

UNAUDITED FINANCIAL STATEMENTS FOR THE HALF YEAR ENDED 30 JUNE 2020

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

	1H 2020 Rp ' million	1H 2019 Rp ' million	Change %
Revenue	6,872,594	6,501,631	5.7
Cost of sales	(5,919,616)	(5,870,553)	0.8
Gross Profit	952,978	631,078	51.0
Gross Profit %	13.9%	9.7%	
Selling and distribution expenses	(248,198)	(254,036)	(2.3)
General and administrative expenses	(403,589)	(464,161)	(13.0)
Foreign exchange (loss)/ gain	(56,667)	7,132	n/m
Other operating income	43,025	46,617	(7.7)
Other operating expenses	(59,191)	(60,619)	(2.4)
Share of results of associate companies	(201,179)	(25,274)	n/m
Share of results of joint ventures	30,054	(38,264)	n/m
(Loss)/ gain arising from changes in fair value of biological assets	(146,972)	33,159	n/m
Loss from operations	(89,739)	(124,368)	n/m
Financial income	36,982	49,075	(24.6)
Financial expenses	(397,285)	(433,485)	(8.4)
Loss before tax	(450,042)	(508,778)	(11.5)
Income tax expenses	(125,246)	(14,204)	n/m
Net loss for the period	(575,288)	(522,982)	10.0
Core loss after tax ⁽¹⁾	(157,213)	(543,322)	(71.1)
Loss attributable to:			
Owners of the Company	(429,419)	(274,327)	56.5
Non-controlling interests	(145,869)	(248,655)	(41.3)
	(575,288)	(522,982)	10.0
Other comprehensive income (OCI):			
Items that may be reclassified subsequently to profit or loss			
Foreign currency translation	(160,644)	(21,848)	n/m
Items that will not be reclassified to profit or loss			
Unrealised (loss)/ gain for available-for-sales investment	(96)	79	n/m
Re-measurement loss on employee benefits liability	(12,144)	(2,185)	455.8
Share of OCI of an associate company and joint ventures	(151,991)	342	n/m
Other comprehensive income, net of tax	(324,875)	(23,612)	n/m
Total comprehensive income	(900,163)	(546,594)	64.7
Total comprehensive income attributable to:-			
Owners of the Company	(748,287)	(296,600)	152.3
Non-controlling interests	(151,876)	(249,994)	(39.2)
	(900,163)	(546,594)	64.7

Notes

n/m denotes "Not Meaningful"

(1) Net loss before accounting for the effects of foreign exchange, fair value (loss)/ gain on biological assets, expected credit losses for plasma receivables and share of non-recurring loss of an associate company.

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Additional Information: -

Earnings before interests and tax expense, depreciation and amortization (“EBITDA”)

	1H 2020 Rp million	1H 2019 Rp million	Change %
Loss from operations	(89,739)	(124,368)	(27.8)
Add: Depreciation & amortisation	673,890	747,431	(9.8)
EBITDA	584,151	623,063	(6.2)
Less: (Loss)/ gain arising from changes in fair value of biological assets	(146,972)	33,159	n/m
Less: Foreign exchange (loss)/ gain	(56,667)	7,132	n/m
Less: Share of non-recurring loss of an associate company	(163,268)	-	n/m
Adjusted EBITDA	951,058	582,772	63.2
Adjusted EBITDA %	13.8	9.0	

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

Other information:-	1H 2020 Rp million	1H 2019 Rp million	Change %
Depreciation of property, plant and equipment	638,102	699,459	(8.8)
Amortisation of deferred charges, right of use assets and others	35,788	47,972	(25.4)
Interest on borrowings	390,901	424,942	(8.0)
Allowance for uncollectible and loss arising from changes in amortised cost	20,271	22,489	(9.9)
Write-off of property, plant and equipment	57	2,956	(98.1)
Loss on disposal of property, plant and equipment	(253)	(977)	(74.1)
Changes in provision for asset dismantling costs	816	1,325	(38.4)

n/m denotes “Not Meaningful”

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

	Group		Company	
	30/06/2020 Rp ' million	31/12/2019 Rp ' million	30/06/2020 Rp ' million	31/12/2019 Rp ' million
Non-current assets				
Biological assets	308,054	314,739	-	-
Property, plant and equipment	19,426,826	19,557,327	30,873	32,712
Right of use of assets	1,992,304	1,990,617	-	-
Goodwill	3,211,427	3,211,427	-	-
Claims for tax refund	92,199	205,949	-	-
Deferred tax assets	815,893	936,354	-	-
Investment in subsidiary companies	-	-	10,706,846	10,706,846
Investment in associate companies	1,583,166	1,766,098	551,139	551,139
Investment in joint ventures	508,656	830,258	-	-
Amount due from a subsidiary	-	-	1,030,000	1,070,000
Advances and prepayments	342,935	478,775	-	-
Other non-current receivables	1,567,712	1,509,152	10	10
Total non-current assets	29,849,172	30,800,696	12,318,868	12,360,707
Current assets				
Inventories	2,003,748	2,253,714	-	-
Trade and other receivables	1,323,420	1,320,175	92,898	90,032
Advances and prepayments	264,750	320,137	465	145
Prepaid taxes	187,364	370,931	-	-
Biological assets	615,818	717,620	-	-
Assets held for sale	41,795	41,795	-	-
Cash and cash equivalents	2,700,115	1,787,462	46,635	69,129
Total current assets	7,137,010	6,811,834	139,998	159,306
Total assets	36,986,182	37,612,530	12,458,866	12,520,013
Current liabilities				
Trade and other payables and accruals	2,206,688	1,894,905	109,323	109,859
Advances and other payables	344,835	313,488	-	-
Lease liabilities	44,802	30,066	-	-
Interest-bearing loans and borrowings	7,219,276	6,910,876	214,530	166,812
Income tax payable	42,196	22,711	2	2
Total current liabilities	9,857,797	9,172,046	323,855	276,673
Net current liabilities	(2,720,787)	(2,360,212)	(183,857)	(117,367)

	Group		Company	
	30/06/2020 Rp ' million	31/12/2019 Rp ' million	30/06/2020 Rp ' million	31/12/2019 Rp ' million
Non-current liabilities				
Interest-bearing loans and borrowings	4,301,217	4,640,873	725,469	808,344
Amounts due to related parties and other payables	509,859	509,859	-	-
Provisions	36,008	35,191	-	-
Lease Liabilities	41,506	52,943	-	-
Employee benefits liabilities	2,502,570	2,424,489	-	-
Deferred tax liabilities	473,984	613,725	17,244	13,982
Total non-current liabilities	7,865,144	8,277,080	742,713	822,326
Total liabilities	17,722,941	17,449,126	1,066,568	1,098,999
Net assets	19,263,241	20,163,404	11,392,298	11,421,014
Equity attributable to owners of the Company				
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	7,240,094	7,675,350	725,901	754,617
Other reserves	129,499	442,529	144,152	144,152
	10,563,706	11,311,992	11,392,298	11,421,014
Non-controlling interests	8,699,535	8,851,412	-	-
Total equity	19,263,241	20,163,404	11,392,298	11,421,014

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

	Group	
	30/06/2020 Rp ' million	31/12/2019 Rp ' million
(i) Interest bearing debt payable in one year or less, or on demand		
Secured *	2,172,746	2,202,064
Unsecured	5,046,530	4,708,812
Sub-total	7,219,276	6,910,876
(ii) Interest bearing debt repayable after one year		
Secured *	3,575,748	3,832,529
Unsecured	725,469	808,344
Sub-total	4,301,217	4,640,873
Total borrowings and debt securities	11,520,493	11,551,749

Details of the collaterals

* The above bank borrowings are secured by corporate guarantees of a subsidiary in proportion to its equity ownerships.

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

	1H 2020 Rp ' million	1H 2019 Rp ' million
Cash flows from operating activities		
Loss before taxation	(450,042)	(508,778)
Adjustments for:		
Depreciation and amortisation	673,890	747,431
Realisation of deferred costs	71,514	60,596
Unrealised foreign exchange loss/ (gain)	25,892	(10,509)
Provision of allowance for doubtful account	89	-
Loss/ (gain) arising from changes in fair value of biological assets	146,972	(33,159)
Allowance for uncollectible and loss arising from changes in amortised cost	20,271	22,489
Write-off of property, plant and equipment	57	2,956
Gain on disposal of property, plant and equipment	(253)	(977)
Changes in allowance for decline in market value and obsolescence of inventories	94,785	(18,669)
Changes in provision for asset dismantling costs	816	1,325
Change in estimated liability for employee benefits	191,725	186,498
Share of results of associate companies	201,179	25,274
Share of results of joint ventures	(30,054)	38,264
Financial income	(36,982)	(49,075)
Financial expenses	397,285	433,485
Operating cash flows before changes in working capital	1,307,144	897,151
Changes in working capital:		
Other non-current receivables	275,352	53,544
Inventories	155,181	137,576
Trade and other receivables	(109,544)	(64,876)
Advances to suppliers	161,165	(102,622)
Prepaid taxes and advances	180,408	(7,085)
Trade and other payables and accruals	222,857	253,796
Cash flows from operations	2,192,563	1,167,484
Interest received	37,002	49,586
Interest paid	(379,014)	(431,143)
Income tax paid	(141,802)	(213,494)
Net cash flows from operating activities	1,708,749	572,433

	1H 2020 Rp ' million	1H 2019 Rp ' million
Cash flows from investing activities		
Additions to property, plant and equipment	(566,578)	(824,503)
Additions to biological assets	(69,797)	(76,985)
Increase in plasma receivables	(77,972)	(114,684)
Proceeds from disposal of property, plant and equipment	6,403	6,590
Advances for projects and purchases of fixed assets	(18,529)	(56,251)
Investment in associate companies	-	(357,516)
Net cash flows used in investing activities	(726,473)	(1,423,349)
Cash flows from financing activities		
Proceeds from interest-bearing loans and borrowings	605,000	2,344,568
Repayment of interest-bearing loans and borrowings	(673,066)	(1,727,613)
Dividend payment by subsidiaries to non-controlling interests	-	(52,325)
Dividend payment to Company's shareholders	-	(36,662)
Payment of principal portion of lease liability	(27,288)	-
Net cash flows (used in)/ from financing activities	(95,354)	527,968
Net increase/ (decrease) in cash and cash equivalents	886,922	(322,948)
Effect of changes in exchange rates on cash and cash equivalents	25,731	(14,701)
Cash and cash equivalents at the beginning of the period	1,787,462	2,228,869
Cash and cash equivalents at the end of the period	2,700,115	1,891,220

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

STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	30/06/2020 Rp ' million	31/12/2019 Rp ' million	30/06/2020 Rp ' million	31/12/2019 Rp ' million
Issued Share				
Balance as at 1 January / 30 June ⁽¹⁾	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares of the Company				
Balance as at 1 January / 30 June	(390,166)	(390,166)	(390,166)	(390,166)
Reserves				
Balance as at 1 January (FRS)	7,675,350	8,075,562	754,617	743,615
Cumulative effects of adopting SFRS(I) 16	-	(3,762)	-	-
Adjusted balance as at 1 January	7,675,350	8,071,800	754,617	743,615
Dividend payment	-	(36,662)	-	(36,662)
Actuarial loss on employee benefits liability	(5,837)	(1,102)	-	-
Net (loss)/ profit for the period	(429,419)	(274,327)	(28,716)	28,587
Balance as at 30 June	7,240,094	7,759,709	725,901	735,540
Other Reserves*				
Balance as at 1 January	442,529	517,935	144,152	144,152
Share of other comprehensive loss of joint ventures	(331,481)	(13,546)	-	-
Share of other comprehensive gain/ (loss) of an associate company	18,509	(7,673)	-	-
Unrealised (loss)/ gain for available-for-sales investment	(58)	47	-	-
Balance as at 30 June	129,499	496,763	144,152	144,152
Non-controlling Interests				
Balance as at 1 January	8,851,412	9,065,583	-	-
Cumulative effects of adopting SFRS(I) 16	-	(1,535)	-	-
Adjusted balance as at 1 January	8,851,412	9,064,048	-	-
Dividend payment	-	(52,325)	-	-
Actuarial loss on employee benefits liability	(6,307)	(1,083)	-	-
Foreign currency translation	337	(287)	-	-
Unrealised (loss)/ gain for available-for-sales investment	(38)	32	-	-
Net loss for the period	(145,869)	(248,655)	-	-
Balance as at 30 June	8,699,535	8,761,730	-	-
Total Equity	19,263,241	20,212,315	11,392,298	11,401,937

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.

1(d)(ii). Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings of the issuer, as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed as at end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not issue any shares during the period. As of 30 June 2020 and 31 December 2019, the number of issued shares was 1,447,782,830, of which 51,878,300 shares were held as treasury shares.

There were no outstanding convertibles as at 30 June 2020 and 31 December 2019.

1(d)(iii). To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

	Company	
	30/06/2020	31/12/2019
	(' 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	<u>1,395,905</u>	<u>1,395,905</u>

1(d)(iv). A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Treasury Shares	Company	
	No of shares ('000)	Amount Rp ' million
Balance as at 1 January and 30 June 2020	<u>51,878</u>	<u>390,166</u>

1(d)(v). A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings as at the end of the current financial period reported on.

Not applicable.

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

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 modifications or emphasis of a matter).

Not applicable.

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

The accounting policies have been consistently applied by the Company and the Group, and are consistent with those used in the previous financial year except for the adoption of new or revised SFRS(I) that are mandatory for financial years beginning on or after 1 January 2020.

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

Not applicable.

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

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 30 June 2020.

Earnings per share (Rp)	1H 2020	Group 1H 2019	Change %
	Rp ' million	Rp ' million	
Based on weighted average number of share	(308)	(197)	56.5
Based on a fully diluted basis	(308)	(197)	56.5

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the: (a) Current financial period reported on; and (b) immediately preceding financial year.

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,395,904,530 (excluding 51,878,300 held as treasury shares) as of 30 June 2020 and 31 December 2019.

	Group		Company	
	30/06/20	31/12/19	30/06/20	31/12/19
Net asset value per share (Rp)	7,568	8,104	8,161	8,182
Net asset value per share (SGD 'cents) (converted at Rp10,265 /S\$1)	73.7	78.9	79.5	79.7

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following: (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

	1H 2020 Rp ' million	1H 2019 Rp ' million	%
Revenue			
Plantations			
External sales	1,328,147	1,246,691	6.5
Inter-segment sales *	2,243,956	2,205,431	1.7
Sub-total	3,572,103	3,452,122	3.5
Edible Oils & Fats **			
External sales	5,544,447	5,254,940	5.5
Inter-segment sales	419	1,495	(72.0)
Sub-total	5,544,866	5,256,435	5.5
Elimination of inter-segment sales	(2,244,375)	(2,206,926)	1.7
Total revenue to external parties	6,872,594	6,501,631	5.7
Gross Profit	952,978	631,078	51.0
Gross Profit %	13.9%	9.7%	

* Comprises mainly internal CPO sales to the Group's own refineries

** Comprises mainly cooking oil, margarine and copra-based products

Financial Performance

Overview: The Group's reported higher revenue and gross profit in 1H2020 despite challenging market conditions and Covid-19. The higher revenue and gross profit were mainly due to higher selling prices of palm and edible oils and fats (EOF) products. Notwithstanding this, the Group continued to report net loss in 1H2020.

In 1H2020, the Group reported higher net loss of Rp575 billion despite higher gross profit and higher joint venture result, as well as lower G&A expenses. This was largely due to loss arising from changes in fair value of biological assets as a result of lower volume and lower FFB price compared to December 2019, higher share of losses of associate companies and higher income tax expenses arising from deferred tax adjustments as a result of tax rate changes in Indonesia.

Revenue: The Group's 1H2020 consolidated revenue (after elimination of inter-segment sales) grew 6% to Rp6,873 billion mainly due to higher selling prices of palm products (CPO +22%, PK +13%) and EOF products.

In 1H2020, the Plantation Division revenue increased 4% mainly attributable to higher selling prices of palm products. This was partly offset by lower sales volume of palm products in line with lower production.

EOF Division's revenue improved by 6% in 1H2020 mainly attributable to higher selling prices. The Covid-19 pandemic has affected our EOF division due to decrease in demand from HORECA (hotels, restaurants, caterings). We have put in place various measures to minimise the impacts.

Gross profit: In 1H2020, gross profit improved significantly by 51% over the same period last year mainly driven by higher prices of palm products and EOF products.

General and Administrative Expenses (G&A): In 1H2020, G&A expenses decreased 13% mainly due to lower salaries costs and travelling expenses.

Foreign Exchange (Loss)/ Gain: The foreign exchange impacts were principally attributable to the translation of US dollar denominated loans, assets and liabilities. The Group recognised foreign currency loss of Rp57 billion in 1H2020 compared to Rp7 billion gain in 1H2019. The foreign currency loss was mainly due to weakening of Indonesia Rupiah against US Dollar to Rp14,302/US\$ as of 30 June 2020 versus Rp13,901/US\$ as of 31 December 2019.

Share of Results of Associate Companies: The Group reported higher share of losses from its associate companies in 1H2020, largely relating to the loss-making sugar assets in Philippines. The Group recorded Rp163 billion one-off impairment loss on assets and goodwill, and catch-up of depreciation relating to a sugar asset previously classified as held for sale.

Share of Results of Joint Ventures: The Group reported share of profit of Rp30 billion in 1H2020 compared to share of losses in the comparative period in 2019. This was mainly due to higher sugar prices, gain on biological assets and foreign exchange impacts.

(Loss)/ gain arising from Changes in Fair Values of Biological Assets: The Group reported loss arising from changes in fair value of biological assets in 1H2020 as a result of lower volume and selling prices of fresh fruit bunches compared to December 2019.

Loss from Operations: In 1H2020, the Group reported lower loss from operations of Rp90 billion compared to loss of Rp124 billion mainly due to higher gross profit, lower G&A expenses and higher contribution from joint ventures result. This was offset by higher share of losses in associate companies, loss in fair value change of biological assets and higher foreign exchange losses.

Financial Income: The Group's financial income decreased 25% in 1H2020 mainly due to lower fixed deposit during the period.

Financial Expenses: The Group's financial expenses decreased by 8% in 1H2020 mainly due to lower blended interest rate in line with lower benchmark interest rates.

Income Tax Expense: The Group recognised higher income tax expenses in 1H2020, largely due to deferred tax adjustments as a result of tax rate changes in Indonesia.

Net Loss After Tax: In 1H2020, the Group reported higher losses of Rp575 billion compared to Rp523 billion in 1H2019 despite lower loss from operations and lower financial expenses. This was mainly due to higher income tax expenses.

Review of Financial Position

As at June 2020, the Group reported total non-current assets of Rp29.8 trillion compared to Rp30.8 trillion in December 2019. The decrease was mainly due to lower carrying value of investment in joint ventures due to foreign exchange translation and lower carrying value of investment in associate companies, as well as lower project advances, claims for tax refund, deferred tax assets and property, plant and equipment.

The Group reported total current assets of Rp7.1 trillion as at June 2020 compared to Rp6.8 trillion as at December 2019. This was mainly due to increase in cash balances arising from improved cash flows generated from operating activities. This was partly offset by lower CPO stocks in the refineries, prepaid taxes and biological assets.

The current liabilities of the Group were Rp9.9 trillion as at June 2020 compared to Rp9.2 trillion as at December 2020. This was mainly due to higher trade and other payables and accruals, and higher short-term interest-bearing loans and borrowings as a result of the reclassification of long-term loan instalments that fall due within next 12 months.

The Group reported net current liabilities of Rp2.7 trillion mainly due to high proportion of short-term interest-bearing loans and borrowings. The Group is in the progress to reprofile certain short-term loans to long-term, as well as continue to review its capital structure to maximise returns.

Total non-current liabilities decreased 5% from Rp8.3 trillion as at December 2019 to Rp7.9 trillion as at June 2020. The decrease was mainly due to lower long-term interest-bearing loans and borrowings and lower deferred tax liabilities.

The Group's net debt to total equity ratio decreased from 0.48 times as at December 2019 to 0.46 times as at 30 June 2020. This was due to lower net debts as a result of higher cash compared to prior year end.

Review of Cash Flows

The Group reported higher cash flows from operation of Rp1,709 billion in 1H2020 compared to Rp572 billion in 1H2019. This was mainly due to improved working capital arising from lower other non-current receivables arising from refund of tax claims, lower advances to suppliers and lower prepaid taxes.

Net cash flows used in investing activities were Rp726 billion in 1H2020 compared to Rp1,423 billion in 1H2019. The decline was largely due to lower additions of property, plant and equipment and lower plasma projects. In addition, the Group reported no investment in 1H2020 compared to Rp358 billion investment in associate companies in 1H2019.

In 1H2020, the Group recorded used of net cash flows of Rp95 billion in financing activities mainly due to repayment of loan instalments.

The Group's cash level increased from Rp1,787 billion as at December 2019 to Rp2,700 billion as at June 2020 largely due to higher cash flows generated from operating activities and lower investing activities.

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 economic uncertainties arising from the ongoing US-China trade tensions and the recent Covid-19 outbreak will continue to exert additional volatility on the price of agricultural commodities. The demand for palm oil from key import markets like China and India, and the price of crude oil which affects discretionary biodiesel demand, plus CPO's price relative to soya oil, will have an impact on the direction of CPO prices.

In light of the Covid-19 pandemic, the Group has implemented various mitigation measures in the workplace to ensure the safety and wellbeing of our staff and minimise disruptions to our business.

Amidst this volatile commodity price environment, we will continue to prioritise our capital expenditure investment in growth areas, and focus on cost-control measures and other innovations to increase 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?

No dividend has been declared/ recommended for 1H2020.

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

No dividend has been declared for the financial year ended 31 December 2019.

12. If no dividend has been declared (recommended), a statement to that effect and the reason(s) for the decision.

No dividend has been declared/ recommended for 1H2020 in view of the negative earnings and financial position of the Group.

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 first half of 2020:

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	
<ul style="list-style-type: none">Sales of cooking oil, margarine and othersPurchase of goods, services and assets	2,046 70
Salim Group	
<ul style="list-style-type: none">Sales of cooking oil, seeds and materialPurchases of goods and servicesShareholder loansCorporate guarantees	1,074 324 1,095 2,589

14. 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 half year ended 30 June 2020 to be false or misleading in any material aspect.

15. 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.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford

Chief Executive Officer and Executive Director

30 July 2020