

UNAUDITED FINANCIAL STATEMENTS FOR THE THIRD QUARTER ENDED 30 SEPTEMBER 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 - Q3			Group - YTD 9 months		
	30/09/2017	30/09/2016	Change	30/09/2017	30/09/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,715,155	3,552,217	4.6	12,233,211	10,267,691	19.1
Cost of sales	(2,966,929)	(2,715,480)	9.3	(9,767,370)	(8,199,146)	19.1
Gross Profit	748,226	836,737	(10.6)	2,465,841	2,068,545	19.2
Gross Profit %	20.1%	23.6%		20.2%	20.1%	
Selling and distribution expenses	(171,951)	(127,460)	34.9	(468,881)	(430,317)	9.0
General and administrative expenses	(264,608)	(223,763)	18.3	(728,743)	(681,218)	7.0
Foreign exchange (loss)/ gain	(21,467)	40,259	n/m	(1,966)	190,781	n/m
Other operating income	18,550	10,334	79.5	64,817	45,956	41.0
Other operating expenses	(27,972)	(30,880)	(9.4)	(89,878)	(106,908)	(15.9)
Share of results of associate companies	(2,563)	(18,510)	(86.2)	4,146	(38,331)	n/m
Share of results of a joint venture	70,539	46,447	51.9	97,395	(71,824)	n/m
Profit from operations before biological assets gain/ (loss)	348,754	533,164	(34.6)	1,342,731	976,684	37.5
Gain/ (loss) arising from changes in fair value of biological assets	46,371	24,958	85.8	(38,789)	120,383	n/m
Profit from operations after biological assets gain/ (loss)	395,125	558,122	(29.2)	1,303,942	1,097,067	18.9
Financial income	26,338	22,313	18.0	80,820	67,681	19.4
Financial expenses	(163,137)	(173,332)	(5.9)	(490,097)	(507,020)	(3.3)
Profit before tax	258,326	407,103	(36.5)	894,665	657,728	36.0
Income tax expense	(144,620)	(225,326)	(35.8)	(372,729)	(357,490)	4.3
Net Profit for the period	113,706	181,777	(37.4)	521,936	300,238	73.8
Core net profit after tax ⁽¹⁾	97,023	129,920	(25.3)	552,789	50,239	n/m
Profit attributable to:						
Owners of the Company	100,532	159,185	(36.8)	370,377	284,014	30.4
Non-controlling interests	13,174	22,592	(41.7)	151,559	16,224	n/m
	113,706	181,777	(37.4)	521,936	300,238	73.8

Notes

n/m denotes "Not Meaningful"

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

	Group - Q3			Group - YTD 9 months		
	30/09/2017	30/09/2016	Change	30/09/2017	30/09/2016	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	49,133	(24,322)	n/m	29,134	27,313	6.7
Items that will not be reclassified to profit or loss						
Re-measurement (loss)/ gain on employee benefits liability	(967)	729	n/m	(2,900)	2,187	n/m
Share of other comprehensive (loss)/ gain of a joint venture/ associate companies	(9,709)	12,166	n/m	(17,727)	69,920	n/m
Other comprehensive gain/ (loss) for the period, net of tax	38,457	(11,427)	n/m	8,507	99,420	(91.4)
Total comprehensive income	152,163	170,350	(10.7)	530,443	399,658	32.7
Total comprehensive income attributable to:-						
Owners of the Company	139,103	147,715	(5.8)	380,084	384,019	(1.0)
Non-controlling interests	13,060	22,635	(42.3)	150,359	15,639	n/m
	152,163	170,350	(10.7)	530,443	399,658	32.7

n.m. denotes "Not Meaningful"

Additional Information:-

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

	Group - Q3			Group - YTD 9 months		
	30/09/2017	30/09/2016	Change	30/09/2017	30/09/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	395,125	558,122	(29.2)	1,303,942	1,097,067	18.9
Add: Depreciation & amortisation *	417,623	419,495	(0.4)	1,109,359	1,067,475	3.9
Less: Gain/ (loss) arising from changes in fair value of biological assets	46,371	24,958	85.8	(38,789)	120,383	n/m
EBITDA includes foreign exchange (loss)/ gain	766,377	952,659	(19.6)	2,452,090	2,044,159	20.0
Less: Foreign exchange (loss)/ gain	(21,467)	40,259	n/m	(1,966)	190,781	n/m
EBITDA excludes foreign exchange (loss)/ gain	787,844	912,400	(13.7)	2,454,056	1,853,378	32.4
EBITDA%	21.2	25.7		20.1	18.1	

* The comparative figures in 2016 have been amended to align with 2017 calculation which excluding realisation of deferred cane costs.

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

Other information:-	Group - Q3			Group - YTD 9 months		
	30/09/2017	30/09/2016	Change	30/09/2017	30/09/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	385,794	409,282	(5.7)	1,051,886	1,040,369	1.1
Amortisation of deferred charges and others	31,829	10,213	211.7	57,473	27,106	112.0
Interest on borrowings	159,689	169,160	(5.6)	479,245	495,532	(3.3)
Provision for uncollectible and changes in amortised cost of plasma receivables	6,080	17,735	(65.7)	24,991	47,116	(47.0)
Write-off of property and equipment	264	13	n/m	500	31	n/m
Gain on disposal of property, plant and equipment	428	1,827	(76.6)	216	(2,470)	n/m
Changes in allowance for decline in market value and obsolescence of inventories	(5,209)	(10,054)	(48.2)	(15,047)	11,717	n/m
Changes in provision for asset dismantling costs	1,436	1,597	(10.1)	2,405	6,179	(61.1)
Provision for unrecoverable advance	9,738	-	n/m	29,214	-	n/m

n.m. denotes "Not Meaningful"

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

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	325,271	325,102	-	-
Property, plant and equipment	21,268,401	21,396,796	40,901	43,576
Goodwill	3,253,637	3,253,637	-	-
Claims for tax refund	75,908	178,704	-	-
Deferred tax assets	1,257,205	1,240,194	-	-
Investment in subsidiary companies	-	-	10,533,516	10,533,516
Investment in associate companies	1,342,382	1,002,247	551,139	551,139
Investment in a joint venture	875,727	751,850	-	-
Amount due from a subsidiary	-	-	730,000	730,000
Advances and prepayments	363,623	425,917	-	-
Other non-current receivables	1,230,592	1,174,662	9	9
Total non-current assets	29,992,746	29,749,109	11,855,565	11,858,240
Current assets				
Inventories	2,219,744	2,270,749	-	-
Trade and other receivables	1,118,625	1,122,774	95,411	78,142
Advances and prepayments	371,301	240,215	825	197
Prepaid taxes	291,594	251,107	-	-
Biological assets	390,061	464,722	-	-
Cash and cash equivalents	2,590,414	2,404,838	643,606	532,896
Total current assets	6,981,739	6,754,405	739,842	611,235
Total assets	36,974,485	36,503,514	12,595,407	12,469,475
Current liabilities				
Trade and other payables and accruals	1,926,113	1,499,716	101,522	14,843
Advances and taxes payable	252,775	453,672	-	-
Interest-bearing loans and borrowings	2,754,909	2,481,405	-	-
Income tax payable	109,885	215,515	-	-
Total current liabilities	5,043,682	4,650,308	101,522	14,843

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current liabilities				
Interest-bearing loans and borrowings	7,240,242	7,545,936	1,008,696	1,002,997
Amounts due to related parties and other payables	570,834	569,779	-	-
Provision and other liabilities	33,491	31,086	-	-
Employee benefits liabilities	2,128,222	1,980,219	-	-
Deferred tax liabilities	785,708	848,134	-	-
Total non-current liabilities	10,758,497	10,975,154	1,008,696	1,002,997
Total liabilities	15,802,179	15,625,462	1,110,218	1,017,840
Net assets	21,172,306	20,878,052	11,485,189	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	8,332,646	8,050,399	818,792	785,238
Other reserves	601,408	590,123	144,152	144,152
	12,128,167	11,834,635	11,485,189	11,451,635
Non-controlling interests	9,044,139	9,043,417	-	-
Total equity	21,172,306	20,878,052	11,485,189	11,451,635

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

	Group	
	30/09/2017	31/12/2016
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	1,426,961	1,251,499
Unsecured	1,327,948	1,229,906
Sub-total	2,754,909	2,481,405
(ii) Amounts repayable after one year		
Secured	4,878,568	6,200,041
Unsecured	2,361,674	1,345,895
Sub-total	7,240,242	7,545,936
TOTAL	9,995,151	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 - Q3		Group - YTD 9 months	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
Profit before taxation	258,326	407,103	894,665	657,728
Adjustments:				
Depreciation and amortisation	417,623	419,495	1,109,359	1,067,475
Realisation of deferred costs	93,267	77,125	137,971	119,535
Unrealised foreign exchange loss/ (gain)	24,159	(36,262)	6,686	(182,104)
(Gain)/ loss arising from changes in fair value of biological assets	(46,371)	(24,958)	38,789	(120,383)
Provision for uncollectible and changes in amortised cost of plasma receivables	6,080	17,735	24,991	47,116
Write-off of property, plant and equipment	264	13	500	31
Gain on disposal of property, plant and equipment	428	1,827	216	(2,470)
Provision for unrecoverable advance	9,738	-	29,214	-
Changes in allowance for decline in market value and obsolescence of inventories	(5,209)	(10,054)	(15,047)	11,717
Allowance for impairment of available for sales	1,504	-	7,327	-
Changes in provision for asset dismantling costs	1,436	1,597	2,405	6,179
Change in estimated liability for employee benefits	80,843	74,640	242,529	223,921
Changes in fair value of long-term receivables	(52)	161	(571)	(510)
Provision of allowance for doubtful debts	-	(4)	-	118
Share of results of associate companies	2,563	18,510	(4,146)	38,331
Share of results of a joint venture	(70,539)	(46,447)	(97,395)	71,824
Financial income	(26,338)	(22,313)	(80,820)	(67,681)
Financial expenses	163,137	173,332	490,097	507,020
Operating cash flows before working capital changes	910,859	1,051,500	2,786,770	2,377,847
Changes in working capital				
Other non-current receivables	(18,497)	(81,500)	(20,536)	(70,492)
Inventories	67,520	(302,021)	66,052	(154,078)
Trade and other receivables	366,912	319,214	(119,936)	(337,048)
Advances to suppliers	(33,049)	(19,686)	(13,589)	(242,822)
Prepaid taxes	(2,587)	(17,754)	25,469	(1,742)
Trade and other payables and accruals	217,118	6,198	377,806	43,044
Advances from customers	56,179	42,234	(261,832)	(39,688)
Cash flows generated from operations	1,564,455	998,185	2,840,204	1,575,021
Interest received	25,103	21,286	78,940	67,545
Interest paid	(157,168)	(161,513)	(478,963)	(481,091)
Income tax paid	(152,975)	(110,021)	(622,760)	(350,282)
Net cash flows generated from operating activities	1,279,415	747,937	1,817,421	811,193

	Group - Q3		Group - YTD 9 months	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(327,043)	(228,691)	(863,355)	(982,751)
Additions to biological assets	17,690	(236)	(948)	(1,021)
Increase in plasma receivables	(35,166)	(49,010)	(101,198)	(143,261)
Proceeds from disposal of property, plant and equipment	979	662	1,480	5,546
Advances for projects and purchases of fixed assets	(22,415)	(42,638)	(40,691)	(58,606)
Investment in associate companies	(200,000)	-	(349,350)	-
Capital reduction in an associate company	-	-	-	30,960
Acquisition of a subsidiary, net of cash acquired	-	-	-	(54,996)
Net cash flows used in investing activities	(565,955)	(319,913)	(1,354,062)	(1,204,129)
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	18,960	20,065	1,073,000	3,315,433
Repayment of interest-bearing loans and borrowings	(527,769)	(486,536)	(1,129,093)	(3,058,186)
Proceeds from amount due to related parties	-	8,300	12,000	169,470
Dividend payments by subsidiaries to non-controlling interests	(143,405)	(479)	(149,635)	(123,224)
Dividend payment to Company's shareholders	-	-	(86,554)	(68,288)
Capital contributions from non-controlling interest	-	-	-	7,000
Net cash flows (used in)/ generated from financing activities	(652,214)	(458,650)	(280,282)	242,205
Net increase/ (decrease) in cash and cash equivalents	61,246	(30,626)	183,077	(150,731)
Effect of changes in exchange rates on cash and cash equivalents	7,725	(7,158)	2,499	(23,428)
Cash and cash equivalents at the beginning of the period	2,521,443	1,832,725	2,404,838	1,969,100
Cash and cash equivalents at the end of the period	2,590,414	1,794,941	2,590,414	1,794,941

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

STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	30/09/2017	30/09/2016	30/09/2017	30/09/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Issued Share				
Balance as at 1 January / 30 September ⁽¹⁾	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares of the Company				
Balance as at 1 January / 30 September	(390,166)	(390,166)	(390,166)	(390,166)
Reserves				
Balance as at 1 January	8,050,399	7,613,506	785,238	769,401
Dividend payment	(86,554)	(68,288)	(86,554)	-
Actuarial (loss)/ gain on employee benefits liability	(1,576)	532	-	-
Net profit and total recognized income for the period	370,377	284,014	120,108	-
Balance as at 30 September	8,332,646	7,829,764	818,792	769,401
Other Reserves*				
Balance as at 1 January	590,123	473,237	144,152	144,152
Foreign currency translation	29,012	29,553	-	-
Share of other comprehensive gain of a joint venture	-	69,920	-	-
Share of other comprehensive loss of an associate company	(17,727)	-	-	-
Increase of share capital in a subsidiary	-	(64)	-	-
Balance as at 30 September	601,408	572,646	144,152	144,152
Non-controlling Interests				
Balance as at 1 January	9,043,417	8,898,992	-	-
Dividend payments by subsidiaries	(149,635)	(123,755)	-	-
Difference arising from changes in subsidiary equity	-	64	-	-
Actuarial (loss)/ gain on employee benefits liability	(1,324)	1,655	-	-
Non-controlling Interests of an acquired subsidiary	-	21	-	-
Foreign currency translation	122	(2,240)	-	-
Net profit and total recognised income for the period	151,559	16,224	-	-
Balance as at 30 September	9,044,139	8,790,961	-	-
Total Equity	21,172,306	20,387,484	11,485,189	11,435,798

Notes:

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

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

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

The Company did not issue any shares during the period. As of 30 September 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 September 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	
	30/09/2017 (' 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 2017	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 30 September 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 September 2017.

	Group -Q3			Group - YTD 9 months		
	30/09/2017	30/09/2016	Change %	30/09/2017	30/09/2016	Change %
Earnings per share (Rp)						
Based on weighted average number of share	72.0	114.0	(36.8)	265.0	203.0	30.5
Based on a fully diluted basis	72.0	114.0	(36.8)	265.0	203.0	30.5
Earnings per share (SGD 'cents) (converted at Rp9,626/S\$1)						
Based on a fully diluted basis	0.75	1.18	(36.8)	2.75	2.11	30.5

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

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

	Group		Company	
	30/09/2017	31/12/2016	30/09/2017	31/12/2016
Net asset value per share (Rp)	8,688	8,478	8,228	8,204
Net asset value per share (SGD 'cents) (converted at Rp9,926/S\$1)	87.5	85.4	82.9	82.6

- 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 - Q3			Group - YTD 9 months		
	30/09/2017 Rp ' million	30/09/2016 Rp ' million	Change %	30/09/2017 Rp ' million	30/09/2016 Rp ' million	Change %
Revenue						
Plantations						
External sales	1,430,267	1,249,308	14.5	4,453,191	3,189,763	39.6
Inter-segment sales *	1,091,108	1,205,504	(9.5)	3,157,278	3,089,791	2.2
Sub-total	2,521,375	2,454,812	2.7	7,610,469	6,279,554	21.2
Edible Oils & Fats **						
External sales	2,284,888	2,302,909	(0.8)	7,780,020	7,077,928	9.9
Inter-segment sales	3,578	39,250	(90.9)	28,842	39,250	(26.5)
Sub-total	2,288,466	2,342,159	(2.3)	7,808,862	7,117,178	9.7
Elimination of inter-segment sales	(1,094,686)	(1,244,754)	(12.1)	(3,186,120)	(3,129,041)	1.8
Total revenue to external parties	3,715,155	3,552,217	4.6	12,233,211	10,267,691	19.1
Gross Profit	748,226	836,737	(10.6)	2,465,841	2,068,545	19.2
Gross Profit %	20.1%	23.6%		20.2%	20.1%	

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

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

Financial Performance

Overview: The Group reported revenue growth of 5% in 3Q2017, but profit attributable to equity holders declined 37% mainly attributable to lower selling prices of palm products, higher operating expenses and foreign currency fluctuations. Our 9M2017 result remained positive with 19% revenue growth and 31% increase in attributable profit.

The Group's palm oil output recovered from the El-Nino drought with 9M2017 FFB nucleus and CPO production increasing by 12% and 9% yoy to 2,317,000 tonnes and 626,000 tonnes, respectively. Despite higher production, Rotterdam CIF crude palm oil (CPO) prices remained relatively firm at an average of US\$722 per tonne in 9M2017 compared to US\$686 per tonne in 9M2016. Rubber prices (RSS3 SICOM) recovered strongly to an average of US\$2,136 per tonne in 9M2017 compared to US\$1,554 per tonne in 9M2016, which was supported by tighter supply arising from higher rainfalls in Thailand.

Revenue: The Group reported consolidated revenue (after elimination of inter-segment sales) of Rp3.7 trillion in 3Q2017, increasing 5% over 3Q2016 on higher sales contribution from the Plantation Division. On year-to-date basis, the Group achieved 19% revenue growth to Rp12.3 trillion driven by higher sales from both Plantation and Edible Oils & Fats (EOF) Divisions.

Plantation Division achieved a 3% revenue growth in 3Q2017 on higher sales volume of palm products (i.e. crude palm oil ("CPO") and palm kernel ("PK") related products), but partly offset by lower selling prices of palm products and lower sugar sales. 9M2017 revenue grew 21% over the same period last year, reflecting mainly the effects of higher sales volume and average selling prices of palm products, but this was partly offset by lower sugar sales.

EOF Division's revenue declined slightly by 2% in 3Q2017. On year-to-date basis, revenue grew 10% on higher sales of edible oil and stearin products.

Gross Profit: The Group's gross profit declined 11% to Rp748 billion in 3Q2017 due to the effects of lower selling prices of palm products and higher palm production costs arising from higher fertilizer application, as well as lower sugar sales. On year-to-date basis, gross profit increased 19% to Rp2,466 billion on higher sales volume and selling prices of palm products, but partly offset by lower profit contribution from EOF Division and the sugar operation in Indonesia.

Selling and Distribution Expenses (S&D): The Group reported higher S&D in 3Q2017, increasing 35% over 3Q2016. This was mainly due to higher advertising and promotion expenses and other selling expenses relating to promotions to drive sales, as well as higher freight cost arising from CIF shipment. On year-to-date basis, S&D increased 9% for similar reasons.

General and Administrative Expenses (G&A): The Group reported higher G&A in 3Q2017 and 9M2017 mainly due to higher salaries and employee benefits.

Other Operating Income: The Group reported higher other operating income in 9M2017 mainly attributable to research services .

Other Operating Expenses: The Group recognised lower other operating expenses in 3Q2017 and 9M2017 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 foreign currency losses of Rp21 billion and Rp2 billion in 3Q2017 and 9M2017 respectively as the Indonesian Rupiah weakened slightly against US Dollar during the year. Whereas in 2016, the Group recognised foreign currency gains of Rp40 billion and Rp191 billion in 3Q2016 and 9M2016 as the Indonesian Rupiah strengthened against US Dollar.

Share of Results of Associate Companies: The Group recognised Rp4 billion profit from share of results of associate companies in 9M2017 compared to Rp38 billion losses in 9M2016. The improved results arose from profit contribution 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 reported higher contribution from its sugar operation in Brazil, CMAA, reversing from a loss position of Rp72 billion to Rp97 billion profit in 9M2017. The significant improvement was principally due to higher selling prices, higher production and lower foreign currency impacts.

Gain/ (Loss) Arising from Changes in Fair Values of Biological Assets: The Group reported Rp39 billion biological assets loss in 9M2017 mainly attributable to lower selling prices of FFB and sugar cane compared to December 2016.

Profit from Operations before Biological Assets Gain/ (Loss): Profit from operations declined 35% in 3Q2017 on lower gross profit, higher operating expenses and foreign currency fluctuations. This was partly offset by improved results from CMAA. On year-to-date basis, profit from operations grew 38% in 9M2017 on higher contribution from Plantation Division and improved results from associates and CMAA. This was partly offset by negative effects from foreign currency fluctuations.

Income Tax Expense: The Group recognised lower income tax expenses in 3Q2017 on lower operating profit. In 9M2017, income tax was higher in line with higher operating profit. Effective tax rate in 9M2017 remained high at 42% due to non-deductible expenses, the write-off of certain tax losses carried forward and losses from certain entities which are not available for set-off against profit from other group's entities.

Net Profit After Tax (NPAT): 3Q2017 NPAT declined 37% on lower operating profit as explained above. On year-to-date basis, the Group's NPAT grew strongly by 74% over 9M2016. Core profit excluding the effects of foreign currency fluctuations and changes in fair values of biological assets was Rp553 billion in 9M2017 compared to Rp50 billion in 9M2016.

Review of Financial Position

Total non-current assets increased to Rp30.0 trillion at end September 2017 compared to Rp29.7 trillion in December 2016. The increase was attributable to share of profit from CMAA, and investments in associates of Rp104 billion in PT Indoagri Daitocacao (Daitocacao) and Rp245 billion in Asian Assets Management Pte. Ltd. (AAM). This was partly offset by lower property, plant and equipment, income tax refunds, and lower advances for projects.

As of 30 September 2017, total current assets were Rp7.0 trillion at end September 2017 compared to Rp6.8 trillion at December 2016. The increase was mainly attributable to higher prepayments relating to salaries and benefits, higher prepaid income tax and cash levels. This was partly offset by lower biological assets relating to agriculture produce.

Total current liabilities were Rp5.0 trillion at end September 2017, increasing 8% or Rp0.4 trillion over December 2016. This was mainly attributable to higher trade payables relating to purchases of raw materials and fertilizer, as well as higher short-term working capital facilities. This was partly offset by lower advances from customer and lower income tax payable.

As of 30 September 2017, total non-current liabilities came in Rp10.8 trillion, slightly lower than Rp11.0 trillion at end December 2016. This decline was mainly due to 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 Rp1,279 billion in 3Q2017 and Rp1,817 billion in 9M2017 mainly due to improved working capital.

Net cash flows used in investing activities in 3Q2017 and 9M2017 were Rp566 billion and Rp1,354 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.

Net cash flows used in financing activities were Rp652 billion and Rp280 billion in 3Q2017 and 9M2017 respectively. These were related to repayments of short-term facilities and payment of loan installments, as well as payment of dividends to shareholders.

The net cash increase in 9M2017 was Rp183 billion, increasing the Group's cash levels from Rp2,405 billion at end December 2016 to Rp2,590 billion at end September 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 driven by mixed fundamentals and global developments. Among others, the recovery of palm output from the El-Nino drought, higher supply forecasts for other competing vegetable oil, slower demand growth from key markets such as China and geopolitical uncertainties. In addition, the EU, the third largest palm import market, has recently voted to apply stricter regulations over certified and sustainable vegetable oil and to phase-out the use of vegetable oils such as palm oil, soy and rapeseed for biofuels by 2020. Nonetheless, longer term palm prices are expected to be supported by slower production growth arising from slowing down of new plantings.

As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by a positive domestic economic outlook, the ongoing fiscal reforms in the areas of infrastructure and social security, and large domestic consumption. Notably, Indonesia has overtaken India as the largest palm consumer since 2016, consuming around 15% of global palm supplies. 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 third quarter of 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 	2,706 346	- -
Salim Group		
<ul style="list-style-type: none"> • Sales of cooking oil, seeds and material • Purchases of goods and services • Shareholder loans • Corporate guarantees 	1,003 355 1,327 2,712	- - - 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 third quarter ended 30 September 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

27 October 2017