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## **FIRST PACIFIC COMPANY LIMITED**

**第一太平有限公司**

*(Incorporated with limited liability under the laws of Bermuda)*

Website: <http://www.firstpacific.com>

(Stock Code: 00142)

### **OVERSEAS REGULATORY ANNOUNCEMENT**

**Please refer to the attached filings made by Indofood Agri Resources Ltd. to the Singapore Stock Exchange, in relation to (i) Unaudited Financial Statements for the full year ended 31 December 2016; and (ii) Press Release for the FY2016 Results.**

**Dated this the 28<sup>th</sup> day of February, 2017**

As at the date of this announcement, the board of directors of First Pacific Company Limited comprises the following directors:

***Executive Directors:***

Manuel V. Pangilinan, *Managing Director and CEO*

Edward A. Tortorici

Robert C. Nicholson

***Non-executive Directors:***

Anthoni Salim, *Chairman*

Benny S. Santoso

Tedy Djuhar

Ambassador Albert F. del Rosario

***Independent Non-executive Directors:***

Prof. Edward K.Y. Chen, *GBS, CBE, JP*

Margaret Leung Ko May Yee, *SBS, JP*

Philip Fan Yan Hok

Madeleine Lee Suh Shin

## Financial Statements and Related Announcement::Full Yearly Results

## Issuer &amp; Securities

|                         |   |
|-------------------------|---|
| <b>Issuer/ Manager</b>  | INDOFOOD AGRI RESOURCES LTD.                      |
| <b>Securities</b>       | INDOFOOD AGRI RESOURCES LTD. - SG1U47933908 - 5JS |
| <b>Stapled Security</b> | No  |

## Announcement Details

|  |   |
|--|---|
| <b>Announcement Title</b>  | Financial Statements and Related Announcement                       |
| <b>Date &amp; Time of Broadcast</b>  | 28-Feb-2017 22:08:14  |
| <b>Status</b>  | New   |
| <b>Announcement Sub Title</b>  | Full Yearly Results   |
| <b>Announcement Reference</b>  | SG170228OTHRQJDM  |
| <b>Submitted By (Co./ Ind. Name)</b>   | Mak Mei Yook  |
| <b>Designation</b>   | Company Secretary   |
| <b>Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)</b> | IndoAgri's FY2016 Results and Press Release<br>Please see attached. |

## Additional Details

|                                   |   |
|-----------------------------------|---|
| <b>For Financial Period Ended</b> | 31/12/2016  |
| <b>Attachments</b>                | <a href="#">IFARFY16Result.pdf</a><br><a href="#">IFARFY16Press.pdf</a><br>Total size =259K |

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## UNAUDITED FINANCIAL STATEMENTS FOR THE FULL YEAR ENDED 31 DECEMBER 2016

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 |                          |              |
|--|------------------|--------------------------|--------------|-------------------|--------------------------|--------------|
|  | 31/12/2016       | 31/12/2015<br>Restated * | Change       | 31/12/2016        | 31/12/2015<br>Restated * | Change       |
|  | Rp ' million     | Rp ' million             | %            | Rp ' million      | Rp ' million             | %            |
| Revenue  | 4,263,247        | 3,775,174                | 12.9         | 14,530,938        | 13,835,444               | 5.0          |
| Cost of sales  | (2,843,056)      | (2,890,035)              | (1.6)        | (11,042,202)      | (10,866,885)             | 1.6          |
| <b>Gross Profit</b>  | <b>1,420,191</b> | <b>885,139</b>           | <b>60.4</b>  | <b>3,488,736</b>  | <b>2,968,559</b>         | <b>17.5</b>  |
| Gross Profit %   | 33.3%            | 23.4%                    |              | 24.0%             | 21.5%                    |              |
| Selling and distribution expenses                            | (120,911)        | (199,516)                | (39.4)       | (551,228)         | (547,651)                | 0.7          |
| General and administrative expenses                          | (263,389)        | (241,543)                | 9.0          | (944,607)         | (956,435)                | (1.2)        |
| Foreign exchange (loss)/ gain                                | (96,593)         | 191,902                  | n/m          | 94,188            | (289,887)                | n/m          |
| Other operating income                                       | 167,870          | 29,020                   | 478.5        | 213,826           | 110,147                  | 94.1         |
| Other operating expenses                                     | (49,463)         | (33,856)                 | 46.1         | (156,371)         | (160,556)                | (2.6)        |
| Share of results of associate companies                      | (29,069)         | (22,659)                 | 28.3         | (67,400)          | (60,133)                 | 12.1         |
| Share of results of a joint venture                          | 38,715           | (13,627)                 | n/m          | (33,109)          | (171,889)                | (80.7)       |
| <b>Profit from operations before biological assets gain</b>  | <b>1,067,351</b> | <b>594,860</b>           | <b>79.4</b>  | <b>2,044,035</b>  | <b>892,155</b>           | <b>129.1</b> |
| Gain arising from changes in fair value of biological assets | 98,617           | 40,519                   | 143.4        | 219,000           | 9,338                    | n/m          |
| <b>Profit from operations after biological assets gain</b>   | <b>1,165,968</b> | <b>635,379</b>           | <b>83.5</b>  | <b>2,263,035</b>  | <b>901,493</b>           | <b>151.0</b> |
| Financial income   | 24,443           | 28,536                   | (14.3)       | 92,124            | 121,401                  | (24.1)       |
| Financial expenses   | (158,598)        | (169,104)                | (6.2)        | (665,618)         | (694,150)                | (4.1)        |
| <b>Profit before tax</b>                                     | <b>1,031,813</b> | <b>494,811</b>           | <b>108.5</b> | <b>1,689,541</b>  | <b>328,744</b>           | <b>413.9</b> |
| Income tax expense   | (539,762)        | (210,532)                | 156.4        | (897,252)         | (292,140)                | 207.1        |
| <b>Net Profit for the period/ year</b>                       | <b>492,051</b>   | <b>284,279</b>           | <b>73.1</b>  | <b>792,289</b>    | <b>36,604</b>            | <b>n/m</b>   |
| <b>Core net profit after tax <sup>(1)</sup></b>              | <b>417,311</b>   | <b>96,818</b>            | <b>331.0</b> | <b>467,550</b>    | <b>270,949</b>           | <b>72.6</b>  |
| <b>Profit/ (loss) attributable to:</b>                       |                  |                          |              |                   |                          |              |
| Owners of the Company  | 222,526          | 194,531                  | 14.4         | 506,540           | (48,130)                 | n/m          |
| Non-controlling interests                                    | 269,525          | 89,748                   | 200.3        | 285,749           | 84,734                   | 237.2        |
|  | <b>492,051</b>   | <b>284,279</b>           | <b>73.1</b>  | <b>792,289</b>    | <b>36,604</b>            | <b>n/m</b>   |

n.m. denotes "Not Meaningful"

### Notes

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

|   | Group – Q4     |                         |             | Group – Full Year |                         |            |
|---|----------------|-------------------------|-------------|-------------------|-------------------------|------------|
|   | 31/12/2016     | 31/12/2015<br>Restated* | Change      | 31/12/2016        | 31/12/2015<br>Restated* | Change     |
|   | Rp ' million   | Rp ' million            | %           | Rp ' million      | Rp ' million            | %          |
| <b>Other comprehensive income (OCI):</b>  |                |                         |             |                   |                         |            |
| <b>Items that may be reclassified subsequently to profit or loss</b>              |                |                         |             |                   |                         |            |
| Foreign currency translation  | 1,577          | (63,509)                | n/m         | 28,890            | (95,066)                | n/m        |
| <b>Items that will not be reclassified to profit or loss</b>                      |                |                         |             |                   |                         |            |
| Re-measurement (loss)/ gain on employee benefits liability                        | (3,421)        | 152,899                 | n/m         | (1,234)           | 150,008                 | n/m        |
| Share of other comprehensive (loss)/ gain of a joint venture/ associate companies | (28,700)       | (61,815)                | (53.6)      | 41,220            | (61,815)                | n/m        |
| Other comprehensive (loss)/ gain for the period, net of tax                       | (30,544)       | 27,575                  | n/m         | 68,876            | (6,873)                 | n/m        |
| <b>Total comprehensive income</b>   | <b>461,507</b> | <b>311,854</b>          | <b>48.0</b> | <b>861,165</b>    | <b>29,731</b>           | <b>n/m</b> |
| <b>Total comprehensive income attributable to:-</b>                               |                |                         |             |                   |                         |            |
| - Owners of the Company   | 207,610        | 164,208                 | 26.4        | 591,629           | (120,181)               | n/m        |
| - Non-controlling interests   | 253,897        | 147,646                 | 72.0        | 269,536           | 149,912                 | 79.8       |
|   | <b>461,507</b> | <b>311,854</b>          | <b>48.0</b> | <b>861,165</b>    | <b>29,731</b>           | <b>n/m</b> |

n.m. denotes "Not Meaningful"

#### \* Comparative figures

The following accounts in the statement of comprehensive income have been restated upon the adoption of the amendments to FRS 16 and 41 Agriculture – Bearer Plants, and some reclassifications to conform with prior years' presentation.

| Statement of comprehensive income                                     | As restated  | As previously reported | As restated  | As previously reported |
|---|--------------|------------------------|--------------|------------------------|
|   | 4Q15         | 4Q15                   | FY15         | FY15                   |
|   | Rp ' million | Rp ' million           | Rp ' million | Rp ' million           |
| Cost of sales   | (2,890,035)  | (2,795,110)            | (10,866,885) | (10,484,949)           |
| Other operating income  | 29,020       | 33,441                 | 110,147      | 131,828                |
| Other operating expenses  | (33,856)     | (38,030)               | (160,556)    | (185,424)              |
| Financial income  | 28,536       | 34,092                 | 121,401      | 140,848                |
| Gain/ (loss) arising from changes in fair values of biological assets | 40,519       | (19,851)               | 9,338        | (19,851)               |
| Income tax expense  | (210,532)    | (224,789)              | (292,140)    | (398,977)              |

### 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 |                        |        |
|--|--------------|------------------------|--------|-------------------|------------------------|--------|
|  | 31/12/2016   | 31/12/2015<br>Restated | Change | 31/12/2016        | 31/12/2015<br>Restated | Change |
|  | Rp ' million | Rp ' million           | %      | Rp ' million      | Rp ' million           | %      |
| Profit from operations   | 1,165,968    | 635,379                | 83.5   | 2,263,035         | 901,493                | 151.0  |
| Add: Depreciation & amortisation                                   | 334,712      | 303,884                | 10.1   | 1,402,187         | 1,315,706              | 6.6    |
| Less: Gain arising from changes in fair value of biological assets | 98,617       | 40,519                 | 143.4  | 219,000           | 9,338                  | n/m    |
| EBITDA includes foreign exchange gain/(loss)                       | 1,402,063    | 898,744                | 56.0   | 3,446,222         | 2,207,861              | 56.1   |
| Less: Foreign exchange gain/(loss)                                 | (96,593)     | 191,902                | n/m    | 94,188            | (289,887)              | n/m    |
| EBITDA excludes foreign exchange gain/(loss)                       | 1,498,656    | 706,842                | 112.0  | 3,352,034         | 2,497,748              | 34.2   |
| EBITDA%  | 35.2         | 18.7                   |        | 23.1              | 18.1                   |        |

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

| Other information:-   | Group – Q4   |                         |        | Group – Full Year |                         |        |
|---|--------------|-------------------------|--------|-------------------|-------------------------|--------|
|   | 31/12/2016   | 31/12/2015<br>Restated* | Change | 31/12/2016        | 31/12/2015<br>Restated* | Change |
|   | Rp ' million | Rp ' million            | %      | Rp ' million      | Rp ' million            | %      |
| Depreciation of property, plant and equipment                                   | 334,712      | 303,884                 | 10.1   | 1,402,187         | 1,315,706               | 6.6    |
| Interest on borrowings  | 154,661      | 162,929                 | (5.1)  | 650,193           | 674,789                 | (3.6)  |
| Loss/ (gain) on disposal of biological assets                                   | 532          | -                       | n/m    | (710)             | 135                     | n/m    |
| Provision for uncollectible and changes in amortised cost of plasma receivables | (39,998)     | 13,155                  | n/m    | 7,118             | 42,378                  | (83.2) |
| Foreign exchange loss/ (gain)   | 96,593       | (191,902)               | n/m    | (94,188)          | 289,887                 | n/m    |
| Write-off of property and equipment and biological assets                       | 1,830        | 888                     | 106.1  | 1,861             | 1,253                   | 48.5   |
| Gain on disposal of property and equipment                                      | (492)        | (435)                   | 13.1   | (1,720)           | (1,725)                 | (0.3)  |
| Allowance for decline in market value and obsolescence of inventories           | 53,454       | (244)                   | n/m    | 65,171            | 3,189                   | n/m    |
| Provision for unrecoverable advance   | 56,456       | -                       | n/m    | 56,456            | -                       | n/m    |
| Changes in provision for asset dismantling costs                                | (2,571)      | 3,305                   | n/m    | 3,608             | 2,279                   | 58.3   |

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           |                   |
|---------------------------------------|-------------------|--------------------------|--------------------------|-------------------|-------------------|
|                                       | 31/12/2016        | 31/12/2015<br>Restated * | 01/01/2015<br>Restated * | 31/12/2016        | 31/12/2015        |
|                                       | Rp ' million      | Rp ' million             | Rp ' million             | Rp ' million      | Rp ' million      |
| <b>Non-current assets</b>             |                   |                          |                          |                   |                   |
| Biological assets                     | 325,102           | 360,802                  | 305,299                  | -                 | -                 |
| Property, plant and equipment         | 21,396,796        | 21,401,503               | 20,478,282               | 43,576            | 47,232            |
| Goodwill                              | 3,253,637         | 3,253,637                | 3,253,637                | -                 | -                 |
| Claims for tax refund                 | 178,704           | 155,812                  | 148,545                  | -                 | -                 |
| Deferred tax assets                   | 1,240,194         | 1,378,386                | 1,141,028                | -                 | -                 |
| Investment in subsidiary companies    | -                 | -                        | -                        | 10,533,516        | 10,533,516        |
| Investment in associate companies     | 1,002,247         | 1,217,280                | 416,460                  | 551,139           | 551,139           |
| Investment in convertible note        | -                 | -                        | 62,200                   | -                 | -                 |
| Investment in a joint venture         | 751,850           | 607,051                  | 801,153                  | -                 | -                 |
| Amount due from a subsidiary          | -                 | -                        | -                        | 730,000           | 730,000           |
| Advances and prepayments              | 425,917           | 500,963                  | 746,606                  | -                 | 36,698            |
| Other non-current receivables         | 1,174,662         | 844,319                  | 673,339                  | 9                 | 9                 |
| <b>Total non-current assets</b>       | <b>29,749,109</b> | <b>29,719,753</b>        | <b>28,026,549</b>        | <b>11,858,240</b> | <b>11,898,594</b> |
| <b>Current assets</b>                 |                   |                          |                          |                   |                   |
| Inventories                           | 2,270,749         | 1,936,731                | 1,773,329                | -                 | -                 |
| Trade and other receivables           | 1,122,774         | 1,108,844                | 1,056,165                | 78,142            | 78,752            |
| Advances and prepayments              | 240,215           | 138,457                  | 165,898                  | 197               | 509               |
| Prepaid taxes                         | 251,107           | 221,972                  | 231,179                  | -                 | -                 |
| Other current assets                  | 464,722           | 191,994                  | 232,165                  | -                 | -                 |
| Cash and cash equivalents             | 2,404,838         | 1,969,100                | 3,585,780                | 532,896           | 505,017           |
| <b>Total current assets</b>           | <b>6,754,405</b>  | <b>5,567,098</b>         | <b>7,044,516</b>         | <b>611,235</b>    | <b>584,278</b>    |
| <b>Total assets</b>                   | <b>36,503,514</b> | <b>35,286,851</b>        | <b>35,071,065</b>        | <b>12,469,475</b> | <b>12,482,872</b> |
| <b>Current liabilities</b>            |                   |                          |                          |                   |                   |
| Trade and other payables and accruals | 1,499,716         | 1,802,866                | 1,854,311                | 14,843            | 13,392            |
| Advances and taxes payable            | 453,672           | 214,364                  | 203,780                  | -                 | -                 |
| Interest-bearing loans and borrowings | 2,481,405         | 4,398,801                | 4,749,195                | -                 | 1,033,655         |
| Income tax payable                    | 215,515           | 34,879                   | 144,183                  | -                 | 27                |
| <b>Total current liabilities</b>      | <b>4,650,308</b>  | <b>6,450,910</b>         | <b>6,951,469</b>         | <b>14,843</b>     | <b>1,047,074</b>  |

|   | Group             |                         |                         | Company           |                   |
|---|-------------------|-------------------------|-------------------------|-------------------|-------------------|
|   | 31/12/2016        | 31/12/2015<br>Restated* | 01/01/2015<br>Restated* | 31/12/2016        | 31/12/2015        |
|   | Rp ' million      | Rp ' million            | Rp ' million            | Rp ' million      | Rp ' million      |
| <b>Non-current liabilities</b>                    |                   |                         |                         |                   |                   |
| Interest-bearing loans and borrowings             | 7,545,936         | 5,741,803               | 5,068,141               | 1,002,997         | -                 |
| Amounts due to related parties and other payables | 569,779           | 368,882                 | 590,259                 | -                 | -                 |
| Provision and other liabilities                   | 31,086            | 27,478                  | 25,199                  | -                 | -                 |
| Employee benefits liabilities                     | 1,980,219         | 1,744,191               | 1,803,240               | -                 | -                 |
| Deferred tax liabilities                          | 848,134           | 773,739                 | 719,283                 | -                 | -                 |
| <b>Total non-current liabilities</b>              | <b>10,975,154</b> | <b>8,656,093</b>        | <b>8,206,122</b>        | <b>1,002,997</b>  | <b>-</b>          |
| <b>Total liabilities</b>                          | <b>15,625,462</b> | <b>15,107,003</b>       | <b>15,157,591</b>       | <b>1,017,840</b>  | <b>1,047,074</b>  |
| <b>Net assets</b>                                 | <b>20,878,052</b> | <b>20,179,848</b>       | <b>19,913,474</b>       | <b>11,451,635</b> | <b>11,435,798</b> |
| Share capital                                     | 3,584,279         | 3,584,279               | 3,584,279               | 10,912,411        | 10,912,411        |
| Treasury shares                                   | (390,166)         | (390,166)               | (238,263)               | (390,166)         | (390,166)         |
| Revenue reserves                                  | 8,050,399         | 7,613,506               | 7,642,884               | 785,238           | 769,401           |
| Other reserves                                    | 590,123           | 473,237                 | 640,116                 | 144,152           | 144,152           |
|   | <b>11,834,635</b> | <b>11,280,856</b>       | <b>11,629,016</b>       | <b>11,451,635</b> | <b>11,435,798</b> |
| Non-controlling interests                         | 9,043,417         | 8,898,992               | 8,284,458               | -                 | -                 |
| <b>Total equity</b>                               | <b>20,878,052</b> | <b>20,179,848</b>       | <b>19,913,474</b>       | <b>11,451,635</b> | <b>11,435,798</b> |

\* The restated figures were related to the amendments FRS 16 and FRS 41 Agriculture – Bearer Plants

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

|   | <b>Group</b>        |                     |
|---|---------------------|---------------------|
|   | <b>31/12/2016</b>   | <b>31/12/2015</b>   |
|   | <b>Rp ' million</b> | <b>Rp ' million</b> |
| (i) Amounts payable in one year or less, or on demand |                     |                     |
| Secured   | 1,251,499           | 1,297,801           |
| Unsecured   | 1,229,906           | 3,101,000           |
| Sub-total   | <b>2,481,405</b>    | <b>4,398,801</b>    |
| (ii) Amounts repayable after one year                 |                     |                     |
| Secured   | 6,200,041           | 4,355,102           |
| Unsecured   | 1,345,895           | 1,386,701           |
| Sub-total   | <b>7,545,936</b>    | <b>5,741,803</b>    |
| <b>TOTAL</b>  | <b>10,027,341</b>   | <b>10,140,604</b>   |

(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 |                         |
|--|------------------|-------------------------|-------------------|-------------------------|
|  | 31/12/2016       | 31/12/2015<br>Restated* | 31/12/2016        | 31/12/2015<br>Restated* |
|  | Rp ' million     | Rp ' million            | Rp ' million      | Rp ' million            |
| <b>Cash flows from operating activities</b>                                      |                  |                         |                   |                         |
| Profit before taxation   | 1,031,814        | 494,811                 | 1,689,541         | 328,744                 |
| Adjustments:   |                  |                         |                   |                         |
| Depreciation and amortisation  | 334,712          | 303,884                 | 1,402,187         | 1,315,706               |
| Realisation of deferred costs  | 60,720           | 7,692                   | 180,255           | 176,578                 |
| Unrealised foreign exchange loss/(gain)  | 61,073           | (168,624)               | (121,031)         | 318,728                 |
| Gain arising from changes in fair value of biological assets                     | (98,617)         | (40,519)                | (219,000)         | (9,338)                 |
| Provision for uncollectible and changes in amortised cost of plasma receivables. | (39,998)         | 13,155                  | 7,118             | 42,378                  |
| Loss/ (gain) on disposal of biological assets                                    | 532              | -                       | (710)             | 135                     |
| Write-off of property and equipment and biological assets                        | 1,830            | 888                     | 1,861             | 1,253                   |
| Gain on disposal of property and equipment                                       | (492)            | (435)                   | (1,720)           | (1,725)                 |
| Provision for unrecoverable advance  | 56,456           | -                       | 56,456            | -                       |
| Allowance for decline in market value and obsolescence of inventories            | 53,454           | (244)                   | 65,171            | 3,189                   |
| Changes in provision for asset dismantling costs                                 | (2,571)          | 3,305                   | 3,608             | 2,279                   |
| Change in estimated liability for employee benefits                              | 83,096           | (1,362)                 | 307,017           | 223,757                 |
| Changes in fair value of long-term receivables                                   | (57)             | (221)                   | (567)             | (156)                   |
| Provision of allowance of doubtful debts   | -                | -                       | 118               | -                       |
| Share of results of associate companies  | 29,069           | 22,659                  | 67,400            | 60,133                  |
| Loss on significant influence over an associate                                  | 25,157           | -                       | 25,157            | -                       |
| Share of results of a joint venture  | (38,715)         | 13,627                  | 33,109            | 171,889                 |
| Financial income   | (24,443)         | (28,536)                | (92,124)          | (121,401)               |
| Financial expenses   | 158,598          | 169,104                 | 665,618           | 694,150                 |
| <b>Operating cash flows before working capital changes</b>                       | <b>1,691,618</b> | <b>789,184</b>          | <b>4,069,464</b>  | <b>3,206,299</b>        |
| <b>Changes in working capital</b>  |                  |                         |                   |                         |
| Other non-current receivables  | (211,705)        | (156,377)               | (282,197)         | (157,288)               |
| Inventories  | (245,111)        | 326,512                 | (399,189)         | (166,592)               |
| Trade and other receivables  | 132,438          | 185,136                 | (204,610)         | (38,922)                |
| Advances to suppliers  | 133,847          | 127,273                 | (108,975)         | 18,727                  |
| Prepaid taxes  | (27,353)         | (25,854)                | (29,095)          | 9,234                   |
| Trade and other payables and accruals  | (225,926)        | (285,058)               | (182,882)         | (118,314)               |
| Advances from customers  | 295,178          | (50,597)                | 255,490           | 1,585                   |
| <b>Cash flows generated from operations</b>                                      | <b>1,542,986</b> | <b>910,219</b>          | <b>3,118,006</b>  | <b>2,754,729</b>        |
| Interest received  | 23,909           | 46,471                  | 91,454            | 143,504                 |
| Interest paid  | (156,183)        | (167,401)               | (637,274)         | (698,882)               |
| Income tax paid  | (153,334)        | (36,202)                | (503,616)         | (653,798)               |
| <b>Net cash flows generated from operating activities</b>                        | <b>1,257,378</b> | <b>753,087</b>          | <b>2,068,570</b>  | <b>1,545,553</b>        |

|   | Group – Q4       |                         | Group – Full Year  |                         |
|---|------------------|-------------------------|--------------------|-------------------------|
|   | 31/12/2016       | 31/12/2015<br>Restated* | 31/12/2016         | 31/12/2015<br>Restated* |
|   | Rp ' million     | Rp ' million            | Rp ' million       | Rp ' million            |
| <b>Cash flows from investing activities</b>                             |                  |                         |                    |                         |
| Additions to property, plant and equipment                              | (298,508)        | (409,167)               | (1,281,259)        | (1,820,509)             |
| Additions to biological assets  | (33,075)         | 7,825                   | (34,096)           | (922)                   |
| Increase in plasma receivables  | (46,435)         | (61,582)                | (189,696)          | (182,062)               |
| Proceeds from disposal of property and equipment                        | 546              | 939                     | 2,106              | 3,578                   |
| Proceeds from disposal of plantation trees                              | -                | -                       | 3,986              | -                       |
| Advances for projects and purchases of fixed assets                     | (42,413)         | (2,207)                 | (101,019)          | (223,086)               |
| Investment in associated companies                                      | -                | (40,878)                | -                  | (757,006)               |
| Investment in joint venture   | -                | (69,389)                | -                  | (189,541)               |
| Capital reduction on an associate company                               | -                | -                       | 30,960             | -                       |
| Acquisition of subsidiaries, net of cash acquired                       | -                | -                       | (54,996)           | -                       |
| <b>Net cash flows used in investing activities</b>                      | <b>(419,885)</b> | <b>(574,459)</b>        | <b>(1,624,014)</b> | <b>(3,169,548)</b>      |
| <b>Cash flows from financing activities</b>                             |                  |                         |                    |                         |
| Proceeds from interest-bearing loans and borrowings                     | 814,334          | 788,300                 | 4,129,767          | 4,309,771               |
| Repayment of interest-bearing loans and borrowings                      | (1,085,067)      | (797,230)               | (4,143,253)        | (4,318,628)             |
| Net proceeds from amount due to related parties                         | 33,335           | (93,525)                | 202,805            | 35,475                  |
| Dividend payments by subsidiaries to non- controlling interests         | (2,372)          | (3,665)                 | (125,596)          | (218,431)               |
| Acquisition of treasury shares  | -                | -                       | -                  | (151,903)               |
| Dividend payment to Company's shareholders                              | -                | -                       | (68,288)           | (71,873)                |
| Non-controlling shareholder capital injection from a subsidiary         | -                | -                       | 7,000              | 387,689                 |
| Acquisitions of non-controlling interests                               | -                | -                       | -                  | (11,854)                |
| <b>Net cash flows (used in)/generated from financing activities</b>     | <b>(239,770)</b> | <b>(106,120)</b>        | <b>2,435</b>       | <b>(39,754)</b>         |
| <b>Net increase / (decrease) in cash and cash equivalents</b>           | <b>597,723</b>   | <b>72,508</b>           | <b>446,991</b>     | <b>(1,663,749)</b>      |
| <b>Effect of changes in exchange rates on cash and cash equivalents</b> | <b>12,175</b>    | <b>(47,583)</b>         | <b>(11,253)</b>    | <b>47,069</b>           |
| <b>Cash and cash equivalents at the beginning of the period/ year</b>   | <b>1,794,940</b> | <b>1,944,175</b>        | <b>1,969,100</b>   | <b>3,585,780</b>        |
| <b>Cash and cash equivalents at the end of the year</b>                 | <b>2,404,838</b> | <b>1,969,100</b>        | <b>2,404,838</b>   | <b>1,969,100</b>        |

\* The restated figures were related to the amendments FRS 16 and FRS 41 Agriculture – Bearer Plants

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           |                   |
|--|------------------|-------------------------|-------------------|-------------------|
|  | 31/12/2016       | 31/12/2015<br>Restated* | 31/12/2016        | 31/12/2015        |
|  | Rp ' million     | Rp ' million            | Rp ' million      | Rp ' million      |
| <b>Issued Share</b>  |                  |                         |                   |                   |
| <b>Balance as at 1 January / 31 December <sup>(1)</sup></b>  | <b>3,584,279</b> | <b>3,584,279</b>        | <b>10,912,411</b> | <b>10,912,411</b> |
| <b>Treasury shares of the Company</b>                        |                  |                         |                   |                   |
| Balance as at 1 January                                      | (390,166)        | (238,263)               | (390,166)         | (238,263)         |
| Purchase of treasury shares                                  | -                | (151,903)               | -                 | (151,903)         |
| <b>Balance as at 31 December</b>                             | <b>(390,166)</b> | <b>(390,166)</b>        | <b>(390,166)</b>  | <b>(390,166)</b>  |
| <b>Reserves</b>  |                  |                         |                   |                   |
| Balance as at 1 January (As previously stated)               | 10,743,482       | 10,666,852              | 769,401           | 700,244           |
| Cumulative effect of adopting FRS16 & FRS41                  | (3,129,976)      | (3,023,968)             | -                 | -                 |
| Balance as at 1 January (As restated)                        | 7,613,506        | 7,642,884               | 769,401           | 700,244           |
| Dividend payment   | (68,288)         | (71,873)                | (68,288)          | (71,873)          |
| Actuarial gain/ (loss) on employee benefits liability        | (1,359)          | 90,625                  | -                 | -                 |
| Net profit/ (loss) and total recognized income for the year  | 506,540          | (48,130)                | 84,125            | 141,030           |
| <b>Balance as at 31 December</b>                             | <b>8,050,399</b> | <b>7,613,506</b>        | <b>785,238</b>    | <b>769,401</b>    |
| <b>Other Reserves**</b>                                      |                  |                         |                   |                   |
| Balance as at 1 January (As previously stated)               | 452,154          | 615,829                 | 144,152           | 144,152           |
| Cumulative effect of adopting FRS16 & FRS41                  | 21,083           | 24,287                  | -                 | -                 |
| Balance as at 1 January (As restated)                        | 473,237          | 640,116                 | 144,152           | 144,152           |
| Foreign currency translation                                 | 45,228           | (100,862)               | -                 | -                 |
| Share of other comprehensive gain/ (loss) of a joint venture | 83,506           | (36,686)                | -                 | -                 |
| Share of other comprehensive loss of an associate company    | (42,286)         | (25,129)                | -                 | -                 |
| Acquisition of non-controlling interest by a subsidiary      | -                | (4,202)                 | -                 | -                 |
| Increase of share capital in subsidiary                      | 727              | -                       | -                 | -                 |
| Changes in subsidiary equity                                 | 28,380           | -                       | -                 | -                 |
| Employee share based compensation reserve                    | 1,331            | -                       | -                 | -                 |
| <b>Balance as at 31 December</b>                             | <b>590,123</b>   | <b>473,237</b>          | <b>144,152</b>    | <b>144,152</b>    |

|   | Group             |                         | Company           |                   |
|---|-------------------|-------------------------|-------------------|-------------------|
|   | 31/12/2016        | 31/12/2015<br>Restated* | 31/12/2016        | 31/12/2015        |
|   | Rp ' million      | Rp ' million            | Rp ' million      | Rp ' million      |
| <b><u>Non-controlling Interests</u></b>                 |                   |                         |                   |                   |
| Balance as at 1 January (As previously stated)          | 9,855,945         | 9,088,455               | -                 | -                 |
| Cumulative effect of adopting FRS16 & FRS41             | (956,953)         | (803,997)               | -                 | -                 |
| Balance as at 1 January (As restated)                   | <b>8,898,992</b>  | <b>8,284,458</b>        | -                 | -                 |
| Dividend payments by subsidiaries                       | (125,596)         | (218,431)               | -                 | -                 |
| Difference arising from changes in subsidiary equity    | 464               | -                       | -                 | -                 |
| Actuarial gain on employee benefits liability           | 125               | 59,383                  | -                 | -                 |
| Acquisition of non-controlling interest by a subsidiary | 21                | 7,000                   | -                 | -                 |
| Capital injection from non-controlling interest         | -                 | 683,702                 | -                 | -                 |
| Foreign currency translation                            | (16,338)          | 5,796                   | -                 | -                 |
| Net profit and total recognised income for the year     | 285,749           | 84,734                  | -                 | -                 |
| Acquisition of non-controlling interest portion         | -                 | (7,650)                 | -                 | -                 |
| <b>Balance as at 31 December</b>                        | <b>9,043,417</b>  | <b>8,898,992</b>        | -                 | -                 |
| <b>Total Equity</b>                                     | <b>20,878,052</b> | <b>20,179,848</b>       | <b>11,451,635</b> | <b>11,435,798</b> |

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.
- \* The restated figures were related to the adoption of amendments FRS 16 and FRS 41 Agriculture – Bearer Plants.
- \*\* 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 2016 and 2015, 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 2016 and 2015.

- (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          |                  |
|---|------------------|------------------|
|   | 31/12/2016       | 31/12/2015       |
|   | (' 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 | <b>1,395,905</b> | <b>1,395,905</b> |

- (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<br>('000) | Amount<br>Rp ' million |
| Balance as at 1 January        | 51,878                 | 390,166                |
| Purchase of treasury shares    | -                      | -                      |
| Balance as at 31 December 2016 | <b>51,878</b>          | <b>390,166</b>         |

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 except for the adoption of new or revised FRS that are mandatory for financial years beginning on or after 1 January 2016.

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.*

Amendments to FRS 16 and FRS 41 Agriculture – Bearer Plants

The Group adopted the amendments to FRS 16 and FRS 41 with effect from January 2016. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, bearer plants will be measured under FRS 16 at accumulated cost (before maturity) using the cost model (after maturity). However, the agricultural produce growing on bearer plants will remain within the scope of FRS 41 to be measured at fair value less costs to sell.

Depreciation for bearer plants is computed on a straight-line basis over their economic useful lives. We have applied these amendments retrospectively.

Based on its initial adoption on 1 January 2016, the Group's total assets and deferred tax liabilities decreased approximate Rp5.4 trillion and Rp1.4 trillion, respectively, with a corresponding decrease of Rp4.1 trillion in total equity. The change in accounting policy has been applied retrospectively and the comparatives have been restated with the following impact:

|                                | <b>As restated</b>  | <b>As previously reported</b> | <b>As restated</b>  | <b>As previously reported</b> |
|--------------------------------|---------------------|-------------------------------|---------------------|-------------------------------|
|                                | <b>31/12/2015</b>   | <b>31/12/2015</b>             | <b>01/01/2015</b>   | <b>01/01/2015</b>             |
| <b>Balance Sheet</b>           | <b>Rp ' million</b> | <b>Rp ' million</b>           | <b>Rp ' million</b> | <b>Rp ' million</b>           |
| <b>Non-current assets</b>      |                     |                               |                     |                               |
| Biological assets              | 360,802             | 15,878,940                    | 305,299             | 15,060,646                    |
| Property, plant and equipment  | 21,401,503          | 11,496,484                    | 20,478,282          | 11,026,669                    |
| Deferred tax assets            | 1,378,386           | 1,390,334                     | 1,141,028           | 1,152,977                     |
| <b>Current assets</b>          |                     |                               |                     |                               |
| Other current assets           | 191,994             | -                             | 232,165             | -                             |
| <b>Non-current liabilities</b> |                     |                               |                     |                               |
| Deferred tax liabilities       | 773,739             | 2,140,966                     | 719,283             | 1,999,124                     |
| <b>Equity</b>                  |                     |                               |                     |                               |
| Revenue reserves               | 7,613,506           | 10,743,482                    | 7,642,884           | 10,666,852                    |
| Other reserves                 | 473,237             | 452,154                       | 640,116             | 615,829                       |
| Non-controlling interests      | 8,898,992           | 9,855,945                     | 8,284,458           | 9,088,455                     |

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 2016.

|  | Group – Full Year |                        |             |
|--|-------------------|------------------------|-------------|
|  | 31/12/2016        | 31/12/2015<br>Restated | Change<br>% |
| <b>Earnings per share (Rp)</b>   |                   |                        |             |
| Based on weighted average number of share                              | 363               | (34)                   | n/m         |
| Based on a fully diluted basis   | 363               | (34)                   | n/m         |
| <b>Earnings per share (SGD 'cents)<br/>(converted at Rp9,645/S\$1)</b> |                   |                        |             |
| Based on a fully diluted basis   | 3.8               | (0.4)                  | n/m         |

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 2016 and 31 December 2015.

|   | Group      |                        | Company    |                        |
|---|------------|------------------------|------------|------------------------|
|   | 31/12/2016 | 31/12/2015<br>Restated | 31/12/2016 | 31/12/2015<br>Restated |
| Net asset value per share (Rp)  | 8,484      | 8,081                  | 8,204      | 8,192                  |
| Net asset value per share (SGD 'cents)<br>(converted at Rp9,299/S\$1) | 91.2       | 86.8                   | 88.2       | 88.1                   |



- 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 – 4Q       |                        |             | Group – Full Year |                        |             |
|--|------------------|------------------------|-------------|-------------------|------------------------|-------------|
|  | 31/12/2016       | 31/12/2015<br>Restated | Change      | 31/12/2016        | 31/12/2015<br>Restated | Change      |
|  | Rp ' million     | Rp ' million           | %           | Rp ' million      | Rp ' million           | %           |
| Revenue                                  |                  |                        |             |                   |                        |             |
| Plantations                              |                  |                        |             |                   |                        |             |
| External sales                           | 1,774,834        | 1,599,116              | 11.0        | 4,964,597         | 5,418,895              | (8.4)       |
| Inter-segment sales *                    | 1,021,573        | 960,798                | 6.3         | 4,111,364         | 3,730,115              | 10.2        |
| Sub-total                                | 2,796,407        | 2,559,914              | 9.2         | 9,075,961         | 9,149,010              | (0.8)       |
| Edible Oils & Fats **                    |                  |                        |             |                   |                        |             |
| External sales                           | 2,488,413        | 2,176,058              | 14.4        | 9,566,341         | 8,416,549              | 13.7        |
| Inter-segment sales *                    | 3,830            | -                      | n/m         | 43,080            | 2,849                  | n/m         |
| Sub-total                                | 2,492,243        | 2,176,058              | 14.5        | 9,609,421         | 8,419,398              | 14.1        |
| Elimination of inter-segment sales *     | (1,025,403)      | (960,798)              | 6.7         | (4,154,444)       | (3,732,964)            | 11.3        |
| <b>Total revenue to external parties</b> | <b>4,263,247</b> | <b>3,775,174</b>       | <b>12.9</b> | <b>14,530,938</b> | <b>13,835,444</b>      | <b>5.0</b>  |
| <b>Gross Profit</b>                      | <b>1,420,191</b> | <b>885,138</b>         | <b>60.4</b> | <b>3,488,736</b>  | <b>2,968,559</b>       | <b>17.5</b> |
| Gross Profit %                           | 33.3             | 23.4                   |             | 24.0              | 21.5                   |             |

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

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

### Financial Performance

**Overview:** The effects of the El Nino in 2015 has affected upstream production as fresh fruit bunches (FFB) and crude palm oil (CPO) fell 13% and 17% to 2,981,000 tonnes and 833,000 tonnes respectively.

Despite lower palm production, the Group reported a positive set of results for FY2016 which was mainly attributable to a strong recovery in average selling prices of agriculture crops in 4Q2016. The Group's consolidated revenue rose 5% to Rp14.5 trillion in FY2016, and net profit attributable to equity holders increased to Rp507 billion compared to net losses of Rp48 billion a year ago. The improved result is attributable to recovery of commodity prices, higher other operating income, lower losses from the joint venture CMAA, higher biological assets gains and foreign currency gains.

**Revenue:** The Group reported consolidated revenue (after elimination of inter-segment sales) of Rp4.3 trillion in 4Q2016, growing 13% over Q42015 on higher sales from both divisions. On a full year basis, consolidated revenue grew 5% to Rp14.5 trillion mainly on strong sales from the Edible Oils & Fats (EOF) Division.

Plantation Division reported a 9% revenue growth in 4Q2016 on significantly higher selling prices of CPO and palm kernel (PK) related products which more than offset weaker palm output. On a year-to-date basis, revenue came in close to FY2015 on higher average selling prices of palm products and higher sugar sales, but this was offset by lower sales volume of palm products and rubber.

EOF Division continued to perform well with revenue growing 15% in 4Q2016 and 14% in FY2016 mainly attributable to strong sales volume and higher average selling price of edible oil products.



**Gross Profit:** The Group's gross profit grew 60% and 18% in 4Q2016 and FY2016. The improved gross profit mainly attributable to higher average selling prices of palm products and sugar, which was partly offset by lower sales volume.

**Selling and Distribution Expenses (S&D):** The Group reported significantly lower S&D in 4Q2016 of Rp121 billion compared to Rp200 billion in 4Q2015, this was mainly due to higher advertising and promotion expenses and export tax incurred in last year. On a full year basis, S&D maintained at last year's level.

**General and Administration Expenses (G&A):** The Group's G&A reported higher G&A in 4Q2016 of Rp263 billion compared to Rp242 billion in 4Q2015. The increase was mainly attributable to higher salaries and employee benefits.

**Other Operating Income:** Higher other operating income in 4Q2016 and FY2016 were mainly due to the recognition of Rp107 billion damages claim from a contractor for a significant delay in the completion of a turn-key project.

**Other Operating Expenses:** Higher other operating expenses in 4Q2016 were mainly attributable to the provision for unrecoverable advances, this was partly offset by a lower provision for uncollectible and changes in amortised cost of plasma receivables.

**Foreign Exchange Gain/(Loss):** The foreign exchange impacts were principally attributable to the translation of US dollar and Singapore dollar denominated loans, assets and liabilities. The Group recognised foreign currency losses of Rp97 billion in 4Q2016 compared to gains of Rp192 billion in 4Q2015 as the Indonesian Rupiah weakened during the quarter. On a full year basis, the Group reported foreign currency gains of Rp94 billion compared to losses of Rp290 billion in FY2015 as the Indonesian Rupiah strengthened against the US Dollar (Rp13,436/US\$ as of 31 December 2016 versus Rp13,795/US\$ in last year end).

**Share of Results of Associate Companies:** The Group recognized share of losses from associate companies of Rp67 billion in FY2016 compared to Rp60 billion in FY2015. The higher losses were mainly attributable to FP Natural Resources Limited, a 30% associate of the Company which in turn owns 59.7% Roxas, the largest integrated sugar business in the Philippines.

**Share of Results of a Joint Venture:** The Group's 50% joint venture in Brazil, CMAA contributed a profit of Rp39 billion in 4Q2016. On full year basis, share of losses from CMAA was significantly lower at Rp33 billion compared to Rp172 billion in FY2015. The improved results were attributable to higher prices of sugar and ethanol.

**Gain Arising from Changes in Fair Values of Biological Assets:** The Group recognized gains of Rp99 billion in 4Q2016 and Rp219 billion in FY2016 mainly relating to net changes in fair values of agriculture produce. The gains were mainly attributable to higher volume and higher average selling prices of agriculture crops.

**Profit from Operations before Biological Assets Gain:** In 4Q2016, Profit from Operations grew 79% mainly on higher gross profit and other operating income, but partly offset by foreign currency losses. On full year basis, Profit from Operations grew 129% on higher gross profit, higher other operating income, lower losses from the joint venture CMAA, and foreign currency gains.

**EBITDA exclude forex gain/ (loss):** Group recorded EBITDA growth of 112% in 4Q2016 and 34% in FY2016. This was mainly due to higher gross profit on significantly higher average selling prices of palm products, higher other operating income and lower losses from a joint venture, CMAA.

**Income Tax Expense:** The high effective tax rates of 52% in 4Q2016 and 53% in FY2016 respectively were mainly due to non-deductible expenses, the write-off of certain tax losses carried forward and share of losses of associate and joint venture companies which are not available for set-off against profit from other group's entities.

**Net Profit After Tax (NPAT):** The Group's NPAT grew 73% to Rp492 billion in 4Q2016. On full year basis, NPAT increased to Rp792 billion from Rp37 billion a year ago. The strong results were primarily due to higher profits from operations as explained above, but partly offset by higher effective tax.

### **Review of Financial Position**

As of December 2016, total non-current assets of Rp29.7 trillion were slightly higher than the previous year end. The increase was due to higher plasma receivables and higher carrying value in CMAA, but this was partly offset by lower carrying value of investment in associate companies due to share of losses, lower advances for projects, and lower deferred tax assets.

The Group reported total current assets of Rp6.8 trillion in December 2016, which were Rp1.2 trillion higher than the previous year end. The increase was mainly attributable due to (i) higher inventories arising from higher CPO and palm kernel related stocks at plantation; (ii) higher other current assets; (iii) higher advances to suppliers for the purchase of raw materials; and (iv) significantly higher cash levels arising from higher cash flows generated from operations.

As of December 2016, total current liabilities of Rp4.7 trillion were lower than last year end of Rp6.5 trillion. This was mainly attributable to the refinancing of certain short-term facilities to long-term loans during the year and lower trade payables. This was partly offset by higher income tax payable and advances from customers for purchases of goods.

Total non-current liabilities of Rp11.0 trillion in December 2016 were higher than Rp8.7 trillion in December 2015. This was mainly due to the refinancing of certain short-term facilities to long-term loans as explained above, higher amount due to related parties, and 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 higher net cash flows from operations of Rp2.0 trillion in FY2016 compared to Rp1.5 trillion in FY2015. This was mainly arising from recovery of operating performance.

Net cash flows used in investing activities in FY2016 was Rp1.6 trillion, which comprised principally capital expenditure relating to additions of fixed assets, bearer plants, advances for plasma projects and the investment in a tea plantation. The investing activities were mainly funded by cash flows from operations.

In FY2016, the Group reported a positive free cash flow of Rp0.4 trillion compared to a negative free cash flow in last year. The Group also maintained its debt level with no additional net cash flows from financing activities in FY2016. As a result, the Group's cash levels increased by Rp0.4 trillion to Rp2.4 trillion in December 2016.

**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.***

Whilst we are upbeat about 2017, agricultural commodity prices remain volatile on a soft global economy particularly China and fluctuations of Indonesian Rupiah and US Dollar. These circumstances will continue to aggravate the complex mix peculiar to any agribusiness such as the weather, export restrictions, the higher

co-relationship between the prices of crude oil and various commodities, and the performance of competing crops such as soybean oil.

As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by positive economic outlook for Indonesia, with the ongoing fiscal reforms and strong domestic consumption.

We are cautiously managing our activities during this challenging period to mitigate risks and exposures. We will place a stronger emphasis on extracting the optimal from our value chain, and 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**

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 2016. The details of the dividend will be announced before the end of March 2017.

The payment of the dividend will be subject to the approval by shareholders at the forthcoming AGM to be convened in end April 2017.

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

*Type of dividend: First and final dividend*

*Dividend type: Cash*

*Dividend per share: S\$0.005*

**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 Full Year 2016:

| Name of Interested Person  | Aggregate value of all Interested person transactions (excluding transactions less than S\$100,000) |                   |
|--|---|-------------------|
|  | Rp 'billion   | USD 'million      |
| <b>PT ISM Group</b>  |   |                   |
| <ul style="list-style-type: none"> <li>• Sales of cooking oil, margarine and others</li> <li>• Purchase of goods and services</li> </ul>   | 3,430<br>129  | -<br>-            |
| <b>Salim Group</b>   |   |                   |
| <ul style="list-style-type: none"> <li>• Sales of cooking oil, seeds and material</li> <li>• Purchases of goods and services</li> <li>• Shareholder loans</li> <li>• Corporate guarantees</li> </ul> | 1,166<br>529<br>1,398<br>3,094  | -<br>-<br>-<br>18 |

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/<br>eliminations** | Total             |
|--------------------------------|------------------|------------------|---------------------------|-------------------|
| <b><u>Full Year 2016</u></b>   |                  |                  |                           |                   |
| <b><u>Revenue</u></b>          |                  |                  |                           |                   |
| External sales                 | 4,964,597        | 9,566,341        | -                         | 14,530,938        |
| Inter-segments sales           | 4,111,364        | 43,080           | (4,154,444)               | -                 |
| <b>Total Revenue</b>           | <b>9,075,961</b> | <b>9,609,421</b> | <b>(4,154,444)</b>        | <b>14,530,938</b> |
| <b><u>Results</u></b>          |                  |                  |                           |                   |
| 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)         |
| <b>Profit before tax</b>       |                  |                  |                           | <b>1,689,541</b>  |
| Income tax expense             |                  |                  |                           | (897,252)         |
| <b>Net profit for the year</b> |                  |                  |                           | <b>792,289</b>    |

| In Rp' million                 | Plantations      | Edible Oil &Fats | Others/<br>eliminations** | Total             |
|--------------------------------|------------------|------------------|---------------------------|-------------------|
| <b><u>Full Year 2015</u></b>   |                  |                  |                           |                   |
| <b><u>Revenue</u></b>          |                  |                  |                           |                   |
| External sales                 | 5,418,895        | 8,416,549        | -                         | 13,835,444        |
| Inter-segments sales           | 3,730,115        | 2,849            | (3,732,964)               | -                 |
| <b>Total Revenue</b>           | <b>9,149,010</b> | <b>8,419,398</b> | <b>(3,732,964)</b>        | <b>13,835,444</b> |
| <b><u>Results</u></b>          |                  |                  |                           |                   |
| Segment profit                 | 1,189,426        | 227,572          | (225,618)                 | 1,191,380         |
| Segment profit %               | 13.0             | 2.7              | 6.0                       | 8.6               |
| Foreign exchange loss          |                  |                  |                           | (289,887)         |
| Net financial costs            |                  |                  |                           | (572,749)         |
| <b>Profit before tax</b>       |                  |                  |                           | <b>328,744</b>    |
| Income tax expense             |                  |                  |                           | (292,140)         |
| <b>Net profit for the year</b> |                  |                  |                           | <b>36,604</b>     |

\*\* 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 |              |                   |              |             |
|-------------------------------|-------------------|--------------|-------------------|--------------|-------------|
|                               | 31/12/2016        |              | 31/12/2015        |              | Change<br>% |
|                               | Rp' million       | %            | Rp' million       | %            |             |
| Indonesia                     | 13,515,785        | 93.0         | 12,649,115        | 91.4         | 6.9         |
| Asia                          | 794,811           | 5.5          | 887,986           | 6.4          | (10.5)      |
| Europe                        | 44,739            | 0.3          | 75,288            | 0.5          | (40.6)      |
| Africa, Middle East & Oceania | 161,713           | 1.1          | 220,794           | 1.6          | (26.8)      |
| America                       | 13,890            | 0.1          | 2,261             | 0.1          | n/m         |
| <b>Total revenue</b>          | <b>14,530,938</b> | <b>100.0</b> | <b>13,835,444</b> | <b>100.0</b> | <b>5.0</b>  |

**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   |                                 |                               |
|-----|---|---------------------|---------------------------------|-------------------------------|
|     |   | 2016<br>Rp 'million | 2015<br>Rp 'million<br>Restated | %<br>Increase /<br>(Decrease) |
| (a) | Sales reported for the first half year  | 6,715,474           | 6,791,829                       | (1.1)                         |
| (b) | Profit/ (loss) after tax before deducting non-controlling interests for first half year   | 118,461             | (134)                           | n/m                           |
| (c) | Sales reported for second half year   | 7,815,464           | 7,043,615                       | 11.0                          |
| (d) | Profit after tax before deducting non-controlling interests reported for second half year | 673,828             | 36,738                          | n/m                           |

**Notes:**

Profit/ (loss) after tax before non-controlling interests, excluding fair value gain or loss on the biological assets:-

|     |   | Group – Full Year   |                                 |                               |
|-----|---|---------------------|---------------------------------|-------------------------------|
|     |   | 2016<br>Rp 'million | 2015<br>Rp 'million<br>Restated | %<br>Increase /<br>(Decrease) |
| (b) | Profit/ (loss) after tax before deducting non-controlling interests for first half year   | 23,036              | (19,059)                        | n/m                           |
| (d) | Profit after tax before deducting non-controlling interests reported for second half year | 550,253             | 46,325                          | n/m                           |

**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 2017



FOR IMMEDIATE RELEASE

## IndoAgri posts a strong FY16 result with a profit of Rp792 billion (S\$82 million)

### HIGHLIGHTS:

- Despite weaker production from the effects of El-Nino in 2015, 4Q16 revenue grew 13% yoy in 4Q16 on strong recovery of commodity prices and higher edible oil sales
- Group achieved improved profit in 4Q16 on stronger contribution from Plantation Division
- 4Q16 attributable profit grew 14% to Rp223 billion (S\$23 million) on strong selling prices of palm products, but partly offset by foreign currency losses

**SINGAPORE – 28 February 2017** – SGX Mainboard-listed IndoAgri (the “Group”), a diversified and integrated agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, posted revenue growth of 13% and 5% yoy in 4Q16 and FY16 respectively mainly due to recovery of commodity prices and higher sales contribution from the Edible Oils & Fats (EOF) Division.

Plantation Division reported a 9% revenue growth in 4Q16 on significantly higher selling prices of crude palm oil (CPO) and palm kernel (PK) related products which more than offset weaker palm output. On a year-to-date basis, revenue came in close to FY15 on higher average selling prices of palm products and higher sugar sales, but this was offset by lower sales volume of palm products and rubber.

EOF Division continued to perform well with revenue growing 15% in 4Q16 and 14% in FY16 mainly attributable to strong sales volume and higher selling prices of edible oil products.

|                                    | Rp' billion |                      |       |        |                      |       | S\$' million <sup>1</sup> |                      |       |                      |
|------------------------------------|-------------|----------------------|-------|--------|----------------------|-------|---------------------------|----------------------|-------|----------------------|
|                                    | 4Q16        | 4Q15 *<br>(Restated) | ▲%    | FY16   | FY15 *<br>(Restated) | ▲%    | 4Q16                      | 4Q15 *<br>(Restated) | FY16  | FY15 *<br>(Restated) |
| <b>Revenue</b>                     | 4,263       | 3,775                | 12.9  | 14,531 | 13,835               | 5.0   | 442                       | 391                  | 1,507 | 1,434                |
| Gross profit                       | 1,420       | 885                  | 60.4  | 3,489  | 2,969                | 17.5  | 147                       | 92                   | 362   | 308                  |
| Gross margin (%)                   | 33.3%       | 23.4%                |       | 24.0%  | 21.5%                |       | 33.3%                     | 23.4%                | 24.0% | 21.5%                |
| <b>EBITDA <sup>2</sup></b>         | 1,499       | 707                  | 112.0 | 3,352  | 2,498                | 34.2  | 155                       | 73                   | 348   | 259                  |
| EBITDA margin (%)                  | 35.2%       | 18.7%                |       | 23.1%  | 18.1%                |       | 35.2%                     | 18.7%                | 23.1% | 18.1%                |
| Profit from operations             | 1,166       | 635                  | 83.5  | 2,263  | 901                  | 151.0 | 121                       | 66                   | 235   | 93                   |
| Profit before taxation             | 1,032       | 495                  | 108.5 | 1,690  | 348                  | 385.2 | 107                       | 51                   | 175   | 36                   |
| Net profit after tax               | 492         | 284                  | 73.1  | 792    | 37                   | n/m   | 51                        | 29                   | 82    | 4                    |
| <b>Attributable profit</b>         | 223         | 195                  | 14.4  | 507    | (48)                 | n/m   | 23                        | 20                   | 53    | (5)                  |
| EPS (fully diluted) - Rp/S\$ cents | 159         | 138                  | 15.2  | 363    | (34)                 | n/m   | 1.6                       | 1.4                  | 3.8   | (0.4)                |

*n.m. denotes "Not Meaningful"*

\* 2015 figures are restated due to the amendments FRS 16 and FRS 41 Agriculture – Bearer Plants

<sup>1</sup> Income Statement and Balance Sheet items are converted at exchange rates of Rp9,645/S\$1 and Rp9,299/S\$1, respectively

<sup>2</sup> Earnings before interests and tax expense, depreciation and amortisation, and gain/loss from changes in fair value of biological assets and foreign exchange gain.

The Group's gross profit grew 60% and 18% in 4Q16 and FY16. The improved profit was mainly attributable to higher average selling prices of palm products and sugar, which partly offset by lower sales volume.

The Group reported attributable profit of Rp223 billion (S\$23 million) in 4Q16, up 14% yoy mainly on higher gross profit and other operating income, but partly offset by foreign exchange loss. FY16 attributable profit was Rp507 billion (S\$53 million), reversing from net loss positions in FY15. The improved result was mainly attributable to higher gross profit, lower loss from CMAA, higher biological assets gains and foreign currency gains.

***“The effects of the El-Nino in 2015 have impacted our FY16 FFB nucleus and CPO production, reducing by 13% and 17% to 2,981,000 tonnes and 833,000 tonnes respectively. Despite the lower production, the Group delivered a 34% growth in EBITDA to Rp 3,352 billion and net profit after tax of Rp 792 billion compared to Rp 37 billion last year. The improved result was mainly attributable to the recovery of commodity prices, higher biological asset gains and foreign currency gains. In addition, we increased our mature oil palm area by over 18,000 hectares, with 44,000 hectares still remaining immature, ensuring future growth in our palm oil production. We also registered a profit in our Brazilian sugar operation in 4Q16.***

***In line with the growth in palm oil production, we are in the process of building 3 new palm oil mills, two of which will be completed in 2017, and the third in 2018. Our edible oils business experienced strong volume growth in 2016, and we are expanding our refinery in Surabaya by 300,000 mt per annum to meet the increased demand, which will be completed on Q4 2017 .”*** commented Mr Mark Wakeford, CEO and Executive Director.

## **INDUSTRY OUTLOOK AND FUTURE PLANS**

Whilst we are upbeat about 2017, agricultural commodity prices remain volatile on a soft global economy particularly China and fluctuations of Indonesian Rupiah and US Dollar. These circumstances will continue to aggravate the complex mix peculiar to any agribusiness such as the weather, export restrictions, the higher co-relationship between the prices of crude oil and various commodities, and the performance of competing crops such as soybean oil.

As a diversified and vertically integrated agribusiness with a dominant presence in Indonesia, our operations continue to be supported by positive economic outlook for Indonesia, with the ongoing fiscal reforms and strong domestic consumption.

We are cautiously managing our activities during this challenging period to mitigate risks and exposures. We will place a stronger emphasis on extracting the optimal from our value chain, and proactively improve operations, increase yields, raise productivity and control costs.

--The End ---



### **ABOUT INDOAGRI**

**Indofood Agri Resources Ltd. (“IndoAgri”)** is a diversified and integrated agribusiness group with principal business operations that range from research and development, breeding and cultivation of oil palms, to the milling and refining of crude palm oil, and the marketing and distribution of cooking oil, margarine, shortening and other derivative products. The Group also engages in the cultivation of other crops such as rubber, sugar cane, cocoa and tea.

As of end December 2016, IndoAgri has 300,536 hectares planted with oil palm, rubber, sugar cane, cocoa and tea.

*For more information please visit our website at: [www.indofoodagri.com](http://www.indofoodagri.com).*