# FIRST PACIFIC COMPANY LIMITED

# 第一太平有限公司

*(Incorporated with limited liability under the laws of Bermuda)*

Website: 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 full year ended 31 December 2018; and (ii) Press Release for the FY2018 Results.**

**Dated this the 28th day of February, 2019**

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*
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::FULL YEARLY 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

28-Feb-2019 06:40:53

Status

New

Announcement Sub Title

Full Yearly Results

Announcement Reference

SG190228OTHRF9F5

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 FY2018 Results and Press Release

Please see attached.

## Additional Details

For Financial Period Ended

31/12/2018

## Attachments

IFARFY18Result.pdf

IFARFY18Press.pdf

Total size =261K MB

## UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR 31 DECEMBER 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 - Q4 | | | Group- Full Year | | |
|---|---|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated | Change | 31/12/2018 | 31/12/2017 Restated | Change |
| | Rp ' million | Rp ' million | % | Rp ' million | Rp ' million | % |
| Revenue | 3,797,514 | 3,564,840 | 6.5 | 14,059,450 | 15,725,304 | (10.6) |
| Cost of sales | (3,400,153) | (2,874,446) | 18.3 | (11,861,526) | (12,663,858) | (6.3) |
| **Gross Profit** | **397,361** | **690,394** | **(42.4)** | **2,197,924** | **3,061,446** | **(28.2)** |
| Gross Profit % | 10.5% | 19.4% | | 15.6% | 19.5% | |
| Selling and distribution expenses | (134,575) | (111,029) | 21.2 | (525,014) | (509,354) | 3.1 |
| General and administrative expenses | (171,089) | (241,353) | (29.1) | (884,577) | (945,863) | (6.5) |
| Foreign exchange gain/ (loss) | 19,931 | (12,484) | n/m | (118,034) | (14,450) | n/m |
| Other operating income | 24,295 | 17,506 | 38.8 | 80,187 | 82,323 | (2.6) |
| Other operating expenses | (7,394) | (62,111) | (88.1) | (84,119) | (151,989) | (44.7) |
| Share of results of associate companies | (12,650) | (22,061) | (42.7) | (7,792) | (17,915) | (56.5) |
| Share of results of joint ventures | (30,863) | 41,259 | n/m | 28,704 | 138,654 | (79.3) |
| (Loss)/ gain arising from changes in fair value of biological assets | (35,973) | 73,628 | n/m | (30,882) | 34,839 | n/m |
| **Profit from operations** | **49,043** | **373,749** | (86.9) | **656,397** | **1,677,691** | **(60.9)** |
| Impact arising from business combination under common control using book value instead of fair value | (87,049) | - | n/m | (87,049) | - | n/m |
| Financial income | 26,770 | 26,685 | 0.3 | 104,199 | 107,505 | (3.1) |
| Financial expenses | (198,877) | (156,946) | 26.7 | (719,960) | (647,043) | 11.3 |
| **(Loss)/ Profit before tax** | **(210,113)** | **243,488** | **n/m** | **(46,413)** | **1,138,153** | **n/m** |
| Income tax expense | (151,756) | (112,539) | 34.8 | (380,102) | (485,268) | (21.7) |
| **Net (loss)/ profit for the period** | **(361,869)** | **130,949** | **n/m** | **(426,515)** | **652,885** | **n/m** |
| **Core (loss)/ profit after tax (1)** | **(281,026)** | **84,819** | **n/m** | **(185,503)** | **656,936** | **n/m** |
| **(Loss)/ Profit attributable to:** | | | | | | |
| Owners of the Company | (211,700) | 76,937 | n/m | (221,764) | 447,314 | n/m |
| Non-controlling interests | (150,169) | 54,012 | n/m | (204,751) | 205,571 | n/m |
| | **(361,869)** | **130,949** | **n/m** | **(426,515)** | **652,885** | **n/m** |

Notes

n/m denotes "Not Meaningful"

(1) Earnings before the accounting for the effects of foreign exchange, fair value gain/ (loss) on biological assets, changes in amortised cost of plasma receivables and one-off item.

| | Group - Q4 | | | Group- Full Year | | |
|---|---|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated | Change | 31/12/2018 | 31/12/2017 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 | (8,755) | (29,603) | (70.4) | (38,590) | (469) | n/m |
| **Items that will not be reclassified to profit or loss** | | | | | | |
| Unrealised loss for available-for-sales investment | (3,350) | - | n/m | (3,350) | - | n/m |
| Re-measurement gain/ (loss) on employee benefits liability | 147,112 | (135,715) | n/m | 171,228 | (138,615) | n/m |
| Share of OCI of an associate company and joint venture | (15,801) | 3,627 | n/m | (52,995) | (14,100) | 275.9 |
| **Other comprehensive income for the period, net of tax** | **119,206** | **(161,691)** | **n/m** | **76,293** | **(153,184)** | **n/m** |
| **Total comprehensive income** | **(242,663)** | **(30,742)** | **n/m** | **(350,222)** | **499,701** | **n/m** |
| **Total comprehensive income attributable to:-** | | | | | | |
| Owners of the Company | (146,295) | (30,728) | 376.1 | (214,675) | 349,356 | n/m |
| Non-controlling interests | (96,368) | (14) | n/m | (135,547) | 150,345 | n/m |
| | **(242,663)** | **(30,742)** | **n/m** | **(350,222)** | **499,701** | **n/m** |

n/m denotes “Not Meaningful”

**<u>* Restated 2017 figures</u>**

The 2017 figures in the statement of comprehensive income have been restated upon the adoption of the amendments to **SFRS(I) 15 Revenue from Contracts with Customers** and some reclassifications to conform with prior years’ presentation.

| Statement of comprehensive income | As restated 4Q17 Rp' million | As previously reported 4Q17 Rp' million | Change Rp' million | As restated FY17 Rp' million | As previously reported FY17 Rp' million | Change Rp' million |
|---|---|---|---|---|---|---|
| Revenue | 3,564,840 | 3,593,437 | (28,597) | 15,725,304 | 15,826,648 | (101,344) |
| Cost of sales | (2,874,446) | (2,864,272) | (10,174) | (12,663,858) | (12,631,642) | (32,216) |
| Selling and distribution expenses | (111,029) | (139,342) | 28,313 | (509,354) | (608,223) | 98,869 |
| General and administrative expenses | (241,353) | (251,811) | 10,458 | (945,863) | (980,554) | 34,691 |

**Additional Information: -**

Earnings before interests and tax expense, depreciation and amortisation, fair value gain/ (loss) on biological assets and one-off item ("EBITDA")

| | Group - Q4 | | | Group- Full Year | | |
|---|---|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 | Change | 31/12/2018 | 31/12/2017 | Change |
| | Rp ' million | Rp ' million | % | Rp ' million | Rp ' million | % |
| Profit from operations | 49,043 | 373,749 | (86.9) | 656,397 | 1,677,691 | (60.9) |
| Add: Depreciation & amortisation | 337,605 | 321,062 | 5.2 | 1,488,895 | 1,430,421 | 4.1 |
| Less: (Loss)/ gain arising from changes in fair value of biological assets | (35,973) | 73,628 | n/m | (30,882) | 34,839 | n/m |
| Less: Foreign exchange gain/ (loss) | 19,931 | (12,484) | n/m | (118,034) | (14,450) | n/m |
| EBITDA excludes foreign exchange gain/ (loss) | 402,690 | 633,667 | (36.5) | 2,294,208 | 3,087,723 | (25.7) |
| EBITDA% | 10.6 | 17.8 | | 16.3 | 19.6 | |

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

| | Group - Q4 | | | Group- Full Year | | |
|---|---|---|---|---|---|---|
| **Other information:-** | 31/12/2018 | 31/12/2017 | Change | 31/12/2018 | 31/12/2017 | Change |
| | Rp ' million | Rp ' million | % | Rp ' million | Rp ' million | % |
| Depreciation of property, plant and equipment | 327,818 | 314,797 | 4.1 | 1,426,765 | 1,366,683 | 4.4 |
| Amortisation of deferred charges and others | 9,787 | 6,265 | 56.2 | 62,130 | 63,738 | (2.5) |
| Interest on borrowings | 194,035 | 153,250 | 26.6 | 701,036 | 632,495 | 10.8 |
| Reversal of allowance for uncollectible and changes in amortised cost of plasma receivables | (13,328) | (2,175) | n/m | 30,198 | 22,816 | 32.4 |
| Write-off of property, plant and equipment | 38 | 369 | (89.7) | 362 | 869 | (58.3) |
| Gain on disposal of property, plant and equipment | (6,532) | (3,342) | 95.5 | (8,045) | (6,504) | 23.7 |
| Changes in provision for asset dismantling costs | 897 | 658 | 36.3 | (2,142) | 3,063 | n/m |
| Impairment of goodwill | 520 | 7,800 | (93.3) | 520 | 7,800 | (93.3) |

*n/m denotes "Not Meaningful"*

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***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 | | |
|---|---|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated * | 01/01/2017 Restated * | 31/12/2018 | 31/12/2017 | 01/01/2017 |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| **Non-current assets** | | | | | | |
| Biological assets | 328,500 | 313,305 | 325,102 | - | - | - |
| Property, plant and equipment | 21,213,418 | 21,178,399 | 21,396,796 | 36,400 | 39,986 | 43,576 |
| Goodwill | 3,245,317 | 3,245,837 | 3,253,637 | - | - | - |
| Claims for tax refund | 284,779 | 126,732 | 178,704 | - | - | - |
| Deferred tax assets | 1,125,003 | 1,346,976 | 1,240,194 | - | - | - |
| Investment in subsidiary companies | - | - | - | 10,633,423 | 10,533,516 | 10,533,516 |
| Investment in associate companies | 1,469,721 | 1,358,774 | 1,002,247 | 551,139 | 551,139 | 551,139 |
| Investment in joint ventures | 809,373 | 874,911 | 751,850 | - | - | - |
| Amount due from a subsidiary | - | - | - | 1,150,000 | 730,000 | 730,000 |
| Advances and prepayments | 476,077 | 385,116 | 425,917 | - | - | - |
| Other non-current receivables | 1,433,224 | 1,209,487 | 1,174,662 | 10 | 10 | 9 |
| **Total non-current assets** | **30,385,412** | **30,039,537** | **29,749,109** | **12,370,972** | **11,854,651** | **11,858,240** |
| | | | | | | |
| **Current assets** | | | | | | |
| Inventories | 2,428,365 | 2,204,549 | 2,270,749 | - | - | - |
| Trade and other receivables | 1,395,471 | 1,200,404 | 1,122,774 | 93,424 | 76,172 | 78,142 |
| Advances and prepayments | 181,652 | 188,330 | 240,215 | 169 | 228 | 197 |
| Prepaid taxes | 336,031 | 273,845 | 251,107 | - | - | - |
| Biological assets | 516,656 | 536,821 | 464,722 | - | - | - |
| Assets held for sale | 41,795 | 41,795 | - | - | - | - |
| Cash and cash equivalents | 2,228,869 | 2,929,674 | 2,404,838 | 153,545 | 664,267 | 532,896 |
| **Total current assets** | **7,128,839** | **7,375,418** | **6,754,405** | **247,138** | **740,667** | **611,235** |
| **Total assets** | **37,514,251** | **37,414,955** | **36,503,514** | **12,618,110** | **12,595,318** | **12,469,475** |
| | | | | | | |
| **Current liabilities** | | | | | | |
| Trade and other payables and accruals | 1,810,233 | 1,631,014 | 1,499,716 | 114,805 | 104,757 | 14,843 |
| Advances and taxes payable | 234,699 | 194,703 | 453,672 | - | - | - |
| Interest-bearing loans and borrowings | 6,971,649 | 4,462,704 | 2,481,405 | 1,085,351 | - | - |
| Income tax payable | 27,609 | 91,731 | 215,515 | - | - | - |
| **Total current liabilities** | **9,044,190** | **6,380,152** | **4,650,308** | **1,200,156** | **104,757** | **14,843** |
| | | | | | | |
| **Net current (liabilities)/ assets** | **(1,915,351)** | **995,266** | **2,104,097** | **(953,018)** | **635,910** | **596,392** |

| | Group | | | Company | | |
|---|---|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated * | 01/01/2017 Restated * | 31/12/2018 | 31/12/2017 | 01/01/2017 |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| **Non-current liabilities** | | | | | | |
| Interest-bearing loans and borrowings | 4,218,271 | 6,067,793 | 7,545,936 | - | 1,013,390 | 1,002,997 |
| Amounts due to related parties and other payables | 427,859 | 364,106 | 569,779 | - | - | - |
| Provision and other liabilities | 32,007 | 34,149 | 31,086 | - | - | - |
| Employee benefits liabilities | 2,323,955 | 2,361,278 | 1,980,219 | - | - | - |
| Deferred tax liabilities | 614,776 | 784,827 | 848,134 | 7,942 | - | - |
| **Total non-current liabilities** | **7,616,868** | **9,612,153** | **10,975,154** | **7,942** | **1,013,390** | **1,002,997** |
| **Total liabilities** | **16,661,058** | **15,992,305** | **15,625,462** | **1,208,098** | **1,118,147** | **1,017,840** |
| **Net assets** | **20,853,193** | **21,422,650** | **20,878,052** | **11,410,012** | **11,477,171** | **11,451,635** |
| Share capital | 3,584,279 | 3,584,279 | 3,584,279 | 10,912,411 | 10,912,411 | 10,912,411 |
| Treasury shares | (390,166) | (390,166) | (390,166) | (390,166) | (390,166) | (390,166) |
| Revenue reserves | 8,075,562 | 8,303,290 | 8,025,765 | 743,615 | 810,774 | 785,238 |
| Other reserves | 517,935 | 606,963 | 614,757 | 144,152 | 144,152 | 144,152 |
| | **11,787,610** | **12,104,366** | **11,834,635** | **11,410,012** | **11,477,171** | **11,451,635** |
| Non-controlling interests | 9,065,583 | 9,318,284 | 9,043,417 | - | - | - |
| **Total equity** | **20,853,193** | **21,422,650** | **20,878,052** | **11,410,012** | **11,477,171** | **11,451,635** |

* The figures were restated due to the application of exemption upon the adoption of SFRS(I) framework where the cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017.

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

| | | Group | |
|---|---|---|---|
| | | 31/12/2018 | 31/12/2017 |
| | | Rp ' million | Rp ' million |
| (i) | Amounts payable in one year or less, or on demand | | |
| | Secured | 2,129,298 | 1,519,848 |
| | Unsecured | 4,842,351 | 2,942,856 |
| | Sub-total | **6,971,649** | **4,462,704** |
| (ii) | Amounts repayable after one year | | |
| | Secured | 4,218,271 | 4,751,693 |
| | Unsecured | - | 1,316,100 |
| | Sub-total | **4,218,271** | **6,067,793** |
| | **TOTAL** | **11,189,920** | **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 - Q4 | | Group - Full year | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated | 31/12/2018 | 31/12/2017 Restated |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| **Cash flows from operating activities** | | | | |
| (Loss)/ Profit before taxation | (210,113) | 243,488 | (46,413) | 1,138,153 |
| Adjustments: | | | | |
| Depreciation and amortisation | 337,605 | 321,062 | 1,488,895 | 1,430,421 |
| Realisation of deferred costs | 13,759 | 11,402 | 149,836 | 149,373 |
| Unrealised foreign exchange (gain)/ loss | (11,983) | 7,379 | 144,603 | 14,065 |
| Loss/ (Gain) arising from changes in fair value of biological assets | 35,973 | (73,628) | 30,882 | (34,839) |
| Reversal of allowance for uncollectible and changes in amortised cost of plasma receivables | (13,328) | (2,175) | 30,198 | 22,816 |
| Write-off of property, plant and equipment | 38 | 369 | 362 | 869 |
| Gain on disposal of property, plant and equipment | (6,532) | (3,442) | (8,045) | (6,504) |
| Provision for unrecoverable advance | - | 9,738 | - | 38,952 |
| Changes in allowance for decline in market value and obsolescence of inventories | (28,556) | 20,210 | 3,058 | 5,163 |
| Allowance for impairment of available-for-sales of financial assets | - | 33,630 | - | 40,957 |
| Changes in provision for asset dismantling costs | 897 | 658 | (2,142) | 3,063 |
| Change in estimated liability for employee benefits | 66,600 | 106,488 | 329,318 | 349,017 |
| Changes in fair value of long-term receivables | (228) | (200) | (191) | (771) |
| Share of results of associate companies | 12,650 | 22,061 | 7,792 | 17,915 |
| Share of results of joint ventures | 30,863 | (41,259) | (28,704) | (138,654) |
| Impact arising from business combination under common control using book value instead of fair value | 87,049 | - | 87,049 | - |
| Impairment of goodwill | 520 | 7,800 | 520 | 7,800 |
| Financial income | (26,770) | (26,685) | (104,199) | (107,505) |
| Financial expenses | 198,877 | 156,946 | 719,960 | 647,043 |
| **Operating cash flows before working capital changes** | **487,321** | **793,842** | **2,802,779** | **3,577,334** |
| **Changes in working capital** | | | | |
| Other non-current assets | 208,242 | (97,699) | 99,406 | (130,687) |
| Inventories | 622,897 | (5,015) | (226,880) | 61,037 |
| Trade and other receivables | 249,637 | 46,399 | (188,714) | (73,537) |
| Advances to suppliers | 13,761 | 65,051 | (843) | 51,462 |
| Prepaid taxes | (44,851) | (48,183) | (62,186) | (22,714) |
| Trade and other payables and accruals | (459,954) | (389,662) | 32,116 | (11,857) |
| Advances from customers | 10,602 | (21,576) | 38,038 | (283,408) |
| **Cash flows generated from operations** | **1,087,655** | **343,157** | **2,493,716** | **3,167,630** |
| Interest received | 25,778 | 27,970 | 105,313 | 106,910 |
| Interest paid | (196,350) | (153,266) | (708,227) | (632,229) |
| Income tax paid | (274,780) | (88,106) | (742,803) | (710,866) |
| **Net cash flows generated from operating activities** | **642,303** | **129,755** | **1,147,999** | **1,931,445** |

| | Group - Q4 | | Group - Full Year | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated | 31/12/2018 | 31/12/2017 Restated |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| **Cash flows from investing activities** | | | | |
| Additions to property, plant and equipment | (385,285) | (301,383) | (1,486,288) | (1,164,738) |
| Additions to biological assets | (160,240) | (4,333) | (165,344) | (5,281) |
| Increase in plasma receivables | (42,972) | (33,985) | (268,583) | (135,183) |
| Proceeds from disposal of property, plant and equipment | 10,064 | 6,016 | 30,687 | 23,227 |
| Advances for projects and purchases of fixed assets | (32,803) | (36,263) | (117,959) | (76,954) |
| Investment in associate companies | - | - | (109,323) | (349,350) |
| Investment in a joint venture | - | - | (99,984) | - |
| **Net cash flows used in investing activities** | **(611,236)** | **(369,948)** | **(2,216,794)** | **(1,708,279)** |
| **Cash flows from financing activities** | | | | |
| Proceeds from interest-bearing loans and borrowings | 888,826 | 2,055,000 | 4,464,981 | 3,128,000 |
| Repayment of interest-bearing loans and borrowings | (1,094,989) | (1,533,381) | (3,983,434) | (2,662,474) |
| Proceeds from amount due to related parties | 10,000 | - | 76,200 | 12,000 |
| Dividend payments by subsidiaries to non-controlling interests | (1,751) | (4,512) | (168,152) | (154,147) |
| Dividend payment to Company's shareholders | - | - | (102,713) | (86,554) |
| Capital contributions from non-controlling interest | 51,000 | 58,043 | 51,000 | 58,043 |
| **Net cash flows (used in)/ generated from financing activities** | **(146,914)** | **575,150** | **337,882** | **294,868** |
| **Net (decrease)/ increase in cash and cash equivalents** | **(115,847)** | **334,957** | **(730,913)** | **518,034** |
| **Effect of changes in exchange rates on cash and cash equivalents** | **(29,564)** | **4,303** | **30,108** | **6,802** |
| **Cash and cash equivalents at the beginning of the period** | **2,374,280** | **2,590,414** | **2,929,674** | **2,404,838** |
| **Cash and cash equivalents at the end of the period** | **2,228,869** | **2,929,674** | **2,228,869** | **2,929,674** |

***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 | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated | 31/12/2018 | 31/12/2017 Restated |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| **Issued Share** | | | | |
| **Balance as at 1 January / 31 December (1)** | **3,584,279** | **3,584,279** | **10,912,411** | **10,912,411** |
| **Treasury shares of the Company** | | | | |
| **Balance as at 1 January / 31 December** | **(390,166)** | **(390,166)** | **(390,166)** | **(390,166)** |
| **Reserves** | | | | |
| **Balance as at 1 January (FRS framework)** | **8,327,924** | **8,050,399** | **810,774** | **785,238** |
| Cumulative effects of adopting SFRS(I)# | (24,634) | (24,634) | - | - |
| **Balance as at 1 January (SFRS(I) framework)** | **8,303,290** | **8,025,765** | **810,774** | **785,238** |
| Dividend payment | (102,713) | (86,554) | (102,713) | (86,554) |
| Acquisition of non-controlling interest | - | (71) | - | - |
| Actuarial gain/ (loss) on employee benefits liability | 96,749 | (83,164) | - | - |
| Net (loss)/ profit for the year | (221,764) | 447,314 | 35,554 | 112,090 |
| **Balance as at 31 December** | **8,075,562** | **8,303,290** | **743,615** | **810,774** |
| **Other Reserves*** | | | | |
| **Balance as at 1 January (FRS framework)** | **582,329** | **590,123** | **144,152** | **144,152** |
| Cumulative effects of adopting SFRS(I)# | 24,634 | 24,634 | - | - |
| **Balance as at 1 January (SFRS(I) framework)** | **606,963** | **614,757** | **144,152** | **144,152** |
| Share of other comprehensive loss of a joint venture | (101,785) | (15,103) | - | - |
| Share of other comprehensive loss of an associate company | 13,592 | 309 | - | - |
| Increase of share capital in subsidiary | - | (12,883) | - | - |
| Changes in subsidiary equity | - | 12,117 | - | - |
| Employee share based compensation reserve | - | 77 | - | - |
| Unrealised loss of impairment in available-for-sales of financial assets | (1,465) | - | - | - |
| Gain on deemed disposal of an assoicate | - | 7,689 | - | - |
| Employee share based compensation reserve | 630 | - | - | - |
| **Balance as at 31 December** | **517,935** | **606,963** | **144,152** | **144,152** |

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| | Group | | Company | |
|---|---|---|---|---|
| | 31/12/2018 | 31/12/2017 Restated | 31/12/2018 | 31/12/2017 Restated |
| | Rp ' million | Rp ' million | Rp ' million | Rp ' million |
| **<u>Non-controlling Interests</u>** | | | | |
| **Balance as at 1 January** | **9,318,284** | **9,043,417** | **-** | **-** |
| Dividend payments by subsidiaries | (168,152) | (154,147) | - | - |
| Difference arising from changes in subsidiary equity | - | 12,954 | - | - |
| Actuarial gain/ (loss) on employee benefits liability | 74,479 | (55,451) | - | - |
| Additional capital contribution in subsidiary | 51,000 | 260,483 | - | - |
| Gain on deemed disposal of an associate | - | 5,232 | - | - |
| Non-controlling Interests of an acquired subsidiary | - | - | - | - |
| Foreign currency translation | (3,392) | 225 | - | - |
| Unrealised loss of impairment in available-for-sales of financial assets | (1,885) | - | - | - |
| Net (loss)/ profit for the year | (204,751) | 205,571 | - | - |
| **Balance as at 31 December** | **9,065,583** | **9,318,284** | **-** | **-** |
| **Total Equity** | **20,853,193** | **21,422,650** | **11,410,012** | **11,477,171** |

<u>Notes:</u>

(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 the former Singapore Financial Reporting Standard framework, SFRS 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.

# The figures were restated due to the application of exemptions upon the adoption of SFRS(I) framework where the cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017. As a result, the amount of Rp24,634 million was adjusted against the opening retained earnings as at 1 January 2017.

***(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 year. As of 31 December 2018 and 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 31 December 2018 and 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** | |
|---|---|---|
| | **31/12/2018** | **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 31 December 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 revises SFRS(I) 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.***

***SFRS(I) 15 Revenue from Contracts with Customers***

The Group adopted SFRS(I) 15 which is effective for annual periods beginning on or after 1 January 2018. 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.

Some contracts with customers within the respective business segments provide a cash incentive, rights of return, volume discount and pricing change as specified below. Such provisions give rise to variable consideration under SFRS(I) 15.

- 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

Except the reclassification of cash incentives from selling and distribution expenses to a deduction in revenue, there is no material impact on the financial statements in the year of initial application.

The comparatives have been restated with the following impact:

**For the financial year ended 31 December 2017:**

| | As restated | As previously reported | Change | As restated | As previously reported | Change |
|---|---|---|---|---|---|---|
| | 4Q17 | 4Q17 | | FY17 | FY17 | |
| **Statement of comprehensive income** | **Rp' million** | **Rp' million** | **Rp' million** | **Rp' million** | **Rp' million** | **Rp' million** |
| Revenue | 3,564,840 | 3,593,437 | (28,597) | 15,725,304 | 15,826,648 | (101,344) |
| Selling and distribution expenses | (110,745) | (139,342) | 28,597 | (506,879) | (608,223) | 101,344 |

***SFRS(I) 9 Financial Instruments***

On 1 January 2018, the Group adopted SFRS (I) 9 Financial instruments, which is effective for annual periods beginning on or after 1 January 2018.

The changes arising from the adoption of SFRS(I) 9 have been applied retrospectively. The Group has elected to apply the exemption in SFRS(I) and has not restated comparative information in the year of initial application. The impact arising from SFRS(I) 9 adoption was included in the opening retained earnings at the date of initial application, 1 January 2018. The comparative information was prepared in accordance with the requirements of FRS 39.

(a) Classification and measurement

The assessment of the business model and whether the financial assets meet the SPPI requirements was made as of 1 January 2018, and then applied retrospectively to those financial assets that were not derecognised before 1 January 2018.

The Group's debt instruments have contractual cash flows that are solely payments of principal and interest. The Group holds its current financial assets to collect contractual cash flows, and accordingly measured at amortised cost when it applies SFRS(I) 9.

SFRS(I) 9 requires all equity instruments to be carried at fair value through profit or loss, unless an entity chooses on initial recognition, to present fair value changes in other comprehensive income.

The Group elected to measure its available-for-sale unquoted equity at fair value through other comprehensive income ("FVOCI"). Any subsequent changes in fair value of the available-for-sale will be recognised to other comprehensive income without recycling to profit or loss.

The initial application of SFRS(I) 9 does not have any reclassification effect to the Group's and the Company's financial statements.

(b) Impairment

SFRS(I) 9 requires the Group to record expected credit losses ("ECL") on all of its financial assets measured at amortised cost or FVOCI and financial guarantees. The Group previously recorded impairment based on the incurred loss model when there is objective evidence that financial asset is impaired.

Upon adoption of SFRS(I) 9, the Group applies the simplified approach to assess the ECL on all trade receivables. The Group has assessed and concluded that the ECL is Nil in view of the trade receivables are mostly due from related parties and the risk of default is low or remote.

The Group and the Company applies general approach for financial assets that contain significant financing component such as the Group's plasma receivables and the Company's amount due from subsidiary companies. Under this 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. Management has assessed and concluded that no credit loss is required to be recognized as the probability of default is Nil.

***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.

SFRS(I) allows first-time adopters exemptions from the retrospective application of certain requirements under SFRS(I). The Group has applied the following exemption:

Cumulative currency translation differences for all foreign operations are deemed to be zero at the date of transition, 1 January 2017. As a result, an amount of Rp24,634 million (credit balance) was adjusted against the opening retained earnings as at 1 January 2017.

Other than the above-mentioned item, there are no other significant financial impact upon on adoption of SFRS(I) 1 on 1 January 2018.

***SFRS (I) 16 Leases***

SFRS(I) 16 requires lessees to recognise most leases on balance sheets. The standard includes two recognition exemptions for lessees – leases of 'low value' assets and short-term leases. The new leases standard is effective for annual periods beginning on or after 1 January 2019. At commencement date of a lease, a lessee will recognise a liability to make a lease payment (i.e. the lease liability) and an asset representing the right to use the underlying asset during the lease term (i.e. the right-of-use asset). Lessees will be required to separately recognise the interest expense on the lease liability and the depreciation expense on the right-of-use asset.

The Group plans to adopt SFRS(I) 16 retrospectively with the cumulative effect of initially applying the standard as an adjustment to the opening retained earnings at the date of initial application, 1 January 2019.

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On the adoption of SFRS(I) 16, the Group expects to choose, on a lease-by-lease basis, to measure the right-of-use asset at its carrying amount as if SFRS(I) 16 had been applied since the commencement date, but discounted using the lessee's incremental borrowing rate as of 1 January 2019.

In addition, the Group plans to elect the following practical expedients:

- to apply the exemption not to recognise right-of-use asset and lease liabilities to leases for which the lease term ends within 12 months as of 1 January 2019
- to apply a single discount rate to a portfolio of leases with reasonably similar characteristics

The Group has performed preliminary impact assessment based on currently available information, and the assessment may be subject to changes arising from ongoing analysis until the Group adopts SFRS(I) 16 in 2019.

On the adoption of SFRS(I) 16, the Group expects to recognised right-of-use assets of Rp123 billion and lease liabilities of Rp129 billion for its leases previously classified as operating leases, with a corresponding decrease in the opening retained earnings of Rp7 billion before tax impact as of 1 January 2019.

***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 31 December 2018.

| | **Group - Q4** | | | **Group - Full Year** | | |
|---|---|---|---|---|---|---|
| Earnings per share (Rp) | **31/12/2018** | **31/12/2017 Restated *** | **Change %** | **31/12/2018** | **31/12/2017 Restated *** | **Change %** |
| Based on weighted average number of share | (151.7) | 55.1 | n/m | (158.9) | 320.4 | n/m |
| Based on a fully diluted basis | (151.7) | 55.1 | n/m | (158.9) | 320.4 | 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 31 December 2018 and 2017.

| | **Group** | | **Company** | |
|---|---|---|---|---|
| | **31/12/2018** | **31/12/2017** | **31/12/2018** | **31/12/2017** |
| Net asset value per share (Rp) | 8,444 | 8,671 | 8,174 | 8,222 |
| Net asset value per share (SGD 'cents) (converted at Rp10,603/S$1) | 79.6 | 81.8 | 77.1 | 77.5 |

**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 - Q4 | | | Group - Full Year | | |
|---|---|---|---|---|---|---|
| | **31/12/2018** | **31/12/2017 Restated *** | **Change** | **31/12/2018** | **31/12/2017 Restated *** | **Change** |
| | **Rp ' million** | **Rp ' million** | **%** | **Rp ' million** | **Rp ' million** | **%** |
| **Revenue** | | | | | | |
| Plantations | | | | | | |
| External sales | 1,135,592 | 987,606 | 15.0 | 3,462,558 | 5,440,797 | (36.4) |
| Inter-segment sales * | 1,368,631 | 1,539,485 | (11.1) | 5,121,957 | 4,696,763 | 9.1 |
| Sub-total | 2,504,223 | 2,527,091 | (0.9) | 8,584,515 | 10,137,560 | (15.3) |
| Edible Oils & Fats ** | | | | | | |
| External sales | 2,661,922 | 2,577,234 | 3.3 | 10,596,892 | 10,284,507 | 3.0 |
| Inter-segment sales | 4,422 | - | n/m | 12,018 | 28,842 | (58.3) |
| Sub-total | 2,666,344 | 2,577,234 | 3.5 | 10,608,910 | 10,313,349 | 2.9 |
| Elimination of inter-segment sales | (1,373,053) | (1,539,485) | (10.8) | (5,133,975) | (4,725,605) | 8.6 |
| **Total revenue to external parties** | **3,797,514** | **3,564,840** | **6.5** | **14,059,450** | **15,725,304** | **(10.6)** |
| **Gross Profit** | **397,361** | **668,352** | **(40.5)** | **2,197,924** | **3,061,446** | **(28.2)** |
| Gross Profit % | 10.5% | 18.7% | | 15.6% | 19.5% | |

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

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## Financial Performance

**Overview:** Despite higher production volumes of crude palm oil (CPO) and higher volume of edible products by our EOF division, the Group posted lower results in 4Q2018 mainly due to significantly lower profit in the Plantation Division arising from weak commodity prices. Our FY2018 results were likewise affected by lower commodity prices and also the timing of shipments of CPO.

CPO prices CIF Rotterdam in FY2018 was at an average of US$601 per tonne as compared to US$717 per tonne in 2017. This was due to the ongoing China-US trade war, the Chinese government has put tariffs on US soybeans and caused soybean prices to tumble. Along with the decreasing soybean prices, rising production and higher year end-stocks against a weakening global demand for palm oil have put CPO prices under pressure.

The Group's performance was further affected by foreign currency losses arising from the weakening Indonesian Rupiah, impact arising from business combination under common control using book value instead of fair value, lower profit contribution from joint ventures and fair value loss on biological assets. The Group reported a net loss after tax of Rp427 billion in FY2018 compared to Rp653 billion net profit after tax in 2017.

**Revenue:** The Group's revenue (after elimination of internal sales) increased 7% and to Rp3.8 trillion in 4Q2018 mainly attributable to sales growth in EOF Division and higher external sales in Plantation Division. On full year basis, the Group's revenue declined 11% on lower Plantation Division sales, but this was partly offset by sales growth in EOF Division.

Plantation Division continued to report strong production recovery in 4Q2018 with fresh fruit bunches (FFB) nucleus and CPO increasing 17% and 20% over 4Q last year. On full year basis, FFB nucleus and CPO production grew 9% respectively to 3,375,000 MT and 921,000 MT. Despite higher palm production, Plantations Division's FY2018 revenue declined 15% due to lower average selling prices of agriculture crops.

**Gross Profit:** Despite higher sales volume of palm products (i.e. CPO and palm kernel related products), 4Q2018 gross profit declined 42% mainly due to lower palm product prices (CPO -27%, PK -47%). On full year basis, gross profit declined 28% due to the effect of lower selling prices of palm products (CPO -15%, PK -21%). Lower plantation gross profit in 4Q2018 and FY2018 was partly offset by higher profit contribution from EOF Division.

**Selling and Distribution Expenses (S&D):** The Group reported higher S&D in 4Q2018, increasing 21% over 4Q2017 mainly due to higher advertising and promotion expenses. On full year basis, S&D increased 3% over prior year.

**General and Administrative Expenses (G&A):** The Group reported lower G&A in 4Q2018 and FY2018 mainly due to lower salaries and wages and rent expenses.

**Other Operating Expenses:** Other operating expenses in 4Q2018 and FY2018 were lower compared to last year mainly due to the impairment of an available-for-sale investment (Heliae) and the write-off of an unrecoverable advance in 2017.

**Foreign Exchange Gain/ (Loss):** 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 Rp118 billion in FY2018 compared to Rp14 billion in FY2017. The higher loss was mainly due to the weakening of Indonesian Rupiah against US Dollar to Rp14,481/US$ as of 31 December 2018 versus Rp13,548/US$ as of 31 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 10% or USD75 million as of end December 2018.

**Share of results of Associate Companies:** The Group recognized Rp8 billion loss from share of results of associate companies in FY2018 compared to Rp18 billion loss in FY2017. The improved results in 4Q2018 and FY2018 were mainly due to lower losses in FPNRL.

**Share of results of Joint Ventures:** The share of profit from joint ventures in Brazil sugar operations, CMAA was lower due to falling sugar prices. This was partially offset by a higher contribution from ethanol as CMAA increased ethanol production during the year. The Company's share of CMAA's profit was Rp29 billion in FY2018 compared to Rp139 billion in FY2017.

**(Loss)/ Gain Arising from Changes in Fair Values of Biological Assets:** The Group recognized a fair value loss of Rp31 billion in FY2018 compared to Rp35 billion gain in FY2017. The fair value loss in FY2018 was mainly due to lower selling prices of FFB.

**Impact Arising from Business Combination Under Common Control:** 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 amount 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. Based on the Group's accounting policy for business combination under common control, book value is applied in computing the dilution gain/ loss instead of fair value. As a result, the Company recognised a loss of Rp87 billion on the dilution from 50% to 35%.

**Profit from Operations:** 4Q2018 posted a lower profit from operations of Rp49 billion compared to Rp374 billion in 4Q2017. The decline was mainly due to lower gross profit, lower share of results from joint ventures, and biological loss. On full year basis, Profit from operations declined 61% over last year, owing largely to the same reasons and higher foreign currency loss.

**Financial Expenses:** The Group's financial expenses increased 27% and 11% in 4Q2018 and FY2018 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 FY2018 in line with lower operating profit. However, the effective tax rates remained high mainly due to non-deductible expenses, write-off of expired tax losses and allowance of tax losses carried forward of Rp276 billion in FY2018.

**Net (Loss)/ Profit After Tax:** The Group reported net losses after tax of Rp362 billion in 4Q2018 and Rp427 billion in FY2018 compared to profits in the comparative period in last year. This was mainly due to lower results from operations and higher financial expenses.

Core loss (excluding forex, biological assets and plasma receivables impacts) was Rp186 billion in FY2018 versus a core profit of Rp657 billion in last year.

## Review of Financial Position

The Group reported total non-current assets of Rp30.4 trillion as of December 2018, compared to Rp30.0 trillion in the previous year. The slight increase was mainly due to (i) investment in a joint venture, Canapolis Holding S.A.(Canapolis) of approximately US$7.3 million. This was partly offset by a dilution impact of Rp87 billion arising from business combination under common control using book value instead of fair value for the acquisition of UVP; (ii) investment in an associate, Daitocacao of Rp105 billion; (iii) higher advances for plasma plantation project; and (iv) higher claims for tax refund. This was partly offset by lower deferred tax assets.

As of December 2018, total current assets of Rp7.1 trillion came in slight lower compared to Rp7.4 trillion in FY2017. The was mainly attributable to lower cash levels used for operations and working capital purposes, but partly offset by (i) higher inventories due to higher CPO and palm kernel oil and partly offset by lower sugar stocks; (ii) higher prepaid vat taxes; and (iii) higher trade and other receivables in line with higher edible oils & fats sales.

Total current liabilities increased to Rp9.0 trillion in December 2018 compared to Rp6.4 trillion in last year end. This was mainly attributable to (i) a net drawdown of Rp0.5 trillion of short-term facilities for working capital; (ii) higher portion long-term facilities falling due within the next 12 months of Rp1.7 trillion; and (iii) higher accrual of expenses and payables to third parties of Rp0.2 trillion.

The Group reported net current liabilities of Rp1.9 trillion in December 2018 as certain long-term facilities falling due within the next 12 months. These facilities are expected to be rollover and/or refinanced when they fall due.

Total non-current liabilities were at Rp7.6 trillion as of December 2018, declining 21% from Rp9.6 trillion in December 2017. This was mainly due to lower long-term loan facilities arising from payment of loan installments and maturities of certain long-term facilities.

**Review of Cash Flows**

The Group generated lower net cash flows from operations in FY2018 of Rp1,148 billion mainly due to soft operating results.

Net cash flows used in investing activities in FY2018 was Rp2,217 billion compared to Rp1,708 billion in FY2017. The increase was mainly due to higher additions to property, plant and equipment of Rp322 billion and higher plasma projects of Rp134 billion. This was partly offset by lower investment in a joint venture and an associate company of Rp140 billion.

Net cash flow generated from financing activities was Rp338 billion. These were mainly related to proceeds from interest-bearing loans and borrowings to fund the operations.

The Group's cash levels decreased from Rp2,930 billion at end December 2017 to Rp2,229 billion at December 2018. The cash decline was mainly due to the usage of fund for capital expenditures and investments in a joint venture and an associate company during the year. The Group will continue to review financing options to lower its interest costs, as well as manage its cash flow through the tightening of collections and by minimising inventories.

***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 ongoing economic uncertainties arising from US-China trade tensions is putting a lot of price pressure on agricultural commodities. CPO prices will remain volatile with demand projected from key import markets like China and India, together with the relative price of crude oil which affects biodiesel demand. Our operations continue to be supported by the large domestic consumption and economic conditions in Indonesia.

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.

We are progressively developing the immature estates and replanting older oil palm trees in Riau and North Sumatra. As a price taker, our plantations must always be a low-cost producer, and so we will continue to optimise the value chain, increase agricultural outputs, improve cost control and raise plantation productivity.

***11. If a decision regarding dividend has been made.***

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

Any dividend recommended for the current financial year reported on? Yes.

The Directors have recommended to the Company to pay a first and final dividend in respect of the financial year ended 31 December 2018. The details of the dividend will be announced before the end of March 2019.

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

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

*Type of dividend: First and final dividend*
*Dividend type: Cash*
*Dividend per share: S$0.0070*

***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 full year of 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 | - | 3,437 |
| • Purchase of goods, services and assets | - | 157 |
| **Salim Group** | | |
| • Sales of cooking oil, seeds and material | - | 1,752 |
| • Purchases of goods and services | - | 878 |
| • Shareholder loans | - | 836 |
| • Corporate guarantees | - | 3,033 |
| • Investment in assets (50% of UVP) | 10 | - |

***14. 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***

| **In Rp' million** | **Plantations** | **Edible Oil &Fats** | **Others/ eliminations**** | **Total** |
|---|---|---|---|---|
| ***Full Year 2018*** | | | | |
| **Revenue** | | | | |
| External sales | 3,462,558 | 10,596,892 | - | 14,059,450 |
| Inter-segments sales | 5,121,957 | 12,018 | (5,133,975) | - |
| **Total Revenue** | **8,584,515** | **10,608,910** | **(5,133,975)** | **14,059,450** |
| | | | | |
| **Results** | | | | |
| Segment profit | 197,052 | 407,479 | 169,900 | 774,431 |
| Segment profit % | 2.3 | 3.8 | (3.3) | 5.5 |
| Foreign exchange loss | | | | (118,034) |
| Impact arising from business combination under common control using book value instead of fair value | | | | (87,049) |
| Net financial costs | | | | (615,761) |
| **Loss before tax** | | | | **(46,413)** |
| Income tax expense | | | | (380,102) |
| **Net loss for the year** | | | | **(426,515)** |

| **In Rp' million** | **Plantations** | **Edible Oil &Fats** | **Others/ eliminations**** | **Total** |
|---|---|---|---|---|
| ***Full Year 2017*** | | | | |
| **Revenue** | | | | |
| External sales | 5,440,797 | 10,284,507 | - | 15,725,304 |
| Inter-segments sales | 4,696,763 | 28,842 | (4,725,605) | - |
| **Total Revenue** | **10,137,560** | **10,313,349** | **(4,725,605)** | **15,725,304** |
| | | | | |
| **Results** | | | | |
| Segment profit | 1,588,471 | 116,651 | (12,981) | 1,692,141 |
| Segment profit % | 15.7 | 1.1 | 0.3 | 10.8 |
| Foreign exchange loss | | | | (14,450) |
| Net financial costs | | | | (539,538) |
| **Profit before tax** | | | | **1,138,153** |
| Income tax expense | | | | (485,268) |
| **Net profit for the year** | | | | **652,885** |

** Others/eliminations include elimination adjustments for inter-division sales and purchases, net unrealised margins arising from inter-division sales and purchases and regional office's overhead costs.

**Revenue by Geographical Market**

| | Group – Full Year | | | | |
|---|---|---|---|---|---|
| | **31/12/2018** | | **31/12/2017 Restated *** | | **Change** |
| | Rp' million | % | Rp' million | % | % |
| Indonesia | 12,311,531 | 88% | 14,361,702 | 91% | (14.3) |
| Asia | 1,497,292 | 11% | 1,118,932 | 7% | 33.8 |
| Europe | 42,700 | 0% | 67,726 | 0% | (37.0) |
| Africa, Middle East & Oceania | 174,890 | 1% | 148,843 | 1% | 17.5 |
| America | 33,037 | 0% | 28,101 | 0% | 17.6 |
| **Total revenue** | **14,059,450** | **100%** | **15,725,304** | **100%** | **(10.6)** |

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

Please refer to Para 8 and 10 above.

***16. A breakdown of sales***

| | Group- Full Year | | |
|---|---|---|---|
| | **2018 Rp' million** | **2017 Rp' million Restated *** | **% Increase/ (Decrease)** |
| (a) Sales reported on the first half year | 6,555,879 | 8,475,659 | (22.7) |
| (b) (Loss)/ Profit after tax before deducting non-controlling interests for first half year | (46,381) | 408,230 | (111.4) |
| (c ) Sales reported for second half year | 7,503,571 | 7,249,645 | 3.5 |
| (d) (Loss)/ Profit after tax before deducting non- controlling intersets reported for second half year | (380,134) | 244,655 | (255.4) |

***17. 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.

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

Pursuant to Rule 704(13) of the Listing Manual of the Singapore Exchange Securities Trading Limited, we confirm that no persons occupying managerial positions in the Company or any of its principal subsidiaries who are a relative of a director or Chief Executive Officer or substantial shareholder of the Company.

*BY THE ORDER OF THE BOARD*

Mark Julian Wakeford
Chief Executive Officer and Executive Director

28 February 2019

FOR IMMEDIATE RELEASE

# IndoAgri posted lower result in 4Q18 mainly due to soft commodity prices

*HIGHLIGHTS:*

- **Achieved a strong quarter of production in 4Q18 with FFB nucleus and CPO up 17% and 20% yoy.**
- **4Q18 revenue up 7% yoy due to on higher external sales from both Plantation and EOF Divisions.**
- **EOF Division reported strong 4Q result and contributed positively to the Group**
- **Despite higher production, 4Q18 reported net loss mainly due to significantly lower plantation profit on weak commodity prices and a one-off business combination impact. Lower commodity prices also affected our JV results and fair value of biological assets.**

**SINGAPORE –28 February 2019** – 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 a soft set of 4Q18 and FY18 results. This was mainly due to the fall in sales and profit in Plantation Division arising from weak commodity prices. The decline was partly offset by strong performance in Edible Oils & Fats (EOF) Division.

| | Rp' billion | | | | | | S$' million [1] | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | **4Q18** | **4Q17** | **▲%** | **FY18** | **FY17** | **▲%** | **4Q18** | **4Q17** | **FY18** | **FY17** |
| **Revenue** | **3,798** | **3,565** | **7** | **14,059** | **15,725** | **(11)** | **359** | **337** | **1,329** | **1,486** |
| Gross profit | 397 | 690 | (42) | 2,198 | 3,061 | (28) | 38 | 65 | 208 | 289 |
| *Gross margin (%)* | *10.5%* | *19.4%* | | *15.6%* | *19.5%* | | *10.5%* | *19.4%* | *15.6%* | *19.5%* |
| **EBITDA** [2] | **403** | **634** | **(36)** | **2,294** | **3,088** | **(26)** | **38** | **60** | **217** | **292** |
| *EBITDA margin (%)* | *10.6%* | *17.8%* | | *16.3%* | *19.6%* | | *10.6%* | *17.8%* | *16.3%* | *19.6%* |
| Net (loss)/profit after tax | (362) | 131 | n/m | (427) | 653 | n/m | (34) | 12 | (40) | 62 |
| **Core (loss)/ profit after tax** [3] | **(281)** | **85** | **n/m** | **(186)** | **657** | **n/m** | **(27)** | **8** | **(18)** | **62** |
| **Attributable profit** | **(212)** | **77** | **n/m** | **(222)** | **447** | **n/m** | **(20)** | **7** | **(21)** | **42** |
| EPS (fully diluted) - Rp/S$ cents | (152) | 55 | n/m | (159) | 320 | n/m | (1.4) | 0.5 | (1.5) | 3.0 |

*n.m. denotes "Not Meaningful"*

1 Income Statement and Balance Sheet items are converted at exchange rates of Rp10,582/S$1 and Rp10,603 /S$1, respectively
2 Earnings before interests and tax expense, depreciation and amortisation, the effects of foreign exchange, fair value gain/(loss) of biological assets and one-off item
3 Earnings before the accounting for the effects of foreign exchange, fair value gain/ (loss) on biological assets, changes in amortised cost of plasma receivables and one-off item

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Despite higher palm production, Plantations Division's 4Q and FY18 revenue affected by weak average selling prices of agriculture crops. This was partly offset by sales growth in EOF Division.

The Group's 4Q18 and FY18 gross profit declined 42% and 28% respectively mainly due to the effects of lower selling prices of palm products.

Aside from the weak Plantation Division performance, 4Q18 and FY18 results also affected by a one-off impact arising from business combination under common control using book value instead of fair value, as well as lower joint ventures result and fair value loss on biological assets arising from lower commodity prices. In addition, FY18 results further impacted by forex impacts due to weakening of Rupiah currency. The Group reported net losses after tax of Rp362 billion in 4Q18 and Rp427 billion in 2018 compared to profits in last year. Core loss was Rp186 billion in FY18 versus a core profit of Rp657 billion in last year.

***"Our FY18 FFB nucleus and CPO production grew 9% to 3,375,000 MT and 921,000 MT respectively. 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. We expanded Surabaya refinery capacity by 300,000 MT per annum. Despite this increase in production and strong performance from our EOF division, our results were lower mainly due to very low CPO and sugar prices in 2018, with CPO prices in particular at multi-year lows in the second half of 2018 and 15% lower in FY 18 compared to FY17.***

***In July 2018, we acquired our third mill (Vale do Pontal) which has a crushing capacity of 2.5 million 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 ongoing economic uncertainties arising from US-China trade tensions is putting a lot of price pressure on agricultural commodities. CPO prices will remain volatile with demand projected from key import markets like China and India, together with the relative price of crude oil which affects biodiesel demand. Our operations continue to be supported by the large domestic consumption and economic conditions in Indonesia.

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.

We are progressively developing the immature estates and replanting older oil palm trees in Riau and North Sumatra. As a price taker, our plantations must always be a low-cost producer, and so we will continue to optimise the value chain, increase agricultural outputs, improve cost control and raise plantation productivity.

--The End ---

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## 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 December 2018, IndoAgri has 301,721 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.*

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