UNAUDITED FINANCIAL STATEMENTS FOR THE FIRST QUARTER ENDED 31 MARCH 2019

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		
	31/03/2019	**31/03/2018**	**Change**
	Rp ' million	**Rp ' million**	**%**
Revenue	3,358,231	3,189,662	5.3
Cost of sales	(2,897,265)	(2,543,299)	13.9
Gross Profit	**460,966**	**646,363**	**(28.7)**
Gross Profit %	13.7%	20.3%	
Selling and distribution expenses	(110,561)	(118,883)	(7.0)
General and administrative expenses	(227,811)	(209,281)	8.9
Foreign exchange gain/ (loss)	3,857	(21,527)	n/m
Other operating income	26,868	17,066	57.4
Other operating expenses	(22,704)	(32,575)	(30.3)
Share of results of associate companies	(11,912)	(5,679)	109.8
Share of results of joint ventures	(36,019)	(2,934)	n/m
Gain/ (loss) arising from changes in fair value of biological assets	22,003	(11,630)	n/m
Profit from operations	**104,687**	**260,920**	**(59.9)**
Financial income	25,285	28,338	(10.8)
Financial expenses	(210,245)	(158,095)	33.0
(Loss)/ profit before tax	**(80,273)**	**131,163**	**n/m**
Income tax expense	(50,025)	(78,626)	(36.4)
Net (loss)/ profit for the period	**(130,298)**	**52,537**	**n/m**
Core (loss)/ profit after tax [(1)]	**(150,679)**	**95,470**	**n/m**
(Loss)/ profit attributable to:			
Owners of the Company	(57,790)	49,798	n/m
Non-controlling interests	(72,508)	2,739	n/m
	(130,298)	**52,537**	**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 and changes in amortised cost of plasma receivables.

	Group		
	31/03/2019	31/03/2018	Change
	Rp ' million	Rp ' million	%
Other comprehensive income (OCI):			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	(25,504)	15,435	n/m
Items that will not be reclassified to profit or loss			
Unrealised gain for available-for-sales investment	55	-	n/m
Re-measurement loss on employee benefits liability	(1,093)	(16,765)	(93.5)
Share of OCI of an associate company and joint venture	5,010	(14,674)	n/m
Other comprehensive income for the period, net of tax	**(21,532)**	**(16,004)**	**34.5**
Total comprehensive income	**(151,830)**	**36,533**	**n/m**
Total comprehensive income attributable to:-			
Owners of the Company	(78,602)	42,771	n/m
Non-controlling interests	(73,228)	(6,238)	n/m
	(151,830)	**36,533**	**n/m**

n/m denotes "Not Meaningful"

*** Reclassification 2018 figures**

The 2018 figures in the statement of comprehensive income have been reclassified to conform with current period presentation.

Statement of comprehensive income	**As restated 1Q18**	**As previously reported 1Q18**	**Change**
Cost of sales	(2,543,299)	(2,531,343)	(11,956)
Selling and distribution expenses	(118,883)	(118,170)	(713)
General and administrative expenses	(209,281)	(221,950)	12,669

Additional Information: -

Earnings before interests and tax expense, depreciation and amortization and fair value gain/ (loss) on biological assets ("EBITDA")

	Group		
	31/03/2019	**31/03/2018**	**Change**
	Rp ' million	**Rp ' million**	**%**
Profit from operations	104,687	260,920	(59.9)
Add: Depreciation & amortisation	340,004	323,265	5.2
Less: Gain/ (loss) arising from changes in fair value of biological assets	22,003	(11,630)	n/m
Less: Foreign exchange gain/ (loss)	3,857	(21,527)	n/m
EBITDA excludes foreign exchange gain/ (loss)	418,831	617,342	(32.2)
EBITDA%	12.5	19.4	

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

	Group		
Other information:-	**31/03/2019**	**31/03/2018**	**Change**
	Rp ' million	**Rp ' million**	**%**
Depreciation of property, plant and equipment	322,181	318,034	1.3
Amortisation of deferred charges and others	17,823	5,231	240.7
Interest on borrowings	206,190	153,847	34.0
EIR amortisation of financial assets	5,374	20,727	(74.1)
Write-off of property, plant and equipment	2	279	(99.3)
(Gain)/ loss on disposal of property, plant and equipment	(738)	2,047	n/m
Changes in provision for asset dismantling costs	301	(954)	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	
	31/03/2019	31/12/2018	31/03/2019	31/12/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	327,484	328,500	-	-
Property, plant and equipment	19,409,982	21,213,418	35,477	36,400
Right of use of assets	1,950,232	-	-	-
Goodwill	3,245,317	3,245,317	-	-
Claims for tax refund	275,266	284,779	-	-
Deferred tax assets	1,170,035	1,125,003	-	-
Investment in subsidiary companies	-	-	10,633,423	10,633,423
Investment in associate companies	1,816,073	1,469,721	551,139	551,139
Investment in joint ventures	750,896	809,373	-	-
Amount due from a subsidiary	-	-	1,150,000	1,150,000
Advances and prepayments	540,304	476,077	-	-
Other non-current receivables	1,468,963	1,433,224	10	10
Total non-current assets	**30,954,552**	**30,385,412**	**12,370,049**	**12,370,972**
Current assets				
Inventories	2,234,249	2,428,365	-	-
Trade and other receivables	1,518,406	1,395,471	103,189	93,424
Advances and prepayments	407,952	181,652	526	169
Prepaid taxes	342,726	336,031	-	-
Biological assets	582,616	516,656	-	-
Assets held for sale	41,795	41,795	-	-
Cash and cash equivalents	2,274,516	2,228,869	152,596	153,545
Total current assets	**7,402,260**	**7,128,839**	**256,311**	**247,138**
Total assets	**38,356,812**	**37,514,251**	**12,626,360**	**12,618,110**
Current liabilities				
Trade and other payables and accruals	2,163,766	1,810,233	116,925	114,796
Advances and taxes payable	228,211	234,699	-	-
Interest-bearing loans and borrowings	7,521,373	6,971,649	1,068,122	1,085,351
Income tax payable	58,736	27,609	8	9
Total current liabilities	**9,972,086**	**9,044,190**	**1,185,055**	**1,200,156**
Net current liabilities	**(2,569,826)**	**(1,915,351)**	**(928,744)**	**(953,018)**

	Group		Company	
	31/03/2019	31/12/2018	31/03/2019	31/12/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current liabilities				
Interest-bearing loans and borrowings	4,121,751	4,218,271	-	-
Amounts due to related parties and other payables	427,859	427,859	-	-
Provision and other liabilities	32,309	32,007	-	-
Lease Liabilities	117,595	-	-	-
Employee benefits liabilities	2,381,239	2,323,955	-	-
Deferred tax liabilities	607,907	614,776	10,801	7,942
Total non-current liabilities	**7,688,660**	**7,616,868**	**10,801**	**7,942**
Total liabilities	**17,660,746**	**16,661,058**	**1,195,856**	**1,208,098**
Net assets	**20,696,066**	**20,853,193**	**11,430,504**	**11,410,012**
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	8,013,459	8,075,562	764,107	743,615
Other reserves	497,674	517,935	144,152	144,152
	11,705,246	**11,787,610**	**11,430,504**	**11,410,012**
Non-controlling interests	8,990,820	9,065,583	-	-
Total equity	**20,696,066**	**20,853,193**	**11,430,504**	**11,410,012**

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

		Group	
		31/03/2019	31/12/2018
		Rp ' million	Rp ' million
(i)	Interest bearing debt payable in one year or less, or on demand		
	Secured	2,291,251	2,129,298
	Unsecured	5,230,122	4,842,351
	Sub-total	**7,521,373**	**6,971,649**
(ii)	Interest bearing debt repayable after one year		
	Secured	4,121,751	4,218,271
	Unsecured	-	-
	Sub-total	**4,121,751**	**4,218,271**
	Total interest bearing debt payable	**11,643,124**	**11,189,920**
(iii)	Lease liabilites *	117,595	-
	Total borrowings and debt securities	**11,760,719**	**11,189,920**

<u>Details of the collaterals</u>

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

* These lease liabilities were relating to the adoption of SFRS(I) 16 Leases.

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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	
	31/03/2019	31/03/2018
	Rp ' million	Rp ' million
Cash flows from operating activities		
(Loss)/ profit before taxation	(80,273)	131,163
Adjustments:		
Depreciation and amortisation	340,004	323,265
Realisation of deferred costs	1,225	-
Unrealised foreign exchange (gain)/ loss	(7,084)	28,106
(Gain)/ loss arising from changes in fair value of biological assets	(22,003)	11,630
Effective interest rate amortisation of financial assets	5,374	20,727
Write-off of property, plant and equipment	2	279
(Gain)/ loss on disposal of property, plant and equipment	(738)	2,047
Changes in allowance for decline in market value and obsolescence of inventories	(19,924)	(20,596)
Changes in provision for asset dismantling costs	301	(954)
Change in estimated liability for employee benefits	93,252	89,005
Changes in fair value of long-term receivables	(130)	(128)
Share of results of associate companies	11,912	5,679
Share of results of joint ventures	36,019	2,934
Financial income	(25,285)	(28,338)
Financial expenses	210,245	158,095
Operating cash flows before working capital changes	**542,897**	**722,914**
Changes in working capital		
Other non-current assets	(51,361)	(66,075)
Inventories	214,040	(179,603)
Trade and other receivables	(122,935)	(111,303)
Advances to suppliers	(179,371)	(186,183)
Prepaid taxes	23,163	12,939
Trade and other payables and accruals	319,091	324,793
Advances from customers	(23,566)	(33,386)
Cash flows generated from operations	**721,958**	**484,096**
Interest received	25,309	27,206
Interest paid	(208,016)	(152,745)
Income tax paid	(98,215)	(124,375)
Net cash flows generated from operating activities	**441,036**	**234,182**

	Group 31/03/2019 Rp ' million	Group 31/03/2018 Rp ' million
Cash flows from investing activities		
Additions to property, plant and equipment	(390,534)	(316,673)
Additions to biological assets	(30,098)	(7,312)
Increase in plasma receivables	(48,229)	(72,523)
Proceeds from disposal of property, plant and equipment	3,756	4,409
Advances for projects and purchases of fixed assets	(31,628)	(13,518)
Investment in a joint venture	-	(99,984)
Investment in associate companies	(357,516)	-
Net cash flows used in investing activities	**(854,249)**	**(505,601)**
Cash flows from financing activities		
Proceeds from interest-bearing loans and borrowings	944,751	541,030
Repayment of interest-bearing loans and borrowings	(477,507)	(361,752)
Proceeds from amount due to related parties	-	35,700
Net cash flows generated from financing activities	**467,244**	**214,978**
Net increase/ (decrease) in cash and cash equivalents	**54,031**	**(56,441)**
Effect of changes in exchange rates on cash and cash equivalents	**(8,384)**	**9,961**
Cash and cash equivalents at the beginning of the period	**2,228,869**	**2,929,674**
Cash and cash equivalents at the end of the period	**2,274,516**	**2,883,194**

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	
	31/03/2019	31/03/2018	31/03/2019	31/03/2018
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Issued Share				
Balance as at 1 January / 31 March [(1)]	**3,584,279**	**3,584,279**	**10,912,411**	**10,912,411**
Treasury shares of the Company				
Balance as at 1 January / 31 March	**(390,166)**	**(390,166)**	**(390,166)**	**(390,166)**
Reserves				
Balance as at 1 January (FRS framework)	**8,075,562**	**8,327,924**	**743,615**	**810,774**
Cumulative effects of adopting SFRS(I)[#]	-	(24,634)	-	-
Cumulative effects of adopting SFRS(I) 16	(3,762)	-	-	-
Adjusted balance as at 1 January	**8,071,800**	**8,303,290**	**743,615**	**810,774**
Actuarial loss on employee benefits liability	(551)	(7,654)	-	-
Net (loss)/ profit for the year	(57,790)	49,798	20,492	(14,584)
Balance as at 31 March	**8,013,459**	**8,345,434**	**764,107**	**796,190**
Other Reserves*				
Balance as at 1 January (FRS framework)	**517,935**	**582,329**	**144,152**	**144,152**
Cumulative effects of adopting SFRS(I)[#]	-	24,634	-	-
Adjusted balance as at 1 January	**517,935**	**606,963**	**144,152**	**144,152**
Share of other comprehensive (loss)/ gain of a joint venture	(20,887)	7,391	-	-
Share of other comprehensive gain/ (loss) of an associate company	593	(6,763)	-	-
Unrealised gain for available-for-sales investment	33	-	-	-
Balance as at 31 March	**497,674**	**607,591**	**144,152**	**144,152**
Non-controlling Interests				
Balance as at 1 January	**9,065,583**	**9,318,284**	**-**	**-**
Cumulative effects of adopting SFRS(I) 16	(1,535)	-	-	-
Adjusted balance as at 1 January	**9,064,048**	**9,318,284**	**-**	**-**
Actuarial loss on employee benefits liability	(542)	(9,111)	-	-
Foreign currency translation	(200)	133	-	-
Unrealised gain for available-for-sales investment	22	-	-	-
Net (loss)/ profit for the year	(72,508)	2,739	-	-
Balance as at 31 March	**8,990,820**	**9,312,045**	**-**	**-**
Total Equity	**20,696,066**	**21,459,183**	**11,430,504**	**11,462,587**

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 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.

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(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 31 March 2019 and 31 December 2018, 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 March 2019 and 31 December 2018.

(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	
	31/03/2019	**31/12/2018**
	(' 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 2019	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 31 March 2019	**51,878**	**390,166**

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

The financial information of the Group relating to the three months ended 31 March 2019 has been extracted from the interim condensed financial statements prepared by the management in accordance with Singapore Financial Reporting Standards (International) ("SFRS(I)") 1-34, Interim Financial Reporting. This financial information has been reviewed by the auditors in accordance with Singapore Standard on Review Engagements 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity.

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 2019.

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) 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 adopted the 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.

On the adoption of SFRS(I) 16, the Group has chosen, 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 elected 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

On the adoption of SFRS(I) 16, the Group 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 Rp3.8 billion and non-controlling interests of Rp1.5 billion as of 1 January 2019. In addition, the Group will present land use rights of Rp1,849 billion as right-of-use assets as of 1 January 2019.

The Group has adopted the modified retrospective approach on the adoption of SFRS(I) 16. If the Group chose to adopt the full retrospective approach, the effects on the Balance Sheet would be as follows: -

	31 March 2019	**31 December 2018 Restated**	**1 January 2018 Restated**
Property, plant and equipment	19,409,982	19,363,743	19,342,621
Right of use of assets	1,950,232	1,972,074	2,007,205
Deferred tax assets	1,170,035	1,126,768	1,347,777
Lease Liabilities	117,595	129,461	174,630
Revenue reserves	8,013,459	8,071,800	8,301,633
Non-controlling interests	8,990,820	9,064,048	9,317,539

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 March 2019.

	Group		
Earnings per share (Rp)	**31/03/2019**	**31/12/2018**	**Change %**
Based on weighted average number of share	(41.4)	(158.9)	(73.9)
Based on a fully diluted basis	(41.4)	(158.9)	(73.9)

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 March 2019 and 31 December 2018.

	Group		**Company**	
	31/03/19	**31/12/18**	**31/03/19**	**31/12/18**
Net asset value per share (Rp)	8,385	8,444	8,189	8,174
Net asset value per share (SGD 'cents) (converted at Rp10,507/S$1)	79.8	80.4	77.9	77.8

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		
	31/03/2019 Rp ' million	**31/03/2018 Rp ' million**	**Change %**
Revenue			
Plantations			
External sales	640,926	701,873	(8.7)
Inter-segment sales *	1,175,942	1,122,969	4.7
Sub-total	1,816,868	1,824,842	(0.4)
Edible Oils & Fats **			
External sales	2,717,305	2,487,789	9.2
Inter-segment sales	1,495	-	n/m
Sub-total	2,718,800	2,487,789	9.3
Elimination of inter-segment sales	(1,177,437)	(1,122,969)	4.9
Total revenue to external parties	**3,358,231**	**3,189,662**	**5.3**
Gross Profit	**460,966**	**646,363**	**(28.7)**
Gross Profit %	13.7%	20.3%	

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

Financial Performance

Overview: Despite higher palm production and a strong EOF division performance, the Group reported a weak 1Q2019 with a net loss after tax of Rp130 billion. Lower commodity prices continued to affect the performance of the Group's oil palm plantation and the Brazilian sugar operations. CPO prices CIF Rotterdam in 1Q2019 declined by 19% to an average of US$547 per tonne from US$674 per tonne in 1Q2018.

Revenue: The Group reported higher consolidated revenue of Rp3.4 trillion in 1Q2019, increasing 5% over the same period last year mainly due to strong sales contribution from EOF division. The improved EOF division performance was mainly attributable to higher sales volume of edible oils and fats products. Plantation division's 1Q2019 revenue came in flat compared to previous year, where lower average selling prices of palm products were offset by higher sales volume of palm products and sugar.

Gross Profit: The Group gross profit declined 29% to Rp461 billion mainly due to lower palm product prices (CPO –17%, PK -46%). Lower plantation profit was partly offset by higher profit contribution from EOF Division.

Selling and Distribution Expenses (S&D): The Group reported lower S&D in 1Q2019, declining 7% over 1Q2018 mainly attributable to lower advertising and promotion expenses and export taxes. This was partly offset by higher freight arising from higher sales volume.

General and Administrative Expenses (G&A): The Group reported higher G&A in 1Q2019 mainly due to higher salaries and wages expenses.

Other Operating Expenses: Other operating expenses was lower at Rp23 billion compared to Rp33 billion in 1Q last year mainly due to lower loss on changes in fair value of plasma receivables.

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 gain of Rp4 billion in 1Q2019 compared to Rp22 billion loss in 1Q2018. The gain was mainly due to the strengthening of Indonesian Rupiah against US Dollar to Rp14,244/US$ as of 31 March 2019 versus Rp14,481/US$ as of 31 December 2018.

Share of results of Associate Companies: The Group recognized Rp12 billion loss from share of results of associate companies in 1Q2019 compared to Rp6 billion loss in 1Q2018. The higher loss was mainly due to higher loss from FPNRL (which operates mainly sugar business in the Philippines).

Share of results of Joint Ventures: The Company's share of loss from the Brazilian sugar operations was higher at Rp36 billion in 1Q2019 compared to Rp3 billion in 1Q2018. The higher loss was mainly due to falling sugar and ethanol prices, and forex loss arising from the weakening of Brazilian real.

Gain/ (loss) Arising from Changes in Fair Values of Biological Assets: The Group recognized a fair value gain of Rp22 billion in 1Q2019 compared to Rp12 billion loss in 1Q2018. The fair value gain in 1Q2019 was mainly due to oil palm seeds and timber plantation valuations.

Profit from Operations: The Group reported 60% decline in profit from operations compared to last year, attributable to lower gross profit and higher share of losses from joint ventures. These was partly offset by foreign exchange gain and gain arising from changes in fair value of biological assets during 1Q2019.

Financial Expenses: The Group's 1Q2019 financial expenses increased 33% over the same period last year mainly due to higher working capital facilities and higher blended interest rate.

Income Tax Expense: The Group recognised lower income tax expenses in 1Q2019 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 in 1Q2019.

Net (Loss)/ Profit After Tax: The Group reported net losses after tax of Rp130 billion in 1Q2019 compared to Rp53 billion profit in 1Q2018. This was mainly due to lower results from operations and higher financial expenses.

Core loss (excluding forex, biological assets and plasma receivables impacts) was Rp151 billion in 1Q2019 versus a core profit of Rp95 billion in 1Q2018.

Review of Financial Position

As of March 2019, the Group total non-current assets of Rp30.9 trillion came in slightly higher compared to Rp30.4 trillion in December 2018. The slight increase was mainly attributable to capital injections in associate companies (i.e. AIM and Daitocacao) amounting to Rp358 billion.

The Group reported total current assets of Rp7.4 trillion as of March 2019, comparing to Rp7.1 trillion in the previous year. The increase was mainly due to (i) higher cash level; (ii) higher trade and other receivables in line with higher edible oils and fat sales; (iii) higher advances for CPO purchase; and (iv) higher biological assets of sugarcane. These are partly offset by lower inventories arising from lower CPO, PK and sugar stocks.

Total current liabilities increased 10% from Rp9.0 trillion in December 2018 to Rp10.0 trillion in March 2019. This was mainly attributable to (i) a net drawdown of Rp0.5 trillion of short-term facilities for working capital; and (ii) higher trade payable and other payables, as well as higher accrual of Rp0.4 trillion due to salary and employee benefits and A&P expenses.

The Group reported net current liabilities of Rp2.6 trillion in March 2019 as certain long-term facilities falling due within the next 12 months.

Total non-current liabilities were at Rp7.7 trillion as of March 2019, similar level as in December 2018. Employee benefits liabilities were slightly higher, but this was partly offset by lower long-term loan facilities arising from payment of loan installments and maturities of certain long-term facilities.

Review of Cash Flows

Despite soft operating results, the Group generated higher net cash flows from operations of Rp441 billion in 1Q2019 compared to Rp234 billion in 1Q2018. This was mainly due to improved working capital arising from lower inventories.

Net cash flows used in investing activities in 1Q2019 was Rp854 billion compared to Rp506 billion in 1Q2018. The increase was mainly due to higher additions of property, plant and equipment and investment in associate companies of Rp358 billion during the quarter.

Net cash flows generated from financing activities were Rp467 billion in 1Q2019 compared to Rp215 billion in 1Q2018. The increase mainly related to proceeds from interest-bearing loans and borrowings to fund the operations.

The net cash increase in 1Q2019 was Rp46 billion, increasing the Group's cash levels from Rp2,229 billion at end December 2018 to Rp2,275 billion at end March 2019.

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

Not applicable.

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

The 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.

The domestic palm demand is expected to be affected 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.

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.

The Board will review this at year end.

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 1Q 2019:

Name of Interested Person	Aggregate value of all IPT conducted under shareholders’ mandate pursuant to Rule 920 (excluding transactions less than $100,000)
	Rp ’billion
PT ISM Group	
• Sales of cooking oil, margarine and others	945
• Purchase of goods, services and assets	45
Salim Group	
• Sales of cooking oil, seeds and material	468
• Purchases of goods and services	148
• Shareholder loans	844
• Corporate guarantees	2,897

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 first quarter ended 31 March 2019 to be false or misleading in any material aspect.

16. *Subsequent Event*

On 10 April 2019, CIMB Bank Berhad, Singapore Branch, for and on behalf of PT Indofood Sukses Makmur Tbk (the “**Offeror**”), made an announcement that the Offeror intends to make a voluntary conditional cash offer (the “**Offer**”) to acquire all the issued and paid-up ordinary shares in the capital of the Company (excluding any shares held in treasury) other than those already held by the Offeror and its related corporations, and their respective nominees as at the date of the Offer in accordance with Rule 15 of The Singapore Code on Take-overs and Mergers.

<u>The Singapore Code on Take-overs and Mergers</u>

The unaudited results for the first quarter and 3-month period ended 31 March 2019 have been reported on in accordance with The Singapore Code on Take-overs and Mergers.

Auditors' Consent

Ernst & Young LLP, named as the auditors of the Company in the Unaudited Financial Statements for the First Quarter ended 31 March 2019 ("**Unaudited Financial Statements**"), has given and has not withdrawn its written consent to the release of its review letter dated 30 April 2019 on the Unaudited Financial Statements for purpose of attachment to the Company's announcement on its unaudited results for the first quarter and 3-month period ended 31 March 2019, and all references to its name in the form and context in which they appear herein.

Independent Financial Adviser's Consent

Novus Corporate Finance Pte. Ltd., the independent financial adviser to the directors of the Company who are considered independent for the purposes of the Offer by the Offeror for all the issued and paid-up ordinary shares in the capital of the Company, has given and has not withdrawn its consent to the release of its letter dated 30 April 2019 on the Unaudited Financial Statements for purpose of attachment to the Company's announcement on its unaudited results for the first quarter and 3-month period ended 31 March 2019, and all references to its name in the form and context in which they appear herein.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
Chief Executive Officer and Executive Director

30 April 2019

Building a better
working world

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ASU-RT/60488902/VIN

30 April 2019

The Board of Directors
Indofood Agri Resources Ltd.
8 Eu Tong Sen Street
#16-96/97 The Central
Singapore 059818

REPORT ON REVIEW OF INTERIM CONDENSED FINANCIAL STATEMENTS TO THE MEMBERS OF INDOFOOD AGRI RESOURCES LTD.

We have reviewed the accompanying unaudited interim condensed financial statements of the Indofood Agri Resources Ltd. (the 'Company') and its subsidiaries (collectively, the 'Group'), which comprise the interim condensed balance sheet of the Group and the Company as at 31 March 2019, the statement of changes in equity of the Group and the Company, and the interim condensed consolidated statement of comprehensive income, and interim condensed consolidated cash flow statement of the Group for the period from 1 January 2019 to 31 March 2019.

Management is responsible for the preparation and fair presentation of these interim financial statements in accordance with Singapore Financial Reporting Standard (International) 1-34 Interim Financial Reporting ("SFRS(I) 1-34"). Our responsibility is to express a conclusion on these interim financial statements based on our review.

Scope of Review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

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The Board of Directors
Indofood Agri Resources Ltd.

30 April 2019

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying interim financial statements are not presented fairly, in all material respects, in accordance with SFRS(I) 1-34.

Other matters

We have not carried out a review in accordance with Singapore Standards on Review Engagements on the interim financial information for the three-month period ended 31 March 2018 included as comparative figures in this interim financial information, as the Group was not required to present reviewed interim financial information for the period. The interim financial information for the three-month period ended 31 March 2018 is the responsibility of the management and directors.

Restriction of use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the interim financial information for the purpose of assisting the Company to comply with Rule 25 of the Singapore Code on Take-overs and Mergers, and for no other purpose. Our report is included in the Company's announcement of its unaudited results for the period ended 31 March 2019, for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

Ernst & Young LLP

Public Accountants and
Chartered Accountants
Singapore

30 April 2019

NOVUS
CORPORATE FINANCE

30 April 2019

The Board of Directors
Indofood Agri Resources Ltd.
8 Eu Tong Sen Street
#16-96/97 The Central
Singapore 059818

Dear Sirs,

VOLUNTARY CONDITIONAL CASH OFFER (THE "OFFER") FOR ALL THE ISSUED AND PAID-UP ORDINARY SHARES (THE "SHARES") IN THE CAPITAL OF INDOFOOD AGRI RESOURCES LTD. (THE "COMPANY"), OTHER THAN THOSE ALREADY HELD BY PT INDOFOOD SUKSES MAKMUR TBK (THE "OFFEROR") AND ITS RELATED CORPORATIONS

On 10 April 2019, CIMB Bank Berhad, Singapore Branch announced, for and on behalf of the Offeror, the Offer for all the Shares, other than those already held by the Offeror and its related corporations, and their respective nominees as at the date of the Offer.

On 30 April 2019, the Company had announced its unaudited consolidated financial results for the first quarter ended 31 March 2019 ("**1Q2019**") (the "**1Q2019 Results**"). This letter has been prepared for inclusion in the 1Q2019 Results and we have given and have not withdrawn our consent to the release of the 1Q2019 Results with the inclusion of our name and this letter.

We have examined the 1Q2019 Results and have discussed the same with the management of the Company who are responsible for its preparation. We have relied on and assumed the accuracy and completeness of all information provided to or discussed with us by the Company. We have also considered the report on the review of interim condensed financial statements prepared by the Company's auditors, Ernst & Young LLP, dated 30 April 2019 in relation to their review of the unaudited interim condensed financial information for 1Q2019. Save as provided in this letter, we do not express any other opinion or view on the 1Q2019 Results. The Board of Directors of the Company remains solely responsible for the 1Q2019 Results.

Based on the above, we are of the opinion that the 1Q2019 Results have been prepared after due and careful enquiry by the Board of Directors of the Company.

This letter is provided to the Board of Directors of the Company solely for the purpose of complying with Rule 25 of the Singapore Code on Take-overs and Mergers and not for any other purpose. We do not accept any responsibility to any other person(s), other than the Board of Directors of the Company in respect of, arising out of, or in connection with this letter.

Yours sincerely
For and on behalf of
NOVUS CORPORATE FINANCE PTE. LTD.

Andrew Leo
Chief Executive Officer

Huong Wei Beng
Director