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 second quarter ended 30 June 2018; and (ii) Press Release for the 2Q2018 Results.

Dated this the 26th day of July, 2018

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*
Robert C. Nicholson
Christopher H. Young

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::Second Quarter and/ or Half Yearly Results

Issuer & Securities

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

Announcement Details

Announcement Title	Financial Statements and Related Announcement
Date & Time of Broadcast	26-Jul-2018 17:23:37
Status	New
Announcement Sub Title	Second Quarter and/ or Half Yearly Results
Announcement Reference	SG180726OTHRHIYK
Submitted By (Co./ Ind. Name)	Mak Mei Yook
Designation	Company Secretary
Description (Please provide a detailed description of the event in the box below - Refer to the Online help for the format)	IndoAgri's 1H 2018 Results and Press Release Please see attached.

Additional Details

For Financial Period Ended	30/06/2018

Attachments	IFAR1H18Result.pdf IFAR1H18Press.pdf Total size =261K

UNAUDITED FINANCIAL STATEMENTS FOR THE SECOND QUARTER ENDED 30 JUNE 2018

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

	Group - Q2			Group- YTD 6 months		
	30/06/2018	30/06/2017 Restated	Change	30/06/2018	30/06/2017 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue	3,366,217	4,100,937	(17.9)	6,555,879	8,475,659	(22.7)
Cost of sales	(2,848,272)	(3,456,265)	(17.6)	(5,379,615)	(6,800,441)	(20.9)
Gross Profit	**517,945**	**644,672**	**(19.7)**	**1,176,264**	**1,675,218**	**(29.8)**
Gross Profit %	15.4%	15.7%		17.9%	19.8%	
Selling and distribution expenses	(122,334)	(128,108)	(4.5)	(240,504)	(254,533)	(5.5)
General and administrative expenses	(240,300)	(251,598)	(4.5)	(462,250)	(464,135)	(0.4)
Foreign exchange (loss)/ gain	(77,105)	(3,630)	n/m	(98,632)	19,501	n/m
Other operating income	20,408	22,680	(10.0)	37,474	46,267	(19.0)
Other operating expenses	(19,004)	(32,252)	(41.1)	(51,579)	(61,906)	(16.7)
Share of results of associate companies	16,454	6,958	136.5	10,775	6,709	60.6
Share of results of a joint venture	14,156	69,991	(79.8)	11,222	26,856	(58.2)
Gain/ (loss) arising from changes in fair value of biological assets	383	(37,701)	n/m	(11,247)	(85,160)	(86.8)
Profit from operations	**110,603**	**291,012**	**(62.0)**	**371,523**	**908,817**	**(59.1)**
Financial income	26,593	29,340	(9.4)	54,931	54,482	0.8
Financial expenses	(173,248)	(166,781)	3.9	(331,343)	(326,960)	1.3
(Loss)/ Profit before tax	**(36,052)**	**153,571**	**n/m**	**95,111**	**636,339**	**(85.1)**
Income tax expense	(62,866)	(74,315)	(15.4)	(141,492)	(228,109)	(38.0)
Net (loss)/ profit for the period	**(98,918)**	**79,256**	**n/m**	**(46,381)**	**408,230**	**n/m**
Core net (loss)/ profit after tax [1]	**(27,128)**	**111,009**	**n/m**	**54,214**	**455,766**	**(88.1)**
Profit attributable to:						
Owners of the Company	(68,601)	99,278	n/m	(18,803)	269,845	n/m
Non-controlling interests	(30,317)	(20,022)	51.4	(27,578)	138,385	n/m
	(98,918)	**79,256**	**n/m**	**(46,381)**	**408,230**	**n/m**

Notes

n/m denotes “Not Meaningful”

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

	Group - Q2			Group- YTD 6 months		
	30/06/2018	30/06/2017 Restated	Change	30/06/2018	30/06/2017 Restated	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	(66,600)	(29,462)	126.1	(51,166)	(19,999)	155.8
Items that will not be reclassified to profit or loss						
Re-measurement gain/ (loss) on employee benefits liability	32,843	(966)	n/m	16,079	(1,933)	n/m
Share of other comprehensive loss of an associate company	(12,691)	(8,018)	58.3	(27,365)	(8,018)	241.3
Other comprehensive loss for the period, net of tax	(46,448)	(38,446)	20.8	(62,452)	(29,950)	108.5
Total comprehensive income	**(145,366)**	**40,810**	**n/m**	**(108,833)**	**378,280**	**n/m**
Total comprehensive income attributable to:-						
Owners of the Company	(134,254)	61,274	n/m	(91,483)	240,981	n/m
Non-controlling interests	(11,112)	(20,464)	(45.7)	(17,350)	137,299	n/m
	(145,366)	**40,810**	**n/m**	**(108,833)**	**378,280**	**n/m**

n/m denotes "Not Meaningful"

Additional Information: -

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

	Group - Q2			Group- YTD 6 months		
	30/06/2018	30/06/2017	Change	30/06/2018	30/06/2017	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Profit from operations	110,603	291,012	(62.0)	371,523	908,817	(59.1)
Add: Depreciation & amortisation	363,561	374,412	(2.9)	686,826	691,736	(0.7)
Less: Gain/ (loss) arising from changes in fair value of biological assets	383	(37,701)	n/m	(11,247)	(85,160)	(86.8)
EBITDA includes foreign exchange (loss)/ gain	473,781	703,125	(32.6)	1,069,596	1,685,713	(36.5)
Less: Foreign exchange (loss)/ gain	(77,105)	(3,630)	n/m	(98,632)	19,501	n/m
EBITDA excludes foreign exchange (loss)/ gain	550,886	706,755	(22.1)	1,168,228	1,666,212	(29.9)
EBITDA%	16.4	17.2		17.8	19.7	

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

	Group - Q2			Group- YTD 6 months		
Other information:-	**30/06/2018**	**30/06/2017**	**Change**	**30/06/2018**	**30/06/2017**	**Change**
	Rp ' million	**Rp ' million**	**%**	**Rp ' million**	**Rp ' million**	**%**
Depreciation of property, plant and equipment	348,147	355,570	(2.1)	666,181	666,092	0.0
Amortisation of deferred charges and others	15,414	18,842	(18.2)	20,645	25,644	(19.5)
Interest on borrowings	168,805	163,074	3.5	322,652	319,556	1.0
Provision for uncollectible and changes in amortised cost of plasma receivables	5,157	10,900	(52.7)	25,884	18,911	36.9
Write-off of property and equipment	41	236	(82.6)	320	236	35.6
Loss/ (gain) on disposal of property, plant and equipment	(165)	(474)	n/m	1,882	(212)	n/m
Changes in provision for asset dismantling costs	(2,177)	831	n/m	(3,131)	969	n/m

n/m denotes "Not Meaningful"

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

	Group		Company	
	30/06/2018	**31/12/2017**	**30/06/2018**	**31/12/2017**
	Rp ' million	**Rp ' million**	**Rp ' million**	**Rp ' million**
Non-current assets				
Biological assets	317,535	313,305	-	-
Property, plant and equipment	21,132,655	21,178,399	38,155	39,986
Goodwill	3,245,837	3,245,837	-	-
Claims for tax refund	134,305	126,732	-	-
Deferred tax assets	1,228,075	1,346,976	-	-
Investment in subsidiary companies	-	-	10,633,423	10,533,516
Investment in associate companies	1,477,690	1,358,774	551,139	551,139
Investment in joint ventures	896,873	874,911	-	-
Amount due from a subsidiary	-	-	800,000	730,000
Advances and prepayments	478,714	385,116	-	-
Other non-current receivables	1,295,386	1,209,487	10	10
Total non-current assets	**30,207,070**	**30,039,537**	**12,022,727**	**11,854,651**
Current assets				
Inventories	2,726,633	2,204,549	-	-
Trade and other receivables	1,398,255	1,200,404	183,872	76,172
Advances and prepayments	576,991	188,330	918	228
Prepaid taxes	421,905	273,845	-	-
Biological assets	547,275	536,821	-	-
Assets held for sale	41,795	41,795	-	-
Cash and cash equivalents	2,817,352	2,929,674	400,443	664,267
Total current assets	**8,530,206**	**7,375,418**	**585,233**	**740,667**
Total assets	**38,737,276**	**37,414,955**	**12,607,960**	**12,595,318**
Current liabilities				
Trade and other payables and accruals	2,233,648	1,631,014	111,274	104,739
Advances and taxes payable	329,170	194,703	-	-
Interest-bearing loans and borrowings	7,646,966	4,462,704	1,078,500	-
Income tax payable	46,627	91,731	17	18
Total current liabilities	**10,256,411**	**6,380,152**	**1,189,791**	**104,757**
Net current (liabilities)/ assets	**(1,726,205)**	**995,266**	**(604,558)**	**635,910**

	Group		Company	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Non-current liabilities				
Interest-bearing loans and borrowings	3,877,532	6,067,793	-	1,013,390
Amounts due to related parties and other payables	420,790	364,106	-	-
Provision and other liabilities	31,018	34,149	-	-
Employee benefits liabilities	2,460,193	2,361,278	-	-
Deferred tax liabilities	645,830	784,827	2,970	-
Total non-current liabilities	**7,435,363**	**9,612,153**	**2,970**	**1,013,390**
Total liabilities	**17,691,774**	**15,992,305**	**1,192,761**	**1,118,147**
Net assets	**21,045,502**	**21,422,650**	**11,415,199**	**11,477,171**
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	8,212,786	8,327,924	748,802	810,774
Other reserves	503,272	582,329	144,152	144,152
	11,910,171	**12,104,366**	**11,415,199**	**11,477,171**
Non-controlling interests	9,135,331	9,318,284	-	-
Total equity	**21,045,502**	**21,422,650**	**11,415,199**	**11,477,171**

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

		Group	
		30/06/2018	31/12/2017
		Rp ' million	Rp ' million
(i)	Amounts payable in one year or less, or on demand		
	Secured	2,476,672	1,519,848
	Unsecured	5,170,294	2,942,856
	Sub-total	**7,646,966**	**4,462,704**
(ii)	Amounts repayable after one year		
	Secured	3,877,532	4,751,693
	Unsecured	-	1,316,100
	Sub-total	**3,877,532**	**6,067,793**
	TOTAL	**11,524,498**	**10,530,497**

(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.

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

	Group - Q2		Group - YTD 6 months	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from operating activities				
(Loss)/ Profit before taxation	(36,052)	153,571	95,111	636,339
Adjustments:				
Depreciation and amortisation	363,561	374,412	686,826	691,736
Realisation of deferred costs	38,842	44,704	38,842	44,704
Unrealised foreign exchange loss/ (gain)	69,050	3,937	97,156	(17,473)
(Gain)/ Loss arising from changes in fair value of biological assets	(383)	37,701	11,247	85,160
Provision for uncollectible and changes in amortised cost of plasma receivables	5,157	10,900	25,884	18,911
Write-off of property, plant and equipment	41	236	320	236
Loss/ (gain) on disposal of property, plant and equipment	(165)	(1,501)	1,882	(2,356)
Provision for unrecoverable advance	-	19,476	-	19,476
Changes in allowance for decline in market value and obsolescence of inventories	4,796	(51,515)	(15,800)	(9,838)
Allowance for impairment of available for sales	-	2,015	-	5,823
Changes in provision for asset dismantling costs	(2,177)	831	(3,131)	969
Change in estimated liability for employee benefits	86,143	80,843	175,148	161,686
Changes in fair value of long-term receivables	211	(118)	83	(519)
Share of results of associate companies	(16,454)	(6,958)	(10,775)	(6,709)
Share of results of a joint venture	(14,156)	(69,991)	(11,222)	(26,856)
Financial income	(26,593)	(29,340)	(54,931)	(54,482)
Financial expenses	173,248	166,781	331,343	326,960
Operating cash flows before working capital changes	**645,069**	**735,984**	**1,367,983**	**1,873,767**
Changes in working capital				
Other non-current assets	17,716	36,812	(52,263)	(27,832)
Inventories	(326,681)	305,433	(506,284)	(1,468)
Trade and other receivables	(350,355)	(258,002)	(461,658)	(486,848)
Advances to suppliers	52,666	92,639	(133,517)	19,460
Prepaid taxes	(17,368)	88,575	(4,429)	28,056
Trade and other payables and accruals	152,545	(135,413)	477,338	160,688
Advances from customers	58,936	(63,546)	25,550	(318,011)
Cash flows generated from operations	**232,528**	**802,482**	**712,720**	**1,247,812**
Interest received	28,698	29,336	55,904	53,837
Interest paid	(164,588)	(170,197)	(317,333)	(321,795)
Income tax paid	(222,192)	(366,836)	(346,567)	(469,785)
Net cash flows (used in)/ generated from operating activities	**(125,554)**	**294,785**	**104,724**	**510,069**

	Group - Q2		Group - YTD 6 months	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Cash flows from investing activities				
Additions to property, plant and equipment	(378,104)	(226,411)	(694,777)	(536,312)
Additions to biological assets	(822)	(703)	(4,230)	(722)
Increase in plasma receivables	(46,362)	(49,349)	(118,885)	(66,032)
Proceeds from disposal of property, plant and equipment	5,542	4,398	9,951	10,522
Advances for projects and purchases of fixed assets	(40,443)	(10,910)	(53,961)	(18,276)
Investment in associate companies	(104,523)	(149,350)	(104,523)	(149,350)
Investment in a joint venture	-	-	(99,984)	-
Net cash flows used in investing activities	**(564,712)**	**(432,325)**	**(1,066,409)**	**(760,170)**
Cash flows from financing activities				
Proceeds from interest-bearing loans and borrowings	1,245,120	548,500	1,786,150	1,054,040
Repayment of interest-bearing loans and borrowings	(572,790)	(496,985)	(934,542)	(601,324)
Proceeds from amount due to related parties	30,500	6,000	66,200	12,000
Dividend payments by subsidiaries to non-controlling interests	(197)	(4,912)	(197)	(6,230)
Dividend payment to Company's shareholders	(102,713)	(86,554)	(102,713)	(86,554)
Net cash flows generated from/ (used in) financing activities	**599,920**	**(33,951)**	**814,898**	**371,932**
Net (decrease)/ increase in cash and cash equivalents	**(90,346)**	**(171,491)**	**(146,787)**	**121,831**
Effect of changes in exchange rates on cash and cash equivalents	**24,504**	**(1,670)**	**34,465**	**(5,226)**
Cash and cash equivalents at the beginning of the period	**2,883,194**	**2,694,604**	**2,929,674**	**2,404,838**
Cash and cash equivalents at the end of the period	**2,817,352**	**2,521,443**	**2,817,352**	**2,521,443**

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

STATEMENT OF CHANGES IN EQUITY

	Group		Company	
	30/06/2018	30/06/2017	30/06/2018	30/06/2017
	Rp ' million	Rp ' million	Rp ' million	Rp ' million
Issued Share				
Balance as at 1 January / 30 June (1)	**3,584,279**	**3,584,279**	**10,912,411**	**10,912,411**
Treasury shares of the Company				
Balance as at 1 January / 30 June	**(390,166)**	**(390,166)**	**(390,166)**	**(390,166)**
Reserves				
Balance as at 1 January	**8,327,924**	**8,050,399**	**810,774**	**785,238**
Dividend payment	(102,713)	(86,554)	(102,713)	(86,554)
Actuarial gain/ (loss) on employee benefits liability	6,378	(1,051)	-	-
Net (loss)/ profit and total recognized income for the period	(18,803)	269,845	40,741	128,343
Balance as at 30 June	**8,212,786**	**8,232,639**	**748,802**	**827,027**
Other Reserves*				
Balance as at 1 January	**582,329**	**590,123**	**144,152**	**144,152**
Foreign currency translation	(51,692)	(19,793)	-	-
Share of other comprehensive loss of an associate company	(27,365)	(8,018)	-	-
Balance as at 30 June	**503,272**	**562,312**	**144,152**	**144,152**
Non-controlling Interests				
Balance as at 1 January	**9,318,284**	**9,043,417**	**-**	**-**
Dividend payments by subsidiaries	(165,602)	(144,020)	-	-
Actuarial gain/ (loss) on employee benefits liability	9,701	(882)	-	-
Foreign currency translation	526	(206)	-	-
Net (loss)/ profit and total recognised income for the period	(27,578)	138,385	-	-
Balance as at 30 June	**9,135,331**	**9,036,694**	**-**	**-**
Total Equity	**21,045,502**	**21,025,758**	**11,415,199**	**11,493,424**

Notes:

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

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

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

The Company did not issue any shares during the period. As of 30 June 2018 and 31 December 2017, the number of issued shares was 1,447,782,830, of which 51,878,300 shares were held as treasury shares.

There were no outstanding convertibles as at 30 June 2018 and 31 December 2017.

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

	Company	
	30/06/2018	**31/12/2017**
	(' 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 2018	51,878	390,166
Purchase of treasury shares	-	-
Balance as at 30 June 2018	**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 except for the adoption of new or revised FRS that are mandatory for financial years beginning on or after 1 January 2018.

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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.*

SFRS(I) 15 *Revenue from Contracts with Customers*

SFRS(I) 15 establishes a five-step model to account for revenue arising from contracts with customers, and introduces new contract cost guidance. Under SFRS(I) 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard is effective for annual periods beginning on or after 1 January 2018.

The Group has assessed and identified the following variable considerations based on the current contracts of the Group with the customers.

- Cash incentives at EOF division
- Right of return at EOF division
- Volume discount for palm seeds at plantation division
- Change of price due to difference in CPO quality

There is no material impact on the financial statements in the year of initial application, except the reclassification of cash incentives from selling and distribution expenses to a deduction in revenue. The comparatives have been restated with the following impact:

Statement of comprehensive income	As restated 2Q17 Rp' million	As previously reported 2Q17 Rp' million	Change Rp' million	As restated 1H17 Rp' million	As previously reported 1H17 Rp' million	Change Rp' million
Revenue	4,100,937	4,117,245	(16,308)	8,475,659	8,518,056	(42,397)
Selling and distribution expenses	(128,108)	(144,416)	16,308	(254,533)	(296,930)	42,397

SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting, and is effective for annual periods beginning on or after 1 January 2018. Financial assets are classified according to their contractual cash flow characteristics and the business model under which they are held. The impairment requirements in SFRS(I) 9 are based on an expected credit loss model and replace the FRS 39 incurred loss model.

The Group has performed an impact assessment of adopting SFRS(I) 9 and identified the accounts which would have the following impacts upon the adoption of SFRS(I) 9.

(a) Classification and measurement

The Group’s debt instruments are expected to give rise to cash flows representing solely payments of principal and interest. The Group intends to hold its current financial to collect contractual cash flows, and accordingly measured at amortised cost when it applies SFRS(I) 9.

For available-for-sale unquoted equity, the Group will elect to measure it at fair value through other comprehensive income. Any subsequent changes in fair value of the available-for-sale will be recognized to other comprehensive income without recycling to profit or loss.

There is no significant impact to arise from these changes.

(b) Impairment

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its debt securities, loans, trade receivables and financial guarantees, either on a 12-month or lifetime basis.

The Group expects to apply the simplified approach and record lifetime expected losses on all trade receivables.

For financial assets that contain significant financing component such as the Group's plasma receivables and the Company's amount due from subsidiary companies, the Group and the Company expects to apply general approach. Under the general approach, the Group and the Company assessed if there are any significant changes in credit risk of the receivables to determine whether to provide credit losses based on 12-month or lifetime basis.

There is no material impact upon the application of the expected credit loss model in the year of initial application of the standard.

Convergence with International Financial Reporting Standards

For annual financial period beginning on or after 1 January 2018, Singapore-incorporated companies listed on the Singapore Exchange will apply Singapore Financial Reporting Framework (International) ("SFRS (I)"), a new financial reporting framework identical to International Financial Reporting Standards. The Group has adopted SFRS(I) on 1 January 2018.

The Group has performed an assessment of the impact of adopting SFRS(I) based on the current available information. There is no material impact on the financial statements upon transition to the new financial reporting framework.

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

Basic earnings per share amounts are calculated by dividing earnings for the period attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effects of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 30 June 2018.

	Group - Q2			Group - YTD 6 months		
Earnings per share (Rp)	30/06/2018	30/06/2017	Change %	30/06/2018	30/06/2017	Change %
Based on weighted average number of share	(49.1)	71.0	n/m	(13.5)	193.3	n/m
Based on a fully diluted basis	(49.1)	71.0	n/m	(13.5)	193.3	n/m
Earnings per share (SGD 'cents') (converted at Rp10,427/S$1)						
Based on a fully diluted basis	(0.5)	0.7	n/m	(0.1)	1.9	n/m

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

The net asset value per share for the Group is calculated using the Group's net asset value attributable to equity holders as at end of each period divided by the issued share capital of 1,395,904,530 (excluding 51,878,300 held as treasury shares) as of 30 June 2018 and 31 December 2017.

	Group		Company	
	30/06/2018	31/12/2017	30/06/2018	31/12/2017
Net asset value per share (Rp)	8,532	8,671	8,178	8,222
Net asset value per share (SGD 'cents) (converted at Rp10,530/S$1)	81.0	82.4	77.7	78.1

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 - Q2			Group - YTD 6 months		
	30/06/2018	30/06/2017 Restated	Change	30/06/2018	30/06/2017 Restated	Change
	Rp ' million	Rp ' million	%	Rp ' million	Rp ' million	%
Revenue						
Plantations						
External sales	707,750	1,297,123	(45.4)	1,409,623	3,022,924	(53.4)
Inter-segment sales *	1,304,912	1,017,381	28.3	2,427,881	2,066,170	17.5
Sub-total	2,012,662	2,314,504	(13.0)	3,837,504	5,089,094	(24.6)
Edible Oils & Fats **						
External sales	2,658,467	2,803,814	(5.2)	5,146,256	5,452,735	(5.6)
Inter-segment sales	858	17,412	n/m	858	25,264	n/m
Sub-total	2,659,325	2,821,226	(5.7)	5,147,114	5,477,999	(6.0)
Elimination of inter-segment sales	(1,305,770)	(1,034,793)	26.2	(2,428,739)	(2,091,434)	16.1
Total revenue to external parties	**3,366,217**	**4,100,937**	**(17.9)**	**6,555,879**	**8,475,659**	**(22.7)**
Gross Profit	**517,945**	**644,672**	**(19.7)**	**1,176,264**	**1,675,218**	**(29.8)**
Gross Profit %	15.4%	15.7%		17.9%	19.8%	

** Comprises mainly internal CPO sales to the Group's own refineries*
*** Comprises mainly cooking oil, margarine and copra-based products*

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Financial Performance

Overview: The Group reported weak 2Q2018 and 1H2018 results due to lower sales arising from the build-up of crude palm oil (CPO) inventory as of end June 2018 and weaker commodity prices. Rotterdam CIF CPO prices decreased 7% to an average of US$665 per tonne in 1H2018 from US$717 per tonne in FY2017. Rubber prices (RSS3 SICOM) also decreased by 16% to an average of US$1,680 per tonne in 1H2018 compared to US$2,001 per tonne in FY2017.

The Group's 2018 results were also further affected by a foreign currency loss arising from the weakened Indonesian Rupiah. This was partly offset by lower loss arising from changes in fair value of biological assets. The group reported net loss after tax of Rp99 billion and Rp46 billion in 2Q2018 and 1H2018 compared to profit positions in the comparative periods last year. 1H2018 core net profit (excluding forex and biological assets impacts) was Rp54 billion, declining 88% against 1H2017.

Revenue: The Group consolidated revenue (after elimination of inter-segment sales) decreased 18% and 23% respectively in 2Q2018 and 1H2018. This was mainly due to lower external sales contributions in Plantation and Edible Oils & Fats (EOF) Divisions. In particular, Plantation sales were affected by ~29,000 MT of CPO inventory build-up in 1H2018 compared to ~36,000 MT of inventory drawdown in 1H2017, and lower CPO sales to external parties.

Plantation Division's fresh fruits bunches (FFB) nucleus and CPO production recovered in 2Q2018, growing 8% over 2Q2017. On year-to-date basis, FFB nucleus increased 1% but CPO production declined 2% on lower purchase of FFB from external parties. Plantation Division reported 13% and 25% revenue decline in 2Q2018 and 1H2018 due to lower average selling prices and sales volume of CPO, palm kernel (PK) and rubber. Notably CPO sales volume were affected by the timing in CPO stock realisation.

EOF Division's revenue decreased by 6% in 2Q2018 and 1H2018 mainly due lower edible oils selling prices arising from lower CPO costs.

Gross Profit: The Group's gross profit declined 20% and 30% in 2Q2018 and 1H2018 respectively mainly due to the effects of lower sales volume and selling prices of palm products.

Selling and Distribution Expenses (S&D): The Group reported lower S&D in 2Q2018 and 1H2018 mainly due to lower distribution expenses and A&P.

Other Operating Income/(Expenses): The Group reported lower other operating income in 2Q2018 and 1H2018 mainly due to lower miscellaneous income. Other operating expenses came in lower than the comparative periods in last year mainly due to provision of unrecoverable advances in 2017.

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 loss of Rp99 billion in 1H2018 compared to Rp20 billion gain in 1H2017. The foreign currency loss in 1H2018 was mainly due to the weakening of Indonesian Rupiah against US Dollar to Rp14,404/US$ as of 30 June 2018 versus Rp13,548/US$ at the end December 2017.

Share of Results of Associate Companies: The Group recognised Rp11 billion gain on share of results of associate companies in 1H2018 compared to Rp7 billion in 1H2017. The higher gain was mainly attributable to FPNRL whose main operations are a sugar business in the Philippines.

Share of results of a joint venture: In Brazil, our sugar operations under CMAA reported lower profit 2Q2018 and 1H2018 mainly due to lower selling prices and volume of raw sugar.

Gain/ (Loss) Arising from Changes in Fair Values of Biological Assets: The Group reported Rp11 billion biological assets loss in 1H2018 compared to Rp85 billion in 1H2017. The biological assets loss was mainly due to lower selling prices of FFB and partly offset by higher volume.

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Profit from Operations: The Group recorded lower profit from operations in 2Q2018 and 1H2018, owing largely to lower gross profit and foreign currency loss. This was partly offset by positive net changes in fair value of biological assets.

Income Tax Expense: The Group recognizes lower income tax expenses in 1H2018 on lower operating profit. However, the high effective tax rate of 149% in 1H2018 was due to non-deductible expenses and the Company's unrealised foreign exchange loss, and the write-off of certain tax losses carried forward.

Net (Loss)/ Profit After Tax: The Group reported net losses after tax in 2Q2018 and 1H2018 compared to profits in the comparative period in last year. As a result, this led to attributable losses to equity holders in 2Q2018 and 1H2018.

Review of Financial Position

As of June 2018, total non-current assets Rp30.2 trillion were slightly higher than the previous year end. The increase mainly due to investment in a joint venture, Canapolis Holding S.A. (Canapolis) of BRL 23.6 million (approximately Rp100 billion), investment in an associate, Daitocacao of Rp105 billion, higher plasma projects and higher advances and prepayments.

The Group reported a 16% increase in total current assets to Rp8.5 trillion as of end June 2018. The increase was mainly attributable to (i) higher inventories arising from higher palm products and fertilisers; (ii) higher advances for the purchase of raw materials (i.e. CPO) and prepaid expenses and prepaid taxes ;and (iii) higher trade and other receivables. This was partly offset by lower cash levels.

Total current liabilities were at Rp10.3 trillion as at June 2018, increasing 61% compared to last year mainly attributable to the drawdown of short-term working capital facilities, higher current maturities of long-term facilities and accruals.

The Group reported net current liabilities of Rp1.7 trillion in June 2018 arising from higher current maturities of long-term facilities. The Group expects to refinance these maturing facilities as they fall due.

Total non-current liabilities were at Rp7.4 trillion as of 30 June 2018, declining 23% compared to December 2017. This was mainly due to lower long-term loan facilities arising from payment of loan installments and higher current maturities of long-term facilities.

Review of Cash Flows

The Group generated net cash flows from operations of Rp105 billion in 1H2018 compared to Rp510 billion in 1H2017 mainly due to lower profit from operating activities.

Net cash flows used in investing activities in 1H2018 was Rp1.1 trillion compared to Rp760 billion in 1H2017 mainly due to investment in a joint venture, Canapolis and an associate, Daitocacao, as well as higher funding for plasma projects.

Net cash flows generated from financing activities were Rp815 billion in 1H2018 compared to Rp372 billion in 1H2017. The increase was mainly due to the drawdown of short-term facilities to fund capital expenditures and working capital.

The Group's cash levels decreased from Rp2,930 billion at end December 2017 to Rp2,817 billion at June 2018.

9. *Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.*

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

The recent trade war has led to some uncertainty on agricultural commodity prices. 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 and large domestic palm consumption. The domestic palm demand is expected to be further supported by the Indonesian government's intention to accelerate the implementation of B30 biodiesel program in 2019.

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

11. If a decision regarding dividend has been made.

(a) Current Financial Period Reported On

Nil.

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

Nil.

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

Not applicable.

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

The Group has the following the interest person transactions ("IPT") for the first half of 2018:

Name of Interested Person	Aggregate value of all IPT conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than $100,000)	
	Rp 'billion	**USD 'million**
PT ISM Group		
• Sales of cooking oil, margarine and others	1,857	-
• Purchase of goods, services and assets	72	-
Salim Group		
• Sales of cooking oil, seeds and material	740	-
• Purchases of goods and services	368	-
• Shareholder loans	820	-
• Corporate guarantees	2,739	14

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

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

15. Confirmation by the Board Pursuant to Rule 705(5) of the Listing Manual

The Board of Directors hereby confirm that, to the best of their knowledge, nothing has come to the attention which may render the Group's unaudited financial statements for the second quarter ended 30 June 2018 to be false or misleading in any material aspect.

BY THE ORDER OF THE BOARD

Mark Julian Wakeford
Chief Executive Officer and Executive Director

26 July 2018

FOR IMMEDIATE RELEASE

IndoAgri posts a weak 2Q18 amid inventory build-up, soft commodity prices and forex impacts

HIGHLIGHTS:

- **FFB nucleus and CPO production recovered in 2Q18, up 8% yoy**
- **Despite higher production, sales down 18% yoy in 2Q18 mainly due to timing in stock realisation, weak commodity prices and higher internal sales to downstream**
- **Incurred core loss of Rp27 billion (S$2.6 million) in 2Q18 on weak plantation performance**
- **Expanding sugar operation in Brazil with investment in 3rd mill, Vale do Pontal**

SINGAPORE – 26 July 2018 – SGX Mainboard-listed IndoAgri (the "**Group**"), a diversified and integrated from agribusiness group and manufacturer of leading brands of edible oils and fats products in Indonesia, reported a 18% revenue decline in 2Q18 on lower sales from Plantation and Edible Oils & Fats (EOF) Divisions. In particular, Plantation sales were affected by ~29,000 MT of CPO inventory build-up in 1H2018 compared to ~36,000 MT of inventory drawdown in 1H2017, and lower external sales.

	Rp' billion						S$' million [1]			
	2Q18	2Q17	▲%	1H18	1H17	▲%	2Q18	2Q17	1H18	1H17
Revenue	**3,366**	**4,101**	**(17.9)**	**6,556**	**8,476**	**(22.7)**	**323**	**393**	**629**	**813**
Gross profit	518	645	(19.7)	1,176	1,675	(29.8)	50	62	113	161
Gross margin (%)	*15.4%*	*15.7%*		*17.9%*	*19.8%*		*15.4%*	*15.7%*	*17.9%*	*19.8%*
EBITDA [2]	**551**	**707**	**(22.1)**	**1,168**	**1,666**	**(29.9)**	**53**	**68**	**112**	**160**
EBITDA margin (%)	*16.4%*	*17.2%*		*17.8%*	*19.7%*		*16.4%*	*17.2%*	*17.8%*	*19.7%*
Net (loss)/profit after tax	(99)	79	n/m	(46)	408	n/m	(9)	8	(4)	39
Core net (loss)/profit after tax [3]	**(27)**	**111**	**n/m**	**54**	**456**	**(88.1)**	**(3)**	**11**	**5**	**44**
Attributable (loss)/profit	**(69)**	**99**	**n/m**	**(19)**	**270**	**n/m**	**(7)**	**10**	**(2)**	**26**
EPS (fully diluted) - Rp/S$ cents	(49)	71	n/m	(13)	193	n/m	(0.5)	0.7	(0.1)	0.0

n.m. denotes "Not Meaningful"

Plantation Division reported 13% and 25% revenue decline in 2Q2018 and 1H2018 due to lower average selling prices and sales volume of CPO, palm kernel (PK) and rubber. Notably CPO sales volume were affected by the timing in CPO stock realisation.

[1] Income Statement and Balance Sheet items are converted at exchange rates of Rp10,427/S$1 and Rp10,530 /S$1, respectively
[2] Earnings before interests and tax expense, depreciation and amortisation, the effects of foreign exchange and changes in fair value of biological assets
[3] Earnings before the accounting for the effects of foreign exchange and changes in the fair value of biological assets.

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The Group's gross profit declined 20% and 30% in 2Q2018 and 1H2018 respectively mainly due to the effects of lower sales volume and selling prices of palm products (CPO -8%, PK -14%, Rubber -26%).

The group reported net losses after tax of Rp99 billion and Rp46 billion in 2Q2018 and 1H2018 compared to profit positions in the comparative periods last year. 1H2018 core net profit (excluding forex and biological assets impacts) was Rp54 billion, declining 88% against 1H2017.

"The Group's fresh fruits bunches (FFB) nucleus and CPO production recovered in 2Q2018, growing 8% over 2Q2017. On year-to-date basis, FFB nucleus increased 1% but CPO production declined 2% on lower purchase of FFB from external parties. The Group's performance in 2Q2018 and 1H2018 were affected by CPO inventory build-up, lower commodity prices and forex impacts.

We are expanding our milling capacity with one new palm oil mill due for completion in 2019. The expansion of our refinery in Surabaya is completed and in operation, increasing the refinery capacity by 300,000 tonnes per annum.

We have acquired our third mill (Vale do Pontal) in July 2018, which has a crushing capacity of 2.5m MT of cane. The acquisition will enable CMAA to expand its footprint in the sugar and ethanol industry in Brazil with a total annual cane crushing capacity increasing from 5.8 million MT (CMAA plus Canapolis mill) to 8.3 million MT. All 3 mills are located in the state of Minas Gerais, and in close proximity to each other, forming a strong cluster enabling operating and management synergies." *commented Mr Mark Wakeford, CEO and Executive Director.*

INDUSTRY OUTLOOK AND FUTURE PLANS

The recent trade war has led to some uncertainty on agricultural commodity prices. 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 and large domestic palm consumption. The domestic palm demand is expected to be further supported by the Indonesian government's intention to accelerate the implementation of B30 biodiesel program in 2019.

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

--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 June 2018, IndoAgri has 301,624 hectares planted with oil palm, rubber, sugar cane, timber, cocoa and tea in Indonesia.

For more information please visit our website at: www.indofoodagri.com.