL	**11,423,938**	**10,530,497**

(iii) Details of the collaterals

The above bank term loans and investment loans are secured by:
(a) corporate guarantees from a subsidiary
(b) charge over the plantation assets of the respective subsidiary.

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

	Group - Q3		Group - YTD 9 months	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
Profit before taxation	68,589	258,326	163,700	894,665
Adjustments:				
Depreciation and amortisation	464,464	417,623	1,151,290	1,109,359
Realisation of deferred costs	97,235	93,267	136,077	137,971
Unrealised foreign exchange loss	59,430	24,159	156,586	6,686
(Gain)/ Loss arising from changes in fair value of biological assets	(16,338)	(46,371)	(5,091)	38,789
Provision for uncollectible and changes in amortised cost of plasma receivables	17,642	6,080	43,526	24,991
Write-off of property, plant and equipment	4	264	324	500
Gain on disposal of property, plant and equipment	(3,395)	(706)	(1,513)	(3,062)
Provision for unrecoverable advance	-	9,738	-	29,214
Changes in allowance for decline in market value and obsolescence of inventories	47,414	(5,209)	31,614	(15,047)
Allowance for impairment of available for sales	-	1,504	-	7,327
Changes in provision for asset dismantling costs	92	1,436	(3,039)	2,405
Change in estimated liability for employee benefits	87,570	80,843	262,718	242,529
Changes in fair value of long-term receivables	(46)	(52)	37	(571)
Share of results of associate companies	10,520	2,563	(255)	(4,146)
Share of results of a joint venture	(52,947)	(70,539)	(64,169)	(97,395)
Financial income	(22,498)	(26,338)	(77,429)	(80,820)
Financial expenses	189,740	163,137	521,083	490,097
Operating cash flows before working capital changes	**947,476**	**909,725**	**2,315,459**	**2,783,492**
Changes in working capital				
Other non-current assets	(200,205)	(5,157)	(108,837)	(32,989)
Inventories	(343,493)	67,520	(849,777)	66,052
Trade and other receivables	23,307	366,912	(438,351)	(119,936)
Advances to suppliers	118,913	(33,049)	(14,604)	(13,589)
Prepaid taxes	(12,906)	(2,587)	(17,335)	25,469
Trade and other payables and accruals	14,732	217,118	492,070	377,806
Advances from customers	1,886	56,179	27,436	(261,832)
Cash flows generated from operations	**549,710**	**1,576,661**	**1,406,061**	**2,824,473**
Interest received	23,631	25,103	79,535	78,940
Interest paid	(194,544)	(157,168)	(511,877)	(478,963)
Income tax paid	22,174	(152,975)	(468,023)	(622,760)
Net cash flows generated from operating activities	**400,971**	**1,291,621**	**505,696**	**1,801,690**

	Group - Q3		Group - YTD 9 months	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(406,226)	(327,043)	(1,101,003)	(863,355)
Additions to biological assets	(874)	(226)	(5,104)	(948)
Increase in plasma receivables	(106,726)	(35,166)	(225,611)	(101,198)
Proceeds from disposal of property, plant and equipment	10,672	6,689	20,623	17,211
Advances for projects and purchases of fixed assets	(31,195)	(22,415)	(85,156)	(40,691)
Investment in associate companies	(4,800)	(200,000)	(109,323)	(349,350)
Investment in a joint venture	-	-	(99,984)	-
Net cash flows used in investing activities	**(539,149)**	**(578,161)**	**(1,605,558)**	**(1,338,331)**
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	1,790,005	18,960	3,576,155	1,073,000
Repayment of interest-bearing loans and borrowings	(1,953,903)	(527,769)	(2,888,445)	(1,129,093)
Proceeds from amount due to related parties	-	-	66,200	12,000
Dividend payments by subsidiaries to non-controlling interests	(166,204)	(143,405)	(166,401)	(149,635)
Dividend payment to Company's shareholders	-	-	(102,713)	(86,554)
Net cash flows (used in)/ generated from financing activities	**(330,102)**	**(652,214)**	**484,796**	**(280,282)**
Net (decrease)/ increase in cash and cash equivalents	**(468,280)**	**61,246**	**(615,066)**	**183,077**
Effect of changes in exchange rates on cash and cash equivalents	**25,207**	**7,725**	**59,672**	**2,499**
Cash and cash equivalents at the beginning of the period	**2,817,353**	**2,521,443**	**2,929,674**	**2,404,838**
Cash and cash equivalents at the end of the period	**2,374,280**	**2,590,414**	**2,374,280**	**2,590,414**

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

STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	30/09/2018	30/09/2017	30/09/2018	30/09/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Issued Share				
Balance as at 1 January / 30 September (1)	**3,584,279**	**3,584,279**	**10,912,411**	**10,912,411**
Treasury shares of the Company				
Balance as at 1 January / 30 September	**(390,166)**	**(390,166)**	**(390,166)**	**(390,166)**
Reserves				
Balance as at 1 January	**8,327,924**	**8,050,399**	**810,774**	**785,238**
Dividend payment	(102,713)	(86,554)	(102,713)	(86,554)
Actuarial gain/ (loss) on employee benefits liability	9,566	(1,576)	-	-
Net (loss)/ profit and total recognized income for the period	(10,064)	370,377	108	120,108
Balance as at 30 September	**8,224,713**	**8,332,646**	**708,169**	**818,792**
Other Reserves*				
Balance as at 1 January	**582,329**	**590,123**	**144,152**	**144,152**
Foreign currency translation	(30,686)	29,012	-	-
Share of other comprehensive loss of an associate company	(37,194)	(17,727)	-	-
Balance as at 30 September	**514,449**	**601,408**	**144,152**	**144,152**
Non-controlling Interests				
Balance as at 1 January	**9,318,284**	**9,043,417**	**-**	**-**
Dividend payments by subsidiaries	(166,401)	(149,635)	-	-
Actuarial gain/ (loss) on employee benefits liability	14,550	(1,324)	-	-
Foreign currency translation	851	122	-	-
Net (loss)/ profit and total recognised income for the period	(54,582)	151,559	-	-
Balance as at 30 September	**9,112,702**	**9,044,139**	**-**	**-**
Total Equity	**21,045,977**	**21,172,306**	**11,374,566**	**11,485,189**

Notes:

(1) The issued capital of the Group differs from that of the Company as a result of applying the reverse acquisition accounting in accordance with FRS 103. It represents the total of the deemed cost of acquisition immediately before the Acquisition and issue/placement of new shares by the Company subsequent to the Acquisition.

* Other reserves comprise capital reserves of subsidiary companies; gain on sale of treasury shares and foreign currency translation differences.

(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 issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.

The Company did not issue any shares during the period. As of 30 September 2018 and 31 December 2017, the number of issued shares was 1,447,782,830, of which 51,878,300 shares were held as treasury shares.

There were no outstanding convertibles as at 30 September 2018 and 31 December 2017.

(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	
	30/09/2018	**31/12/2017**
	(' 000)	**(' 000)**
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(51,878)	(51,878)
Total number of issued shares excluding treasury shares	**1,395,905**	**1,395,905**

(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.

Treasury Shares	**Company**	
	No of shares	**Amount**
	('000)	**Rp ' million**
Balance as at 1 January 2018	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 30 September 2018	**51,878**	**390,166**

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

This consolidated financial information has not been audited nor reviewed by the external auditors.

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

Not applicable.

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

The accounting policies have been consistently applied by the Company and the Group, and are consistent with those used in the previous financial year except for the adoption of new or revised FRS that are mandatory for financial years 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 changes, as well as the reason for, and the effect of, the change.***

<u>SFRS(I) 15 *Revenue from Contracts with Customers*</u>

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has assessed and identified the following variable considerations based on the current contracts of the Group with the customers.

- Cash incentives at EOF division
- Right of return at EOF division
- Volume discount for palm seeds at plantation division
- Change of price due to difference in CPO quality

There is no material impact on the financial statements in the year of initial application, except the reclassification of cash incentives from selling and distribution expenses to a deduction in revenue. The comparatives have been restated with the following impact:

	As restated	As previously reported	Change	As restated	As previously reported	Change
	3Q17	3Q17		9M17	9M17	
Statement of comprehensive income	**Rp' million**	**Rp' million**	**Rp' million**	**Rp' million**	**Rp' million**	**Rp' million**
Revenue	3,684,805	3,715,155	(30,350)	12,160,464	12,233,211	(72,747)
Selling and distribution expenses	(141,601)	(171,951)	30,350	(396,134)	(468,881)	72,747

<u>SFRS(I) 9 Financial Instruments</u>

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group has performed an impact assessment of adopting SFRS(I) 9 and identified the accounts which would have the following impacts upon the adoption of SFRS(I) 9.

(a) Classification and measurement

The Group's debt instruments are expected to give rise to cash flows representing solely payments of principal and interest. The Group intends to hold its current financial to collect contractual cash flows, and accordingly measured at amortised cost when it applies SFRS(I) 9.

For available-for-sale unquoted equity, the Group will elect to measure it at fair value through other comprehensive income. Any subsequent changes in fair value of the available-for-sale will be recognized to other comprehensive income without recycling to profit or loss.

There is no significant impact to arise from these changes.

(b) Impairment

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its debt securities, loans, trade receivables and financial guarantees, 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 and the Company's amount due from subsidiary companies, 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.

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS (I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group has adopted SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I) based on the current available information. There is no material impact on the financial statements upon transition to the new financial reporting framework.

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

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 30 September 2018.

	Group - Q3			**Group - YTD 9 months**		
Earnings per share (Rp)	**30/09/2018**	**30/09/2017**	**Change %**	**30/09/2018**	**30/09/2017**	**Change %**
Based on weighted average number of share	6.3	72.0	n/m	(7.2)	265.0	n/m
Based on a fully diluted basis	6.3	72.0	n/m	(7.2)	265.0	n/m

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the: -

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,395,904,530 (excluding 51,878,300 held as treasury shares) as of 30 September 2018 and 31 December 2017.

	Group		Company	
	30/09/2018	31/12/2017	30/09/2018	31/12/2017
Net asset value per share (Rp)	8,549	8,671	8,149	8,222
Net asset value per share (SGD 'cents) (converted at Rp10,919/S$1)	78.3	79.4	74.6	75.3

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 (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group Performance

	Group - Q3			Group - YTD 9 months		
	30/09/2018	30/09/2017 Restated	Change	30/09/2018	30/09/2017 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue						
Plantations						
External sales	917,343	1,430,267	(35.9)	2,326,966	4,453,191	(47.7)
Inter-segment sales *	1,325,445	1,091,108	21.5	3,753,326	3,157,278	18.9
Sub-total	2,242,788	2,521,375	(11.0)	6,080,292	7,610,469	(20.1)
Edible Oils & Fats **						
External sales	2,788,714	2,254,538	23.7	7,934,970	7,707,273	3.0
Inter-segment sales	6,738	3,578	88.3	7,596	28,842	(73.7)
Sub-total	2,795,452	2,258,116	23.8	7,942,566	7,736,115	2.7
Elimination of inter-segment sales	(1,332,183)	(1,094,686)	21.7	(3,760,922)	(3,186,120)	18.0
Total revenue to external parties	**3,706,057**	**3,684,805**	**0.6**	**10,261,936**	**12,160,464**	**(15.6)**
Gross Profit	**624,299**	**717,876**	**(13.0)**	**1,800,563**	**2,393,094**	**(24.8)**
Gross Profit %	16.8%	19.5%		17.5%	19.7%	

** Comprises mainly internal CPO sales to the Group's own refineries*
*** Comprises mainly cooking oil, margarine and copra-based products*

Financial Performance

Overview: The Group reported weak 3Q2018 and 9M2018 results with net losses after tax of Rp18 billion and Rp65 billion, respectively. The poor performance was mainly due to the fall in sales and profit in Plantation Division arising from weak commodity prices and timing in shipment. The decline was partly offset by a strong 3Q result at Edible Oils & Fats (EOF) Division. The Group's performance was further affected by foreign currency loss arising from weakened Indonesian Rupiah. Core net profit (excluding forex, biological assets and plasma receivables impacts) were Rp23 billion in 3Q2018 and Rp96 billion in 9M2018, declining around 80% over the same periods last year.

Revenue: The Group's 3Q2018 consolidated revenue (i.e. external sales) came in flat to 3Q2017 at Rp3.7 trillion. Despite a 20% increase in crude palm oil (CPO) production against last year, the Group reported lower external parties in Plantation due to higher internal sales to own downstream refineries and an increase of 55,000 tonnes of CPO stock arising from timing in shipment. The lower external sales in Plantation Division was fully offset by a solid sales growth at EOF Division. On year-to-date basis, the Group reported lower consolidated revenue of Rp10.3 trillion, decreasing 16% over same period last year on lower external sales from Plantation Division.

Plantation Division reported second consecutive quarter of strong production recovery with fresh fruit bunches (FFB) nucleus and CPO increasing 14% and 20% over 3Q last year. On year-to-date basis, FFB nucleus and CPO production grew 6% to 2,446,000 tonnes and 663,000 tonnes, respectively. Despite higher palm production, Plantation Division's sales declined 11% in 3Q2018 and 20% in 9M2018 mainly due to lower average selling prices of agriculture crops (CPO -9%, palm kernel -14%, rubber -19%), and lower sales volume of CPO and palm kernel related products arising from timing in shipment. There was ~84,000 MT of CPO inventory build-up in 9M2018 compared to ~27,000 MT of inventory drawdown in 9M2017.

On a positive note, EOF Division reported a solid third quarter with sales increasing 24% over 3Q last year from higher sales volume of edible oil products. 9M2018 EOF Division also performed better with revenue growing 3% over the same period last year. In line with the strong sales and lower CPO costs, EOF Division contributed positively to the Group's results.

Gross Profit: The Group's 3Q2018 and 9M2018 gross profit declined 13% and 25% respectively mainly due to the effects of lower selling prices and sales volume of palm products (i.e. CPO and palm kernel related products), as well as higher palm production costs arising from wage inflation and higher fertilizer application.

Selling and Distribution Expenses (S&D): The Group reported higher S&D in 3Q2018 mainly due to higher export tax related to the export of edible oil products. On year-to-date basis, the S&D was close to prior year's level.

Other Operating Income/(Expenses): Lower Other operating income in 9M2018 mainly due to lower miscellaneous income. Other operating expenses were lower in 3Q2018 and 9M2018 mainly due to provision of unrecoverable advances in 2017.

Foreign Exchange (Loss)/ Gain: The foreign exchange impacts were principally attributable to the translation of US dollar denominated loans, assets and liabilities. The Group recognized foreign currency losses of Rp138 billion in 9M2018 compared to Rp2 billion in 9M2017. The higher foreign currency loss was mainly due to the weakening of Indonesian Rupiah against US Dollar to Rp14,929/US$ as of 30 September 2018 versus Rp13,548/US$ at the end December 2017. The Group has reduced its USD loan exposure through repayment of certain USD loan facilities in 2018, lowering its USD loan mix to 14% or USD110 million as of end September 2018.

Share of Results of Associate Companies: In 3Q2018, the Group recognised Rp6 billion loss from its associate companies compared to Rp2.6 billion loss in 3Q last year. The higher loss was mainly attributable to lower cane crushing reported by Roxas. On year-to-date basis, the share of profit of associate companies of Rp5 billion was slightly higher than prior year.

Share of results of joint ventures: The share of profit from joint ventures in Brazil sugar operations was lower in 3Q2018 and 9M2018, declining 32% and 39% respectively over the same periods last year. The lower profit contribution was mainly attributable to lower selling prices and sales volume of raw sugar. This was partly offset by higher contribution from ethanol as the joint ventures switched to produce more profitable ethanol.

Gain/ (Loss) Arising from Changes in Fair Values of Biological Assets: The Group recognized a fair value gain of Rp5 billion in 9M2018 compared to Rp39 billion loss in 9M2017. The slight gain was mainly due to higher sales volume of FFB and partly offset by lower selling prices.

Profit from Operations: Profit from operations declined 40% in 3Q2018, owing largely to lower gross profit, foreign currency loss and lower profit contribution from joint ventures. 9M2018 Profit from operation declined 53% mainly due to the same reasons, and this was partly offset by positive net changes in fair value of biological assets.

Financial Expenses: The Group's financial expenses grew 16% higher in 3Q2018 mainly due to higher working capital facilities, and higher blended interest rate in line with the interest rate hikes by the US Fed and the Bank of Indonesia.

Income Tax Expense: The Group recognised lower income tax expenses in 3Q2018 and 9M2018 in line with lower operating profit. However, the effective tax rates remained high mainly due to non-deductible expenses and the Company's unrealised foreign exchange loss, and the write-off of certain tax losses carried forward.

Net (Loss)/ Profit After Tax: The Group reported net losses after tax of Rp18 billion in 3Q2018 and Rp65 billion in 9M2018 compared to profits in the comparative period in last year.

Review of Financial Position

The Group reported total non-current assets of Rp30.3 trillion as of September 2018 compared to Rp30.0 trillion in the previous year end. The increase was mainly due to (i) investment in a joint venture, Canapolis Holding S.A.(Canapolis) of BRL 23.6 million (approximately US$7.3 million); (ii) investment in an associate, Daitocacao of Rp105 billion; (iii) higher advances for plasma plantation project.

In July 2018, the Company's 50% joint venture CMAA acquired Vale do Pontal Açucar e Alcool Ltda (UVP) through the issuance of new shares to the seller, JFLIM Participações S/A (JFLIM) based on an agreed valuation of approximately BRL 75.9 million (equivalent to US$19.7 million). Post the issuance of new shares, CMAA will be 35% each owned by the Company and JF Family, and 30% by JFLIM. The Company will continue to adopt equity accounting for CMAA as UVP is jointly controlled by these 3 shareholders under the shareholder agreement. The acquisition will enable CMAA to expand its footprint in the sugar and ethanol industry in Brazil with a total annual cane crushing capacity increasing from 5.8 million MT (the existing UVT mill and Canapolis mill) to 8.3 million MT after the acquisition. All 3 mills are located in the state of Minas Gerais, and in close proximity to each other, forming a strong cluster enabling operating and management synergies.

As of September 2018, total current assets of Rp8.2 trillion were 11% higher than the previous year end. The increase was mainly attributable to (i) higher inventories arising from timing in sales of palm products and sugar, as well as higher fertilisers; (ii) higher prepaid expenses and prepaid corporate taxes; and (iii) higher trade and other receivables in line with higher edible oils & fats sales. This was partly offset by lower cash levels arising from the granting of additional shareholder loan of Rp420 billion by the Company to its subsidiary, PT SIMP for working capital purpose.

Total current liabilities as of September 2018 came in 51% or Rp3.2 trillion higher compared to same period last year. This was mainly attributable to the net drawdown of Rp1.1 trillion short-term facilities for working capital and higher current maturities of long-term facilities of Rp1.5 trillion, higher accrual of expenses and payables to third parties of Rp0.6 trillion.

The Group reported net current liabilities of Rp1.4 trillion in September 2018 arising from higher current maturities of long-term facilities. The facilities are expected to be refinanced when they fall due.

Total non-current liabilities of Rp7.9 trillion as of September 2018 were 18% lower than Rp9.6 trillion in December 2017. This was mainly due to lower long-term loan facilities arising from payment of loan installments and higher current maturities of long-term facilities.

Review of Cash Flows

The Group generated lower net cash flows from operations in 3Q2018 and 9M2018 of Rp401 billion and Rp506 billion, respectively mainly due to lower profit from operating activities.

Net cash flows used in investing activities in 9M2018 was Rp1,605 billion compared to Rp1,338 billion in 9M2017. The increase was mainly due to investment in a joint venture, Canapolis of Rp100 billion, higher additions to property, plant and equipment of Rp238 billion and higher plasma projects of Rp124 billion. This was partly offset by lower investment in associate companies of Rp240 billion.

In 9M2018, the financing activities generated net cash flows of Rp485 billion which mainly due to the drawdown of bank facilities to fund capital expenditures and working capital. This compared to net cash flows used in financing activities of Rp280 billion in 9M2017.

The Group's cash levels decreased from Rp2,930 billion at end December 2017 to Rp2,374 billion at September 2018.

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 uncertainties surrounding global growth and China's trade tensions with the U.S. continue to put pressure on agricultural commodity prices. As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by a positive domestic economic outlook and large domestic palm consumption.

The domestic palm demand is expected to be further supported by the roll-out of B20 (20%) biodiesel blending in September 2018 to both Public Service Obligation (PSO) and non-PSO sector and the Indonesian government's intention to accelerate the implementation of B30 biodiesel program in 2019.

The Group will continue to strengthen the fundamentals and improve margins through better yielding crops, cost efficiencies and other innovations to improve productivity.

11. If a decision regarding dividend has been made.

(a) Current Financial Period Reported On

Nil.

(b) Any dividend declared for the previous corresponding period ?

Nil.

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 the interest person transactions ("IPT') for the 3Q 2018:

Name of Interested Person	Aggregate value of all IPT during the financial year under review (excluding transactions less than $100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	USD 'million	**Rp 'billion**
PT ISM Group		
• Sales of cooking oil, margarine and others	-	2,690
• Purchase of goods, services and assets	-	114
Salim Group		
• Sales of cooking oil, seeds and material	-	1,229
• Purchases of goods and services	-	623
• Shareholder loans	-	828
• Corporate guarantees	-	3,031
• Investment in assets (50% of UVP)	10	-

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

The Company confirms that is has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

15. ***Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual***

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention which may render the Group's unaudited financial statements for the third quarter ended 30 September 2018 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
Chief Executive Officer and Executive Director

31 October 2018

FOR IMMEDIATE RELEASE

IndoAgri posted a weak 3Q18 result due to soft commodity prices and increase in CPO stock

HIGHLIGHTS:

- **Achieved strong FFB nucleus and CPO production recovery in 3Q18, up 14% and 20% yoy.**
- **Posted a weak 3Q18 due to lower sales and profit contributions from Plantation Division. This was partly offset by a solid EOF Division performance.**
- **Weak plantation results were due to lower sales volume of palm products due to timing in shipment and soft commodity prices.**
- **CPO stocks at end September were 131,000 tonnes, an increase of 55,000 tonnes during the quarter.**
- **Expanding our footprint in Brazil with the investment in 3rd mill, Vale do Pontal.**

SINGAPORE – 31 October 2018 – SGX Mainboard-listed IndoAgri (the "**Group**"), a diversified and integrated from agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, reported weak 3Q18 and 9M18 results with net loss after tax of Rp18 billion and Rp65 billion, respectively. The poor performance was mainly due to the fall in sales and profit in Plantation Division arising from weak commodity prices and increase in CPO stock. The decline was partly offset by a strong 3Q result at Edible Oils & Fats (EOF) Division. The Group's performance was further affected by forex impacts due to weakening of Rupiah currency.

	Rp' billion						S$' million [1]			
	3Q18	**3Q17**	**▲%**	**9M18**	**9M17**	**▲%**	**3Q18**	**3Q17**	**9M18**	**9M17**
Revenue	**3,706**	**3,685**	**1**	**10,262**	**12,160**	**(16)**	**352**	**350**	**974**	**1,155**
Gross profit	624	718	(13)	1,801	2,393	(25)	59	68	171	227
Gross margin (%)	*16.8%*	*19.5%*		*17.5%*	*19.7%*		*16.8%*	*19.5%*	*17.5*	*19.7%*
EBITDA [2]	**723**	**788**	**(8)**	**1,892**	**2,454**	**(23)**	**69**	**75**	**180**	**233**
EBITDA margin (%)	*19.5%*	*21.4%*		*18.4%*	*20.2%*		*19.5%*	*21.4%*	*18.4%*	*20.2%*
Net (loss)/profit after tax	(18)	114	n/m	(65)	522	n/m	(2)	11	(6)	50
Core net profit after tax [3]	**23**	**102**	**(77)**	**96**	**572**	**(83)**	**2**	**10**	**9**	**54**
Attributable profit	**9**	**101**	**(91)**	**(10)**	**370**	**n/m**	**1**	**10**	**(1)**	**35**
EPS (fully diluted) - Rp/S$ cents	6	72	n/m	(7)	265	n/m	0.1	0.7	(0.1)	2.5

n.m. denotes "Not Meaningful"

[1] Income Statement and Balance Sheet items are converted at exchange rates of Rp10,531/S$1 and Rp10,919 /S$1, respectively
[2] Earnings before interests and tax expense, depreciation and amortisation, the effects of foreign exchange and changes in fair value of biological assets
[3] Earnings before the accounting for the effects of foreign exchange, changes in the fair value of biological assets and changes in amortised cost of plasma receivables

Plantation Division's sales declined 11% in 3Q18 and 20% in 9M18 due to lower average selling prices of agriculture crops, and lower sales volume of CPO and palm kernel (PK) related products arising from timing in shipment. There was ~84,000 MT of CPO inventory build-up in 9M18 compared to ~27,000 MT of inventory drawdown in 9M17.

On a positive note, EOF Division reported a solid third quarter with sales increasing 24% over 3Q last year from higher sales volume of edible oil products. 9M18 EOF Division also performed better with revenue growing 3% over the same period last year. In line with the strong sales and lower CPO costs, EOF Division contributed positively to the Group's results.

The Group's 3Q18 and 9M18 gross profit declined 13% and 25% respectively mainly due to the effects of lower selling prices and sales volume of palm products, as well as higher palm production costs arising from wage inflation and higher fertilizer application.

The group reported net losses after tax of Rp18 billion in 3Q18 and Rp65 billion in 9M18 compared to profits in the comparative period in last year. Core net profit (excluding forex, biological assets and plasma receivables impacts) were Rp23 billion in 3Q18 and Rp96 billion in 9M18, declining around 80% over the same periods last year.

"Plantation Division reported second consecutive quarter of strong production recovery with fresh fruit bunches (FFB) nucleus and CPO increasing 14% and 20% over 3Q last year. Both 9M18 FFB nucleus and CPO production grew 6% over 9M17. The Group's performance was affected by weak plantation results, but this was partly offset by higher contribution from EOF Division.

In line with the increasing FFB production, we are expanding our milling capacity with one new 45 MT FFB/hour palm oil mill due for completion in 2019. The expansion of our refinery in Surabaya is completed and in operation, increasing the refinery capacity by 300,000 tonnes per annum.

We have acquired our third mill (Vale do Pontal) in July 2018, which has a crushing capacity of 2.5m MT of cane. The acquisition will enable CMAA to expand its footprint in the sugar and ethanol industry in Brazil with a total annual cane crushing capacity increasing from 5.8 million MT (CMAA plus Canapolis mill) to 8.3 million MT. All 3 mills are located in the state of Minas Gerais, and in close proximity to each other, forming a strong cluster enabling operating and management synergies." *commented Mr Mark Wakeford, CEO and Executive Director.*

INDUSTRY OUTLOOK AND FUTURE PLANS

The uncertainties surrounding global growth and China's trade tensions with the U.S. continue to put pressure on agricultural commodity prices. As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by a positive domestic economic outlook and large domestic palm consumption.

The domestic palm demand is expected to be further supported by the roll-out of B20 (20%) biodiesel blending in September 2018 to both Public Service Obligation (PSO) and non-PSO sector and the Indonesian government's intention to accelerate the implementation of B30 biodiesel program in 2019.

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The Group will continue to strengthen the fundamentals and improve margins through better yielding crops, cost efficiencies and other innovations to improve productivity.

--The End ---

ABOUT INDOAGRI

Indofood Agri Resources Ltd. ("IndoAgri") is a diversified and integrated agribusiness group with principal business operations that range from research and development, breeding and cultivation of oil palms, to the milling and refining of crude palm oil, and the marketing and distribution of cooking oil, margarine, shortening and other derivative products. The Group also engages in the cultivation of other crops such as rubber, sugar cane, cocoa and tea.

As of end September 2018, IndoAgri has 298,633 hectares planted with oil palm, rubber, sugar cane, timber, cocoa and tea in Indonesia.

For more information please visit our website at: www.indofoodagri.com.