

UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR 31 DECEMBER 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 - Q4			Group - Full Year		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,593,437	4,263,247	(15.7)	15,826,648	14,530,938	8.9
Cost of sales	(2,864,272)	(2,843,056)	0.7	(12,631,642)	(11,042,202)	14.4
Gross Profit	729,165	1,420,191	(48.7)	3,195,006	3,488,736	(8.4)
Gross Profit %	20.3%	33.3%		20.2%	24.0%	
Selling and distribution expenses	(139,342)	(120,911)	15.2	(608,223)	(551,228)	10.3
General and administrative expenses	(251,811)	(263,389)	(4.4)	(980,554)	(944,607)	3.8
Foreign exchange (loss)/ gain	(12,484)	(96,593)	(87.1)	(14,450)	94,188	n/m
Other operating income	17,506	167,870	(89.6)	82,323	213,826	(61.5)
Other operating expenses	(62,111)	(49,463)	25.6	(151,989)	(156,371)	(2.8)
Share of results of associate companies	(22,061)	(29,069)	(24.1)	(17,915)	(67,400)	(73.4)
Share of results of a joint venture	41,259	38,715	6.6	138,654	(33,109)	n/m
Gain arising from changes in fair value of biological assets	73,628	98,617	(25.3)	34,839	219,000	(84.1)
Profit from operations	373,749	1,165,968	(67.9)	1,677,691	2,263,035	(25.9)
Financial income	26,685	24,443	9.2	107,505	92,124	16.7
Financial expenses	(156,946)	(158,598)	(1.0)	(647,043)	(665,618)	(2.8)
Profit before tax	243,488	1,031,813	(76.4)	1,138,153	1,689,541	(32.6)
Income tax expense	(112,539)	(539,762)	(79.2)	(485,268)	(897,252)	(45.9)
Net Profit for the period/ year	130,949	492,051	(73.4)	652,885	792,289	(17.6)
Core net profit after tax ⁽¹⁾	87,363	417,311	(79.1)	640,152	467,550	36.9
Profit attributable to:						
Owners of the Company	76,937	222,526	(65.4)	447,314	506,540	(11.7)
Non-controlling interests	54,012	269,525	(80.0)	205,571	285,749	(28.1)
	130,949	492,051	(73.4)	652,885	792,289	(17.6)

Notes

n/m denotes "Not Meaningful"

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

	Group - Q4			Group - Full Year		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	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	(29,603)	1,577	n/m	(469)	28,890	n/m
Items that will not be reclassified to profit or loss						
Re-measurement loss on employee benefits liability	(135,715)	(3,421)	n/m	(138,615)	(1,234)	n/m
Share of other comprehensive gain/ (loss) of a joint venture/ associate companies	3,627	(28,700)	n/m	(14,100)	41,220	n/m
Other comprehensive (loss)/ gain for the period, net of tax	(161,691)	(30,544)	n/m	(153,184)	68,876	n/m
Total comprehensive income	(30,742)	461,507	n/m	499,701	861,165	(42.0)
Total comprehensive income attributable to:-						
Owners of the Company	(30,728)	207,610	n/m	349,356	591,629	(41.0)
Non-controlling interests	(14)	253,897	n/m	150,345	269,536	(44.2)
	(30,742)	461,507	n/m	499,701	861,165	(42.0)

n.m. denotes "Not Meaningful"

Additional Information:-

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

	Group - Q4			Group - Full Year		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	373,749	1,165,968	(67.9)	1,677,691	2,263,035	(25.9)
Add: Depreciation & amortisation *	321,062	334,712	(4.1)	1,430,421	1,402,187	2.0
Less: Gain arising from changes in fair value of biological assets	73,628	98,617	(25.3)	34,839	219,000	(84.1)
EBITDA includes foreign exchange (loss)/ gain	621,183	1,402,063	(55.7)	3,073,273	3,446,222	(10.8)
Less: Foreign exchange (loss)/ gain	(12,484)	(96,593)	(87.1)	(14,450)	94,188	n/m
EBITDA excludes foreign exchange (loss)/ gain	633,667	1,498,656	(57.7)	3,087,723	3,352,034	(7.9)
EBITDA%	17.6	35.2		19.5	23.1	

* 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 - Q4			Group - Full Year		
	31/12/2017	31/12/2016	Change	31/12/2017	31/12/2016	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Depreciation of property, plant and equipment	314,797	325,150	(3.2)	1,366,683	1,365,519	0.1
Amortisation of deferred charges and others	6,265	9,562	(34.5)	63,738	36,668	73.8
Interest on borrowings	153,250	154,661	(0.9)	632,495	650,193	(2.7)
Provision for uncollectible and changes in amortised cost of plasma receivables	(2,175)	(39,998)	(94.6)	22,816	7,118	220.5
Write-off of property and equipment	369	1,830	(79.8)	869	1,861	(53.3)
(Gain)/ loss on disposal of property, plant and equipment	(2,944)	40	n/m	(2,728)	(2,430)	12.3
Changes in provision for asset dismantling costs	658	(2,571)	n/m	3,063	3,608	(15.1)
Provision for unrecoverable advance	9,738	56,456	(82.8)	38,952	56,456	(31.0)
Allowance for impairment of available-for-sale investment	33,630	-	n/m	40,957	-	n/m

n.m. denotes "Not Meaningful"

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current assets				
Biological assets	313,305	325,102	-	-
Property, plant and equipment	21,178,399	21,396,796	39,986	43,576
Goodwill	3,245,837	3,253,637	-	-
Claims for tax refund	126,732	178,704	-	-
Deferred tax assets	1,346,976	1,240,194	-	-
Investment in subsidiary companies	-	-	10,533,516	10,533,516
Investment in associate companies	1,358,774	1,002,247	551,139	551,139
Investment in a joint venture	874,911	751,850	-	-
Amount due from a subsidiary	-	-	730,000	730,000
Advances and prepayments	385,116	425,917	-	-
Other non-current receivables	1,209,487	1,174,662	10	9
Total non-current assets	30,039,537	29,749,109	11,854,651	11,858,240
Current assets				
Inventories	2,204,549	2,270,749	-	-
Trade and other receivables	1,200,404	1,122,774	76,172	78,142
Advances and prepayments	188,330	240,215	228	197
Prepaid taxes	273,845	251,107	-	-
Biological assets	536,821	464,722	-	-
Assets held for sale	41,795	-	-	-
Cash and cash equivalents	2,929,674	2,404,838	664,267	532,896
Total current assets	7,375,418	6,754,405	740,667	611,235
Total assets	37,414,955	36,503,514	12,595,318	12,469,475
Current liabilities				
Trade and other payables and accruals	1,631,014	1,499,716	104,757	14,843
Advances and other payable	194,703	453,672	-	-
Interest-bearing loans and borrowings	4,462,704	2,481,405	-	-
Income tax payable	91,731	215,515	-	-
Total current liabilities	6,380,152	4,650,308	104,757	14,843
Net current assets	995,266	2,104,097	635,910	596,392

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current liabilities				
Interest-bearing loans and borrowings	6,067,793	7,545,936	1,013,390	1,002,997
Amounts due to related parties and other payables	364,106	569,779	-	-
Provision and other liabilities	34,149	31,086	-	-
Employee benefits liabilities	2,361,278	1,980,219	-	-
Deferred tax liabilities	784,827	848,134	-	-
Total non-current liabilities	9,612,153	10,975,154	1,013,390	1,002,997
Total liabilities	15,992,305	15,625,462	1,118,147	1,017,840
Net assets	21,422,650	20,878,052	11,477,171	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	8,327,924	8,050,399	810,774	785,238
Other reserves	582,329	590,123	144,152	144,152
	12,104,366	11,834,635	11,477,171	11,451,635
Non-controlling interests	9,318,284	9,043,417	-	-
Total equity	21,422,650	20,878,052	11,477,171	11,451,635

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

	Group	
	31/12/2017	31/12/2016
	Rp ' million	Rp ' million
(i) Amounts payable in one year or less, or on demand		
Secured	1,519,848	1,251,499
Unsecured	2,942,856	1,229,906
Sub-total	4,462,704	2,481,405
(ii) Amounts repayable after one year		
Secured	4,751,693	6,200,041
Unsecured	1,316,100	1,345,895
Sub-total	6,067,793	7,545,936
TOTAL	10,530,497	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 - Q4		Group - Full Year	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
Profit before taxation	243,488	1,031,813	1,138,153	1,689,541
Adjustments:				
Depreciation and amortisation	321,062	334,712	1,430,421	1,402,187
Realisation of deferred costs	11,402	28,123	149,373	147,658
Unrealised foreign exchange loss/ (gain)	7,380	61,073	14,066	(121,030)
Gain arising from changes in fair value of biological assets	(73,628)	(98,617)	(34,839)	(219,000)
Provision for uncollectible and changes in amortised cost of plasma receivables	(2,175)	(39,998)	22,816	7,118
Write-off of property, plant and equipment	369	1,830	869	1,861
(Gain)/ loss on disposal of property, plant and equipment	(2,944)	40	(2,728)	(2,430)
Provision for unrecoverable advance	9,738	56,456	38,952	56,456
Changes in allowance for decline in market value and obsolescence of inventories	20,210	53,454	5,163	65,171
Allowance for impairment of available for sales	33,630	-	40,957	-
Changes in provision for asset dismantling costs	658	(2,571)	3,063	3,608
Change in estimated liability for employee benefits	106,488	83,096	349,017	307,017
Changes in fair value of long-term receivables	(200)	(57)	(771)	(567)
Provision of allowance for doubtful debts	-	-	-	118
Share of results of associate companies	22,061	29,069	17,915	67,400
Loss on significant influence over an associate	-	9,071	-	9,071
Share of results of a joint venture	(41,259)	(38,715)	(138,654)	33,109
Impairment of goodwill	7,799	-	7,799	-
Financial income	(26,685)	(24,443)	(107,505)	(92,124)
Financial expenses	156,946	158,598	647,043	665,618
Operating cash flows before working capital changes	794,340	1,642,934	3,581,110	4,020,782
Changes in working capital				
Other non-current receivables	(96,125)	(195,617)	(116,661)	(266,111)
Inventories	(5,015)	(245,111)	61,037	(399,189)
Trade and other receivables	46,399	132,438	(73,537)	(204,610)
Advances to suppliers	65,051	133,847	51,462	(108,975)
Prepaid taxes	(48,183)	(27,353)	(22,714)	(29,095)
Trade and other payables and accruals	(389,662)	(225,926)	(11,857)	(182,882)
Advances from customers	(21,576)	295,178	(283,408)	255,490
Cash flows generated from operations	345,229	1,510,390	3,185,432	3,085,410
Interest received	27,970	23,909	106,910	91,454
Interest paid	(153,266)	(156,183)	(632,229)	(637,274)
Income tax paid	(88,106)	(153,334)	(710,866)	(503,616)
Net cash flows generated from operating activities	131,827	1,224,782	1,949,247	2,035,974

	Group - Q4		Group - Full Year	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(301,383)	(298,508)	(1,164,738)	(1,281,259)
Additions to biological assets	(4,334)	(479)	(5,282)	(1,500)
Increase in plasma receivables	(33,985)	(46,435)	(135,183)	(189,696)
Proceeds from disposal of property, plant and equipment	3,946	546	5,426	6,092
Advances for projects and purchases of fixed assets	(36,263)	(42,413)	(76,954)	(101,019)
Investment in associate companies	-	-	(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	(372,019)	(387,289)	(1,726,081)	(1,591,418)
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	2,055,000	814,334	3,128,000	4,129,767
Repayment of interest-bearing loans and borrowings	(1,533,381)	(1,085,067)	(2,662,474)	(4,143,253)
Proceeds from amount due to related parties	-	33,335	12,000	202,805
Dividend payments by subsidiaries to non-controlling interests	(4,512)	(2,372)	(154,147)	(125,596)
Dividend payment to Company's shareholders	-	-	(86,554)	(68,288)
Capital contributions from non-controlling interest	58,043	-	58,043	7,000
Net cash flows generated from/ (used in) financing activities	575,150	(239,770)	294,868	2,435
Net increase in cash and cash equivalents	334,958	597,723	518,034	446,991
Effect of changes in exchange rates on cash and cash equivalents	4,303	12,175	6,802	(11,253)
Cash and cash equivalents at the beginning of the period/ year	2,590,413	1,794,940	2,404,838	1,969,100
Cash and cash equivalents at the end of the period/ year	2,929,674	2,404,838	2,929,674	2,404,838

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

STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Issued Share				
Balance as at 1 January / 31 December ⁽¹⁾	3,584,279	3,584,279	10,912,411	10,912,411
Treasury shares of the Company				
Balance as at 1 January / 31 December	(390,166)	(390,166)	(390,166)	(390,166)
Reserves				
Balance as at 1 January	8,050,399	7,613,506	785,238	769,401
Dividend payment	(86,554)	(68,288)	(86,554)	(68,288)
Actuarial loss on employee benefits liability	(83,235)	(1,359)	-	-
Net profit and total recognized income for the year	447,314	506,540	112,090	84,125
Balance as at 31 December	8,327,924	8,050,399	810,774	785,238
Other Reserves*				
Balance as at 1 January	590,123	473,237	144,152	144,152
Foreign currency translation	(694)	45,228	-	-
Share of other comprehensive (loss)/ gain of a joint venture	(9,930)	83,506	-	-
Share of other comprehensive loss of an associate company	(4,170)	(42,286)	-	-
Increase of share capital in a subsidiary	(12,883)	727	-	-
Changes in subsidiary equity	12,117	28,380	-	-
Employee share based compensation reserve	77	1,331	-	-
Gain on deemed disposal of an associate	7,689	-	-	-
Balance as at 31 December	582,329	590,123	144,152	144,152
Non-controlling Interests				
Balance as at 1 January	9,043,417	8,898,992	-	-
Dividend payments by subsidiaries	(154,147)	(125,596)	-	-
Difference arising from changes in subsidiary equity	12,883	464	-	-
Actuarial (loss)/ gain on employee benefits liability	(55,380)	125	-	-
Additional capital contribution in subsidiary	260,483	-	-	-
Gain on deemed disposal of an associate	5,232	-	-	-
Non-controlling Interests of an acquired subsidiary	-	21	-	-
Foreign currency translation	225	(16,338)	-	-
Net profit and total recognised income for the year	205,571	285,749	-	-
Balance as at 31 December	9,318,284	9,043,417	-	-
Total Equity	21,422,650	20,878,052	11,477,171	11,451,635

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 31 December 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 31 December 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	
	31/12/2017	31/12/2016
	(' 000)	(' 000)
Total number of issued shares	1,447,783	1,447,783
Less: Treasury shares	(51,878)	(51,878)
Total number of issued shares excluding treasury shares	1,395,905	1,395,905

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

Treasury Shares	Company	
	No of shares	Amount
	('000)	Rp ' million
Balance as at 1 January 2017	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 31 December 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 31 December 2017.

	Group - Full Year		
	31/12/2017	31/12/2016	Change %
Earnings per share (Rp)			
Based on weighted average number of share	320	363	(11.8)
Based on a fully diluted basis	320	363	(11.8)
Earnings per share (SGD 'cents) (converted at Rp9,731/S\$1)			
Based on a fully diluted basis	3.29	3.73	(11.8)

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

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

	Group		Company	
	31/12/2017	31/12/2016	31/12/2017	31/12/2016
Net asset value per share (Rp)	8,671	8,478	8,222	8,204
Net asset value per share (SGD 'cents) (converted at Rp10,134/S\$1)	85.6	83.7	82.9	81.0

- 8 **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.**

Review of Group Performance

	Group - Q4			Group - Full Year		
	31/12/2017 Rp ' million	31/12/2016 Rp ' million	Change %	31/12/2017 Rp ' million	31/12/2016 Rp ' million	Change %
Revenue						
Plantations						
External sales	987,606	1,774,834	(44.4)	5,440,797	4,964,597	9.6
Inter-segment sales *	1,539,485	1,021,573	50.7	4,696,763	4,111,364	14.2
Sub-total	2,527,091	2,796,407	(9.6)	10,137,560	9,075,961	11.7
Edible Oils & Fats **						
External sales	2,605,831	2,488,413	4.7	10,385,851	9,566,341	8.6
Inter-segment sales	-	3,830	n/m	28,842	43,080	(33.1)
Sub-total	2,605,831	2,492,243	4.6	10,414,693	9,609,421	8.4
Elimination of inter-segment sales	(1,539,485)	(1,025,403)	50.1	(4,725,605)	(4,154,444)	13.7
Total revenue to external parties	3,593,437	4,263,247	(15.7)	15,826,648	14,530,938	8.9
Gross Profit	729,165	1,420,191	(48.7)	3,195,006	3,488,736	(8.4)
Gross Profit %	20.3%	33.3%		20.2%	24.0%	

* 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 higher palm outputs for full year 2017 with nucleus FFB increased by 4% to 3,109,000 tonnes in FY2017. For the commodity prices, Rotterdam CIF crude palm oil (CPO) prices stayed firm at an average of US\$717 per tonne in FY2017, increasing 2% over FY2016. Rubber prices (RSS3 SICOM) also recovered 21% to an average of US\$2,001 per tonne in FY2017, which was supported by a tighter supply arising from higher rainfalls in Thailand.

In 4Q2017, the Group recorded lower revenue and profit mainly due to lower contribution from the Plantation Division and 4Q16 included a one-off gain. On full year basis, total revenue grew by 9% mainly due to higher sales contributions from the Plantation and EOF Divisions, while net profit after tax declined 18% to Rp653 billion. The decline was mainly attributable to lower gross profit arising from higher palm production costs, negative effects from foreign currency fluctuations, changes in fair values of biological assets and the absence of a one-off gain.

Revenue: In 4Q2017, the Group revenue declined 16% to Rp3.6 trillion due to lower sales from the Plantation Division. On full year basis, the Group reported revenue of Rp15.8 trillion, increasing 9% over FY2016 on higher sales contribution from both Plantation and Edible Oils & Fats (EOF) Divisions.

Plantation Division reported a 10% revenue decline in 4Q2017 on lower sales volume of palm products (i.e. crude palm oil ("CPO") and palm kernel ("PK") related products) and lower sugar sales, this was partly offset by higher selling prices of palm products. FY2017 revenue grew 12% over 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. Our sugar production in South Sumatra reported a 25% decline mainly due to high rainfall in 2016 and 2017 which affected the sucrose content and harvesting activities. In addition, the extended harvest period in 2016 also affected the cane yield for the current season.

EOF Division's revenue growth by 5% in 4Q2017 and 8% in FY2017. This was mainly due to higher sales of cooking oil and margarine products. The improvement was attributed to competitive pricing and heightened marketing activities such as brand campaigns and tactical promotions.

Gross Profit: The Group's 4Q2017 gross profit declined 49% to Rp729 billion due to the effects of lower sales volume of palm products and higher palm production costs arising from higher fertilizer application. On full year basis, gross profit decreased 8% to Rp3,195 billion on higher palm production costs and lower profit contribution from sugar operation in Indonesia.

Selling and Distribution Expenses (S&D): The Group reported higher S&D in 4Q2017 and FY2017, increasing 15% and 10% over the comparative periods in 2016. 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.

General and Administrative Expenses (G&A): The Group reported lower G&A in 4Q2017 mainly due to lower of salaries and employee benefits. On full year basis, the higher G&A was mainly attributable to higher salaries and employee benefits and rent expenses.

Other Operating Income: The Group reported lower other operating income in FY2017 mainly attributable to a Rp107 billion claim from a contractor for a significant delay in the completion of a turn-key project recognised in 4Q2016.

Other Operating Expenses: The Group recognised higher other operating expenses in 4Q2017 due to allowance impairment of an available-for-sale investment (i.e. Heliae). This was partly offset by lower provision of unrecoverable advances and net change in provision for uncollectible and changes in amortised cost of plasma receivables. On full year basis, other operating expenses were slightly declined against last year.

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 Rp12 billion and Rp14 billion in 4Q2017 and FY2017 respectively as the Indonesian Rupiah weakened against US Dollar during the periods. Whereas in FY2016, the Group recognised foreign currency gains of Rp94 billion as the Indonesian Rupiah strengthened against US Dollar.

Share of Results of Associate Companies: The Group recognised Rp18 billion loss from share of results of associate companies in FY2017 compared to Rp67 billion losses in FY2016. The improved result was mainly due to 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: In Brazil, our sugar operations under CMAA had a record year crushing 4.1m MT of cane, achieving over 100% of its operating capacity. The Group recognised higher contribution from its 50% interest in CMAA, reversing from a loss position of Rp33 billion in FY2016 to Rp139 billion profit in FY2017. The significant improvement was principally due to higher selling prices, higher production and lower foreign currency impacts.

Gain Arising from Changes in Fair Values of Biological Assets: The Group reported Rp35 billion biological assets gain in FY2017 compared to Rp219 billion in FY2016 mainly attributable to lower selling prices and lower production volume of growing produce for palm trees (i.e. FFB).

Profit from Operations: The Group recorded a 68% decline in 4Q2017 profit from operations, owing largely to lower gross profit and the absence of a one-off gain. The profit decline was partly offset by lower foreign currency losses.

On full year basis, profit from operations declined 26% on lower gross profit, negative effects from foreign currency fluctuations and the absence of a one-off gain. This was partly offset by the improved results from associates and CMAA.

Income Tax Expense: The Group recognised lower income tax expenses in 4Q2017 and FY2017 on lower operating profit. However, the effective tax rate in FY2017 remained high at 43% 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): 4Q2017 NPAT declined 73% on lower operating profit as explained above. On full year basis, the Group's NPAT declined by 18% over FY2016. Core profit excluding the effects of foreign currency fluctuations, changes in fair values of biological assets and a one-off gain was Rp640 billion in FY2017, increasing 37% over FY2016.

Review of Financial Position

Total non-current assets increased slightly to Rp30.0 trillion at year end 2017 compared to Rp29.7 trillion in December 2016. The increase was attributable to share of profit from CMAA during the year, 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 31 December 2017, total current assets were Rp7.4 trillion compared to Rp6.8 trillion at December 2016. The increase was mainly attributable to higher trade and other receivables, higher biological assets relating to agriculture produce and cash levels. This was partly offset by lower advances and prepayments and inventories.

Total current liabilities were Rp6.4 trillion at end December 2017, increasing 37% or Rp1.7 trillion over December 2016. This was mainly attributable to higher trade payables relating to purchases of raw materials and fertilizer, and drawdowns of short-term working capital facilities to support the refinery and sugar operation and certain long-term facilities maturing in 2018. This was partly offset by lower advances from customer and lower income tax payable.

As of 31 December 2017, total non-current liabilities came in Rp9.6 trillion, 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 the maturity of certain long-term facilities in 2018, lower amounts due to related parties 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 Rp132 billion in 4Q2017, but this was significantly lower than 4Q2016 due to lower profit from operations and higher working capital during the quarter. On full year basis, net cash flows from operations of Rp1,949 billion were slightly lower than Rp2,036 billion in FY2016.

Net cash flows used in investing activities in FY2017 were Rp1,726 billion, 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 partially from bank borrowings.

Net cash flows generated from financing activities were Rp295 billion in FY2017. These were related to proceeds from interest-bearing loans and borrowings to fund the operations.

The net cash increase in FY2017 was Rp518 billion, increasing the Group's cash levels from Rp2,405 billion at end December 2016 to Rp2,930 billion at end December 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 will continue to remain volatile driven by mixed fundamentals and global developments. 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 Indonesia in the areas of infrastructure and social security, and large domestic consumption with Indonesia being the second largest consumer of palm oil globally, will continue to support our operations.

The Group will continue to strengthen the fundamentals and improve margins through better yielding crops, cost control measures and other innovations to improve productivity.

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

(a) Current Financial Period Reported On

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

The Directors have recommended to the Company to pay a first and final dividend in respect of the financial year ended 31 December 2017. The details of the dividend will be announced before the end of March 2018.

The payment of the dividend will be subject to the approval by shareholders at the forthcoming AGM to be convened in end April 2018.

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

Type of dividend: First and final dividend

Dividend type: Cash

Dividend per share: S\$0.0065

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

Not applicable.

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

The Group has the following the interest person transactions ("IPT") for the full year of 2017:

Name of Interested Person	Aggregate value of all IPT during the financial year under review (excluding transactions less than \$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than \$100,000)	
	Rp 'billion	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 • Capital injection 	<p>-</p> <p>-</p> <p>245</p>	<p>3,537</p> <p>132</p> <p>-</p>	<p>-</p> <p>-</p> <p>-</p>
Salim Group			
<ul style="list-style-type: none"> • Sales of cooking oil, seeds and material • Purchases of goods and services • Shareholder loans • Corporate guarantees 	<p>-</p> <p>-</p> <p>-</p> <p>-</p>	<p>1,481</p> <p>544</p> <p>1,332</p> <p>2,712</p>	<p>-</p> <p>-</p> <p>-</p> <p>16</p>

14. **Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations**	Total
Full Year 2017				
Revenue				
External sales	5,440,797	10,385,851	-	15,826,648
Inter-segments sales	4,696,763	28,842	(4,725,605)	-
Total Revenue	10,137,560	10,414,693	(4,725,605)	15,826,648
Results				
Segment profit	1,588,472	116,651	(12,982)	1,692,141
Segment profit %	15.7	1.1	0.3	10.7
Foreign exchange loss				(14,450)
Net financial costs				(539,538)
Profit before tax				1,138,153
Income tax expense				(485,268)
Net profit for the year				652,885

In Rp' million	Plantations	Edible Oil &Fats	Others/ eliminations**	Total
Full Year 2016				
Revenue				
External sales	4,964,597	9,566,341	-	14,530,938
Inter-segments sales	4,111,364	43,080	(4,154,444)	-
Total Revenue	9,075,961	9,609,421	(4,154,444)	14,530,938
Results				
Segment profit	2,105,235	257,058	(193,446)	2,168,847
Segment profit %	23.2	2.7	4.7	14.9
Foreign exchange loss				94,188
Net financial costs				(573,494)
Profit before tax				1,689,541
Income tax expense				(897,252)
Net profit for the year				792,289

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

Revenue by Geographical Market

	Group – Full Year				
	31/12/2017		31/12/2016		Change
	Rp' million	%	Rp' million	%	
Indonesia	14,463,046	91%	13,515,785	93%	7.0
Asia	1,118,932	7%	794,811	6%	40.8
Europe	67,726	1%	44,739	0%	51.4
Africa, Middle East & Oceania	148,843	1%	161,713	1%	(8.0)
America	28,101	0%	13,890	0%	102.3
Total revenue	15,826,648	100%	14,530,938	100%	8.9

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

Please refer to Para 8 and 10 above.

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

	Group – Full Year		
	2017 Rp'million	2016 Rp'million	% Increase / (Decrease)
(a) Sales reported for the first half year	8,518,056	6,715,474	26.8
(b) Profit after tax before deducting non-controlling interests for first half year	408,230	118,461	244.6
(c) Sales reported for second half year	7,308,592	7,815,464	(6.5)
(d) Profit after tax before deducting non-controlling interests reported for second half year	244,655	673,828	(63.7)

17. ***Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1).***

The Company confirms that it has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

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

Please refer to Para 11 above.

19. ***Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13)***

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

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
 Chief Executive Officer and Executive Director

28 February 2018