

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2017

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 - Q2			Group - YTD 6 months		
	30/06/2017	30/06/2016	Change	30/06/2017	30/06/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	4,117,245	3,568,451	15.4	8,518,056	6,715,474	26.8
Cost of sales	(3,456,265)	(2,863,531)	20.7	(6,800,441)	(5,483,666)	24.0
Gross Profit	660,980	704,920	(6.2)	1,717,615	1,231,808	39.4
Gross Profit %	16.1%	19.8%		20.2%	18.3%	
Selling and distribution expenses	(144,416)	(168,817)	(14.5)	(296,930)	(302,857)	(2.0)
General and administrative expenses	(251,598)	(247,808)	1.5	(464,135)	(457,455)	1.5
Foreign exchange (loss)/ gain	(3,630)	29,581	n/m	19,501	150,522	(87.0)
Other operating income	22,680	19,377	17.0	46,267	35,622	29.9
Other operating expenses	(32,252)	(33,206)	(2.9)	(61,906)	(76,028)	(18.6)
Share of results of associate companies	6,958	(14,781)	n/m	6,709	(19,821)	n/m
Share of results of a joint venture	69,991	(70,430)	n/m	26,856	(118,271)	n/m
Profit from operations before biological assets (loss)/ gain	328,713	218,836	50.2	993,977	443,520	124.1
(Loss)/ gain arising from changes in fair value of biological assets	(37,701)	11,453	n/m	(85,160)	95,425	n/m
Profit from operations after biological assets (loss)/ gain	291,012	230,289	26.4	908,817	538,945	68.6
Financial income	29,340	21,211	38.3	54,482	45,368	20.1
Financial expenses	(166,781)	(167,613)	(0.5)	(326,960)	(333,688)	(2.0)
Profit before tax	153,571	83,887	83.1	636,339	250,625	153.9
Income tax expense	(74,315)	(61,285)	21.3	(228,109)	(132,164)	72.6
Net Profit for the period	79,256	22,602	250.7	408,230	118,461	244.6
Core net profit/ (loss) after tax ⁽¹⁾	111,009	(11,552)	n/m	455,766	(79,681)	n/m
Profit attributable to:						
Owners of the Company	99,278	29,864	232.4	269,845	124,829	116.2
Non-controlling interests	(20,022)	(7,262)	175.7	138,385	(6,368)	n/m
	79,256	22,602	250.7	408,230	118,461	244.6

n.m. denotes "Not Meaningful"

Notes

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

	Group - Q2			Group - YTD 6 months		
	30/06/2017	30/06/2016	Change	30/06/2017	30/06/2016	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	(29,462)	50,526	n/m	(19,999)	51,635	n/m
Items that will not be reclassified to profit or loss						
Re-measurement (loss)/ gain on employee benefits liability	(966)	(11,114)	(91.3)	(1,933)	1,458	n/m
Share of other comprehensive (loss)/ gain of a joint venture/ associate companies	(8,018)	57,754	n/m	(8,018)	57,754	n/m
Other comprehensive (loss)/ gain for the period, net of tax	(38,446)	97,166	n/m	(29,950)	110,847	n/m
Total comprehensive income	40,810	119,768	(65.9)	378,280	229,308	65.0
Total comprehensive income attributable to:-						
- Owners of the Company	61,274	132,968	(53.9)	240,981	236,304	2.0
- Non-controlling interests	(20,464)	(13,200)	55.0	137,299	(6,996)	n/m
	40,810	119,768	(65.9)	378,280	229,308	65.0

n.m. denotes "Not Meaningful"

Additional Information:-

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

	Group - Q2			Group - YTD 6 months		
	30/06/2017	30/06/2016	Change	30/06/2017	30/06/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	291,012	230,289	26.4	908,817	538,945	68.6
Add: Depreciation & amortisation	374,412	344,982	8.5	691,736	647,980	6.8
Less: (Loss)/ gain arising from changes in fair value of biological assets	(37,701)	11,453	n/m	(85,160)	95,425	n/m
EBITDA includes foreign exchange (loss)/ gain	703,125	563,818	24.7	1,685,713	1,091,500	54.4
Less: Foreign exchange (loss)/ gain	(3,630)	29,581	n/m	19,501	150,522	(87.0)
EBITDA excludes foreign exchange (loss)/ gain	706,755	534,237	32.3	1,666,212	940,978	77.1
EBITDA%	17.2	15.0		19.6	14.0	

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

Other information:-	Group - Q2			Group - YTD 6 months		
	30/06/2017	30/06/2016	Change	30/06/2017	30/06/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	355,570	336,222	5.8	666,092	631,087	5.5
Amortisation of deferred charges and others	18,842	8,760	115.1	25,644	16,893	51.8
Realisation of deferred costs	44,704	42,410	5.4	44,704	42,410	5.4
Interest on borrowings	163,074	163,754	(0.4)	319,556	326,372	(2.1)
Provision for uncollectible and changes in amortised cost of plasma receivables	10,900	11,653	(6.5)	18,911	29,381	(35.6)
Write-off of property and equipment and biological assets	236	9	n/m	236	18	n/m
Gain on disposal of property, plant and equipment	(474)	(3,838)	(87.6)	(212)	(4,297)	(95.1)
Changes in allowance for decline in market value and obsolescence of inventories	(51,515)	14,845	n/m	(9,838)	21,771	n/m
Changes in provision for asset dismantling costs	831	1,263	(34.2)	969	4,582	(78.9)
Provision for unrecoverable advance	19,476	-	n/m	19,476	-	n/m

n.m. denotes "Not Meaningful"

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

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	325,265	325,102	-	-
Property, plant and equipment	21,324,539	21,396,796	41,782	43,576
Goodwill	3,253,637	3,253,637	-	-
Claims for tax refund	81,913	178,704	-	-
Deferred tax assets	1,253,228	1,240,194	-	-
Investment in subsidiary companies	-	-	10,533,516	10,533,516
Investment in associate companies	1,145,840	1,002,247	551,139	551,139
Investment in a joint venture	762,196	751,850	-	-
Amount due from a subsidiary	-	-	730,000	730,000
Advances and prepayments	384,786	425,917	-	-
Other non-current receivables	1,205,222	1,174,662	9	9
Total non-current assets	29,736,626	29,749,109	11,856,446	11,858,240
Current assets				
Inventories	2,282,055	2,270,749	-	-
Trade and other receivables	1,372,411	1,122,774	181,650	78,142
Advances and prepayments	453,759	240,215	1,019	197
Prepaid taxes	282,934	251,107	-	-
Biological assets	424,163	464,722	-	-
Cash and cash equivalents	2,521,443	2,404,838	460,166	532,896
Total current assets	7,336,765	6,754,405	642,835	611,235
Total assets	37,073,391	36,503,514	12,499,281	12,469,475
Current liabilities				
Trade and other payables and accruals	1,776,883	1,499,716	10,595	14,843
Advances and taxes payable	227,730	453,672	-	-
Interest-bearing loans and borrowings	3,156,756	2,481,405	-	-
Income tax payable	101,041	215,515	-	-
Total current liabilities	5,262,410	4,650,308	10,595	14,843

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current liabilities				
Interest-bearing loans and borrowings	7,306,964	7,545,936	995,262	1,002,997
Amounts due to related parties and other payables	574,137	569,779	-	-
Provision and other liabilities	32,055	31,086	-	-
Employee benefits liabilities	2,078,887	1,980,219	-	-
Deferred tax liabilities	793,180	848,134	-	-
Total non-current liabilities	10,785,223	10,975,154	995,262	1,002,997
Total liabilities	16,047,633	15,625,462	1,005,857	1,017,840
Net assets	21,025,758	20,878,052	11,493,424	11,451,635
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	8,232,639	8,050,399	827,027	785,238
Other reserves	562,312	590,123	144,152	144,152
	11,989,064	11,834,635	11,493,424	11,451,635
Non-controlling interests	9,036,694	9,043,417	-	-
Total equity	21,025,758	20,878,052	11,493,424	11,451,635

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

	Group	
	30/06/2017	31/12/2016
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	1,438,155	1,251,499
Unsecured	1,718,601	1,229,906
Sub-total	3,156,756	2,481,405
(ii) Amounts repayable after one year		
Secured	5,973,916	6,200,041
Unsecured	1,333,048	1,345,895
Sub-total	7,306,964	7,545,936
TOTAL	10,463,720	10,027,341

(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 - Q2		Group - YTD 6 months	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
Profit before taxation	153,571	83,887	636,339	250,625
Adjustments:				
Depreciation and amortisation	374,412	344,982	691,736	647,980
Realisation of deferred costs	44,704	42,410	44,704	42,410
Unrealised foreign exchange loss/ (gain)	3,937	(32,185)	(17,473)	(145,842)
Loss/ (gain) arising from changes in fair value of biological assets	37,701	(11,453)	85,160	(95,425)
Provision for uncollectible and changes in amortised cost of plasma receivables	10,900	11,653	18,911	29,381
Write-off of property, plant and equipment	236	9	236	18
Gain on disposal of property, plant and equipment	(474)	(3,838)	(212)	(4,297)
Provision for unrecoverable advance	19,476	-	19,476	-
Changes in allowance for decline in market value and obsolescence of inventories	(51,515)	14,845	(9,838)	21,771
Allowance for impairment of available for sales	2,015	-	5,823	-
Changes in provision for asset dismantling costs	831	1,263	969	4,582
Change in estimated liability for employee benefits	80,843	90,036	161,686	149,281
Changes in fair value of long-term receivables	(118)	(284)	(519)	(671)
Provision of allowance for doubtful debts	-	-	-	122
Share of results of associate companies	(6,958)	14,781	(6,709)	19,821
Share of results of a joint venture	(69,991)	70,430	(26,856)	118,271
Financial income	(29,340)	(21,211)	(54,482)	(45,368)
Financial expenses	166,781	167,613	326,960	333,688
Operating cash flows before working capital changes	737,011	772,938	1,875,911	1,326,347
Changes in working capital				
Other non-current receivables	57,626	6,002	(2,039)	11,008
Inventories	305,433	(119,452)	(1,468)	147,943
Trade and other receivables	(258,002)	(583,753)	(486,848)	(656,262)
Advances to suppliers	92,639	(12,702)	19,460	(223,136)
Prepaid taxes	88,575	5,992	28,056	16,012
Trade and other payables and accruals	(135,413)	2,341	160,688	36,846
Advances from customers	(63,546)	(4,782)	(318,011)	(81,922)
Cash flows generated from operations	824,323	66,584	1,275,749	576,836
Interest received	29,336	21,485	53,837	46,259
Interest paid	(170,197)	(165,695)	(321,795)	(319,578)
Income tax paid	(366,836)	(121,265)	(469,785)	(240,261)
Net cash flows generated from/ (used in) operating activities	316,626	(198,891)	538,006	63,256

	Group - Q2		Group - YTD 6 months	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(226,411)	(353,740)	(536,312)	(754,060)
Additions to biological assets	(18,619)	(341)	(18,638)	(785)
Increase in plasma receivables	(49,349)	(36,552)	(66,032)	(94,251)
Proceeds from disposal of property, plant and equipment	473	4,318	501	4,884
Advances for projects and purchases of fixed assets	(10,910)	33,189	(18,276)	(15,968)
Investment in associate companies	(149,350)	-	(149,350)	-
Capital reduction on an associate company	-	-	-	30,960
Acquisition of a subsidiary, net of cash acquired	-	-	-	(54,996)
Net cash flows used in investing activities	(454,166)	(353,126)	(788,107)	(884,216)
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	548,500	1,171,709	1,054,040	3,295,368
Repayment of interest-bearing loans and borrowings	(496,985)	(666,092)	(601,324)	(2,571,650)
Proceeds from amount due to related parties	6,000	39,530	12,000	161,170
Dividend payments by subsidiaries to non- controlling interests	(4,912)	(122,745)	(6,230)	(122,745)
Dividend payment to Company's shareholders	(86,554)	(68,288)	(86,554)	(68,288)
Non-controlling shareholder capital injection from a subsidiary	-	-	-	7,000
Net cash flows (used in)/ generated from financing activities	(33,951)	354,114	371,932	700,855
Net (decrease)/ increase in cash and cash equivalents	(171,491)	(197,903)	121,831	(120,105)
Effect of changes in exchange rates on cash and cash equivalents	(1,670)	2,901	(5,226)	(16,270)
Cash and cash equivalents at the beginning of the period	2,694,604	2,027,727	2,404,838	1,969,100
Cash and cash equivalents at the end of the period	2,521,443	1,832,725	2,521,443	1,832,725

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	
	30/06/2017	30/06/2016	30/06/2017	30/06/2016
	Rp ' million	Rp ' million	Rp ' million	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	8,050,399	7,613,506	785,238	769,401
Dividend payment	(86,554)	(68,288)	(86,554)	(68,288)
Actuarial (loss)/ gain on employee benefits liability	(1,051)	355	-	-
Net profit and total recognized income for the period	269,845	124,829	128,343	116,139
Balance as at 30 June	8,232,639	7,670,402	827,027	817,252
Other Reserves*				
Balance as at 1 January	590,123	473,237	144,152	144,152
Foreign currency translation	(19,793)	53,366	-	-
Share of other comprehensive gain of a joint venture	-	57,754	-	-
Share of other comprehensive loss of an associate company	(8,018)	-	-	-
Balance as at 30 June	562,312	584,357	144,152	144,152
Non-controlling Interests				
Balance as at 1 January	9,043,417	8,898,992	-	-
Dividend payments by subsidiaries	(144,020)	(122,745)	-	-
Actuarial (loss)/ gain on employee benefits liability	(882)	1,103	-	-
Non-controlling Interests of acquired subsidiary	-	21	-	-
Foreign currency translation	(206)	(1,731)	-	-
Net profit/ (loss) and total recognised income for the period	138,385	(6,368)	-	-
Balance as at 30 June	9,036,694	8,769,272	-	-
Total Equity	21,025,758	20,218,144	11,493,424	11,483,649

Notes:

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

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

- (d)(ii). **Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issue of equity securities, issue of shares for cash or consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles as at end of the current financial period reported on and as at end of the corresponding period of the immediately preceding financial year.**

The Company did not issue any shares during the period. As of 30 June 2017 and 31 December 2016, 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 2017 and 31 December 2016.

- (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	
	30/06/2017 (' 000)	31/12/2016 (' 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 ('000)	Amount Rp ' million
Balance as at 1 January	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 30 June 2017	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.

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.***

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 year, after deducting any provision for the preference dividends; (a) Based on weighted average number of shares and (b) On a fully diluted basis (detailing any adjustments made to the earnings)***

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 30 June 2017.

	Group -Q2			Group - YTD 6 months		
	30/06/2017	30/06/2016	Change %	30/06/2017	30/06/2016	Change %
Earnings per share (Rp)						
Based on weighted average number of share	71.0	21.0	238.1	193.3	89.4	116.2
Based on a fully diluted basis	71.0	21.0	238.1	193.3	89.4	116.2
Earnings per share (SGD 'cents) (converted at Rp9,517/S\$1)						
Based on a fully diluted basis	0.75	0.22	238.1	2.03	0.94	116.2

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

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,395,904,530 (excluding 51,878,300 held as treasury shares) as of 30 June 2017 and 31 December 2016.

	Group		Company	
	30/06/2017	31/12/2016	30/06/2017	31/12/2016
Net asset value per share (Rp)	8,589	8,478	8,234	8,204
Net asset value per share (SGD 'cents) (converted at Rp9,591/S\$1)	89.6	88.4	85.9	85.6

- 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 - Q2			Group - YTD 6 months		
	30/06/2017 Rp ' million	30/06/2016 Rp ' million	Change %	30/06/2017 Rp ' million	30/06/2016 Rp ' million	Change %
Revenue						
Plantations						
External sales	1,297,123	873,631	48.5	3,022,924	1,940,455	55.8
Inter-segment sales *	1,017,381	1,148,145	(11.4)	2,066,170	1,884,287	9.7
Sub-total	2,314,504	2,021,776	14.5	5,089,094	3,824,742	33.1
Edible Oils & Fats **						
External sales	2,820,122	2,694,820	4.6	5,495,132	4,775,019	15.1
Inter-segment sales *	17,412	-	n/m	25,264	-	n/m
Sub-total	2,837,534	2,694,820	5.3	5,520,396	4,775,019	15.6
Elimination of inter-segment sales *	(1,034,793)	(1,148,145)	(9.9)	(2,091,434)	(1,884,287)	11.0
Total revenue to external parties	4,117,245	3,568,451	15.4	8,518,056	6,715,474	26.8
Gross Profit	660,980	704,920	(6.2)	1,717,615	1,231,808	39.4
Gross Profit %	16.1%	19.8%		20.2%	18.3%	

* 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 delivered a positive set of 2Q2017 result with higher revenue and 232% increase in profit attributable to equity holders. The good performance was attributable to higher palm production and improved contribution from a joint venture, CMAA, but this was partly offset by biological assets loss and foreign currency fluctuations. Our strong 1H2017 result likewise contributed by similar factors, in addition to higher average selling prices of agriculture crops.

Rotterdam CIF crude palm oil (CPO) prices were an average of US\$739 per tonne in 1H2017, a 5% increase from US\$704 per tonne in FY2016. Rubber prices (RSS3 SICOM) recovered strongly by 40% to an average of US\$2,300 per tonne in 1H2017 compared to US\$1,647 per tonne in FY2016.

Revenue: The Group reported consolidated revenue (after elimination of inter-segment sales) of Rp4.1 trillion in 2Q2017 and Rp8.5 trillion in 1H2017, increasing 15% and 27% over the same comparative periods in 2016 on higher sales from both Plantation and Edible Oils & Fats (EOF) Divisions.

Plantation Division achieved a 15% revenue growth in 2Q2017 on higher sales volume of palm products (i.e. crude palm oil ("CPO") and palm kernel ("PK") related products), as well as higher rubber sales. 1H2017 revenue grew 33% over the same period last year, reflecting mainly the effects of higher sales volume and average selling prices of palm products and rubber.

EOF Division continued to perform well with revenue growing 5% in 2Q2017 and 16% in 1H2017 mainly attributable to higher sales of edible oil and stearin products.

Gross Profit: The Group's gross profit declined 6% to Rp661 billion in 2Q2017 due to the impact of higher CPO input costs in EOF Division and higher palm production costs arising from timing in fertilizer application. 1H2017 gross profit increased 39% to Rp1,718 billion on higher sales volume and selling prices of palm products.

Selling and Distribution Expenses (S&D): The Group reported lower S&D in 2Q2017 and 1H2017, declining 15% and 2% over the same comparative periods in 2016. This was mainly due to lower advertising and promotion expenses and lower other selling expenses.

Other Operating Expenses: The Group recognised lower other operating expenses in 2Q2017 and 1H2017 which were mainly due to lower plasma expenses and amortised cost adjustment of plasma receivables. This was partly offset by provision of unrecoverable advances.

Foreign Exchange (Loss)/ Gain: The foreign exchange impacts were principally attributable to the translation of US dollar denominated loans, assets and liabilities. The Group recognized a foreign currency gain of Rp20 billion in 1H2017 compared to Rp151 billion in 1H2016. The Indonesian Rupiah strengthened from Rp13,436/US\$ at end December 2016 to Rp13,319/US\$ at end June 2017.

Share of Results of Associate Companies: The Group recognised Rp7 billion profit from share of results of associate companies in 2Q2017 and 1H2017 as compared to losses in the same comparative periods in 2016. The improved results arose from profit contribution mainly from Roxas, the largest integrated sugar business in the Philippines and the discontinuation of equity accounting for Heliae due to loss of significant influence since Oct 2016. The Group has now recorded Heliae as an available-for-sale financial asset.

Share of results of a joint venture: The Group recognised Rp70 billion of profit from its sugar operation in Brazil, CMAA in 2Q2017 versus a loss of Rp70 billion in 2Q2016. The significant improvement was principally due to higher selling prices of raw sugar, ethanol and electricity, as well as higher sales volume of raw sugar. On year-to-date basis, CMAA also reversed from a loss position to a profit of Rp27 billion.

(Loss)/ Gain Arising from Changes in Fair Values of Biological Assets: The Group recognised biological assets losses of Rp38 billion in 2Q2017 and Rp85 billion in 1H2017 mainly arising from lower selling prices of agriculture produce of palm trees and sugarcane compared to December 2016.

Profit from Operations before Biological Assets (Loss)/ Gain: Profit from operations grew 50% and 124% in 2Q2017 and 1H2017, respectively. The improved profit was driven by higher profit from Plantation Division and improved results from associates and CMAA. This was partly offset by foreign currency fluctuations.

Income Tax Expense: The Group recognised higher income tax expenses in 2Q2017 and 1H2017 in line with higher operating profit.

Net Profit After Tax (NPAT): The Group's NPAT growth was attributable to higher operating profit, but partly offset by higher income tax expense. Profit attributable to equity holders likewise came in strongly in 2Q2017 and 1H2017, growing 232% and 116% over the same comparative periods last year.

Review of Financial Position

As of 30 June 2017, total non-current assets maintained at Rp29.7 trillion compared to previous year end. In 2Q2017, the Group invested Rp104 billion in PT Indoagri Daitocacao (Daitocacao) and Rp45 billion in Asian Assets Management Pte. Ltd. (AAM). The increase was offset by lower property, plant and equipment, income tax refunds in 2Q2017, and lower advances for projects.

The Group recorded total current assets of Rp7.3 trillion at end June 2017 compared to Rp6.8 trillion at December 2016. The increase was mainly attributable to higher trade and other receivables in line with higher edible oil sales, higher prepayments relating to salaries and benefits, higher prepaid income tax and cash levels.

Total current liabilities were Rp5.3 trillion at end June 2017, a 13% higher than December 2016. This was mainly attributable to higher trade payables relating to purchases of raw materials and fertilizers, and accrual of dividends payable, as well as higher short-term facilities to support the refinery operation during

the peak Lebaran season in 2Q2017. This was partly offset by lower advances from customer and lower income tax payable.

Total non-current liabilities were Rp10.8 trillion at 30 June 2017, slightly lower than Rp11.0 trillion at end December 2016. This decline was mainly due to the lower long-term loan facilities arising from payment of loan installments and lower deferred tax liabilities. This was partly offset by higher estimated liabilities for employee benefits which was determined based on the actuarial calculations in accordance with the provisions of the Indonesian Labor Law.

Review of Cash Flows

The Group generated positive net cash flows from operations of Rp317 billion in 2Q2017 and Rp538 billion in 1H2017 due to improved operating performance, but partly offset by higher trade receivables arising from the peak Lebaran season in 2Q2017.

Net cash flows used in investing activities in 2Q2017 and 1H2017 were Rp454 billion and Rp788 billion respectively, which comprised principally (i) capital expenditure relating to additions of property, plant and equipment, and bearer plants; and (ii) investments in associates, Daitocacao and AAM. These investing activities were mainly funded by cash generated from operations and partly from bank borrowings.

The financing activities were related to the drawdown of short-term facilities to support the refinery operation during the Lebaran season, and the payment of dividends to shareholders.

The net cash increase in 1H2017 was Rp122 billion, increasing the Group's cash levels Rp2.4 trillion at end December 2016 to Rp2.5 trillion at end June 2017.

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.*

Agricultural commodity prices remain volatile on expected recovery in palm and other competing vegetable oil production, and lower growth in key markets like China. The volatility is further aggravated by the EU's proposed legislation changes in April 2017 to ban the use of vegetable oils such as palm oil, soy and rapeseed for biofuels by 2020, and stricter regulations over certified and sustainable vegetable oil throughout EU.

In Indonesia, our operations continue to be supported by a positive domestic economic outlook, the ongoing fiscal reforms in the areas of infrastructure and social security, and healthy domestic consumption. We continue to enhance our operational capacities to capture the growth opportunities, as well as proactively improve operations, increase yields, raise productivity and control costs.

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

(a) *Current Financial Period Reported On*

Nil.

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

Nil.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable.

13. Disclosure of the aggregate value of the transactions conducted under the shareholders' mandate for interested person transaction Rule 920(1)(a)(ii) of the Listing Manual

The Group has the following the interest person transactions ("IPT") for the first half 2017:

Name of Interested Person	Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000)	
	Rp 'billion	USD 'million
PT ISM Group		
<ul style="list-style-type: none"> Sales of cooking oil, margarine and others Purchase of goods, services and assets 	1,960 108	- -
Salim Group		
<ul style="list-style-type: none"> Sales of cooking oil, seeds and material Purchases of goods and services Shareholder loans Corporate guarantees 	714 241 1,317 2,710	- - - 16

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 second quarter ended 30 June 2017 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
 Chief Executive Officer and Executive Director

28 July 2017