



BUMITAMA AGRI LTD.

Unaudited Financial Statements for the Fourth Quarter ("4Q") and Full Year Ended 31 December 2016

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

	Group					
	4th Quarter			FY		
	2016	2015 Restated	Change	2016	2015 Restated	Change
IDR million	IDR million	(%)	IDR million	IDR million	(%)	
Revenue	2,270,176	1,448,059	56.8%	6,629,772	5,542,123	19.6%
Cost of sales	(1,376,229)	(950,581)	44.8%	(4,654,131)	(3,887,599)	19.7%
Gross profit	893,947	497,478	79.7%	1,975,641	1,654,524	19.4%
Interest Income	62,568	40,747	53.6%	182,223	145,566	25.2%
Gain / (loss) arising from fair value changes in biological assets	26,943	(91,227)	n.m.	26,943	(91,227)	n.m.
Selling expense	(59,855)	(50,208)	19.2%	(188,144)	(190,420)	-1.2%
General and administrative expense	(60,537)	(58,884)	2.8%	(206,138)	(208,190)	-1.0%
Finance cost	(39,400)	(44,117)	-10.7%	(163,344)	(155,476)	5.1%
Foreign exchange gain / (loss)	(55,359)	(347)	n.m.	15,857	(52,094)	n.m.
Other expenses	(58,447)	(29,694)	96.8%	(121,693)	(52,850)	130.3%
Other income	4,764	6,982	-31.8%	16,122	19,505	-17.3%
Share of loss of associate companies	(6,893)	(14,597)	-52.8%	(21,784)	(67,357)	-67.7%
Profit before income tax	707,731	256,133	176.3%	1,515,683	1,001,981	51.3%
Income tax expense	(144,308)	(48,042)	200.4%	(327,547)	(196,444)	66.7%
Profit for the period / year	563,423	208,091	170.8%	1,188,136	805,537	47.5%
Attributable to:						
Owners of the Company	461,578	184,671	149.9%	1,005,086	713,723	40.8%
Non-controlling interests	101,845	23,420	334.9%	183,050	91,814	99.4%
	563,423	208,091	170.8%	1,188,136	805,537	47.5%

n.m. – not meaningful

Additional Information

	Group					
	4th Quarter			FY		
	2016	2015 Restated	Change	2016	2015 Restated	Change
IDR million	IDR million	(%)	IDR million	IDR million	(%)	
Profit before income tax	707,731	256,133	176.3%	1,515,683	1,001,981	51.3%
Depreciation and amortisation	83,727	92,425	-9.4%	435,907	356,610	22.2%
Foreign exchange loss / (gain)	55,359	347	n.m.	(15,857)	52,094	n.m.
Finance cost	39,400	44,117	-10.7%	163,344	155,476	5.1%
Interest income	(62,568)	(40,747)	53.6%	(182,223)	(145,566)	25.2%
Withholding tax expense on dividend (in Other expenses)	1,479	19,278	-92.3%	1,479	19,278	-92.3%
(Gain) / loss arising from fair value changes in biological assets	(26,943)	91,227	n.m.	(26,943)	91,227	n.m.
(Gain) / loss on sale of property, plant, and equipment	(5)	118	n.m.	(75)	118	n.m.
EBITDA	798,180	462,898	72.4%	1,891,315	1,531,218	23.5%

n.m. – not meaningful

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

	Group					
	4th Quarter			FY		
	2016	2015	Change	2016	2015	Change
Statement of comprehensive income:	IDR million	Restated IDR million	(%)	IDR million	Restated IDR million	(%)
Profit for the period / year	563,423	208,091	170.8%	1,188,136	805,537	47.5%
Other comprehensive income						
Item that may be reclassified subsequently to profit or loss:						
Foreign currency translation (loss) / gain	(75,160)	245,449	n.m.	173,637	(179,035)	n.m.
Item that will not be reclassified to profit or loss:						
Fair value reserve on derivative financial liabilities	(65,740)	74,219	n.m.	(37,461)	22,690	n.m.
Re-measurement gain / (loss) on defined benefit plans	2,267	(3,412)	n.m.	2,267	(3,412)	n.m.
Other comprehensive income for the period / year, net of tax	(138,633)	316,256	n.m.	138,443	(159,757)	n.m.
Total comprehensive income for the period / year	424,790	524,347	-19.0%	1,326,579	645,780	105.4%
Attributable to:						
Owners of the Company	404,150	501,084	-19.3%	1,143,529	554,123	106.4%
Non-controlling interests	20,640	23,263	-11.3%	183,050	91,657	99.7%
	424,790	524,347	-19.0%	1,326,579	645,780	105.4%

n.m. – not meaningful

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

	Group			Company	
	31-Dec-2016	31-Dec-2015 Restated	1-Jan-2015 Restated	31-Dec-2016	31-Dec-2015
	IDR million	IDR million	IDR million	IDR million	IDR million
ASSETS					
Non-current assets					
Plasma receivables	923,331	713,697	245,089	-	-
Property, plant and equipment	3,307,380	3,244,388	2,865,809	79	140
Bearer plants	7,024,690	6,091,413	5,714,631	-	-
Land use rights	815,034	615,560	486,160	-	-
Investment in subsidiaries	-	-	-	854,370	675,463
Investment in associate companies	2,285	24,043	84,250	142,952	145,886
Intangible assets	176,034	173,301	171,276	-	-
Deferred tax assets	149,113	113,254	42,965	-	-
Deferred charges/other receivable	6,228	12,788	10,263	6,228	12,788
Due from subsidiaries	-	-	-	8,041,210	8,280,592
Loan to an associate company	68,084	327,686	282,167	68,084	327,686
Total Non-current assets	12,472,179	11,316,130	9,902,610	9,112,923	9,442,555
Current assets					
Biological assets	260,251	233,308	324,535	-	-
Inventories	611,617	650,842	526,801	-	-
Deferred charges	5,333	8,101	8,326	50	61
Trade and other receivables	277,770	598,598	139,576	-	-
Due from related companies	478	158,977	126,270	-	-
Plasma receivables	302,246	426,289	539,573	-	-
Prepayments and advances	10,784	80,081	81,099	101	99
Dividend receivables	-	-	-	13,314	173,500
Prepaid taxes	309,230	301,288	151,292	44	12
Cash and short-term deposits	517,097	598,797	310,858	23,700	22,603
Total Current assets	2,294,806	3,056,281	2,208,330	37,209	196,275
Total Assets	14,766,985	14,372,411	12,110,940	9,150,132	9,638,830
Current liabilities					
Loans and borrowings	1,007,700	1,983,667	588,959	1,007,700	1,861,201
Trade and other payables	572,029	935,430	772,622	13	13
Accrued operating expenses	171,012	144,873	154,377	56,366	55,202
Dividend payables	1,397	43,732	20,400	-	-
Sales advances	30,996	62,119	165,237	-	-
Income taxes payable	132,231	106,334	221,107	1	7,679
Total Current liabilities	1,915,365	3,276,155	1,922,702	1,064,080	1,924,095
Non-current liabilities					
Deferred tax liabilities	164,488	190,235	189,574	-	-
Loans and borrowings	868,634	343,933	139,769	868,634	343,933
Islamic medium term notes	2,991,828	3,202,894	3,551,370	2,991,828	3,202,894
Post employment benefits	39,082	25,224	12,369	-	-
Derivative financial liabilities	1,265,881	1,126,928	377,480	1,265,881	1,126,928
Total Non-current liabilities	5,329,913	4,889,214	4,270,562	5,126,343	4,673,755
Total Liabilities	7,245,278	8,165,369	6,193,264	6,190,423	6,597,850
Net Assets	7,521,707	6,207,042	5,917,676	2,959,709	3,040,980
Equity attributable to owners of the Company					
Share capital	1,807,045	1,807,045	1,807,045	1,807,045	1,807,045
Treasury shares	(17,946)	(17,946)	-	(17,946)	(17,946)
Other reserves	(254,934)	(217,473)	(240,163)	(69,996)	(32,535)
Retained earnings	5,162,032	4,241,266	3,798,422	360,141	326,096
Foreign currency translation reserve	21,894	(151,743)	27,292	880,465	958,320
	6,718,091	5,661,149	5,392,596	2,959,709	3,040,980
Non-controlling interests	803,616	545,893	525,080	-	-
Total Equity	7,521,707	6,207,042	5,917,676	2,959,709	3,040,980

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

- Amount repayable in one year or less, or on demand
- Amount repayable after one year

	31-Dec-2016 IDR Million	31-Dec-2015 IDR Million
Amount due within one year		
Secured	-	139,769
Unsecured	1,007,700	1,843,898
Total	1,007,700	1,983,667
Amount due more than one year		
Secured	-	-
Unsecured	3,860,462	3,546,827
Total	3,860,462	3,546,827

The unsecured borrowings contain negative pledge clauses.

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

CASH FLOW	4th Quarter		FY	
	2016	2015 Restated	2016	2015 Restated
	IDR million	IDR million	IDR million	IDR million
Cash flows from operating activities				
Cash receipts from customers	2,268,076	953,753	6,919,475	4,979,983
Cash payments to suppliers, employees and for other operating expenses	(1,489,226)	(470,715)	(5,316,045)	(3,289,218)
Corporate income tax paid	(118,616)	(70,696)	(231,207)	(356,376)
Net cash flows generated from operating activities	660,234	412,342	1,372,223	1,334,389
Cash flows from investing activities				
Decrease /(Increase) in plasma receivables	74,242	94,377	(117,066)	(424,220)
Investment in intangible assets	(1,979)	-	(5,601)	(313)
Investment in bearer plants	(100,586)	(27,418)	(328,978)	(804,972)
Investment in property, plant and equipment	(76,077)	(262,950)	(392,315)	(705,658)
Investment in land use rights	(54,911)	(94,638)	(179,299)	(127,917)
Receipt of loan repayment from associate companies	-	-	262,700	-
Net cash outflows for the acquisition of subsidiaries	(11,094)	(2,759)	(96,203)	(2,759)
Interest received	43,106	24,405	151,713	129,224
Net cash flows used in investing activities	(127,299)	(268,983)	(705,049)	(1,936,615)
Cash flows from financing activities				
Proceeds from loans and borrowings	-	-	132,455	2,070,920
Repayment of loan and borrowings	(426,707)	(25,000)	(597,427)	(639,705)
Decrease / (increase) in amount due from related companies	63,891	50,844	(34,038)	(32,707)
Payment of dividend	-	(17,017)	(112,112)	(298,514)
Tax on dividend paid	-	-	-	(25,200)
Contribution from non-controlling interests	325	125	43,182	625
Buy-back of ordinary shares	-	(12,210)	-	(17,946)
Interest paid	(11,452)	(4,088)	(180,094)	(182,161)
Net cash flows (used in) / generated from financing activities	(373,943)	(7,346)	(748,034)	875,312
Net (decrease)/increase in cash and cash equivalents	158,992	136,013	(80,860)	273,086
Effect of exchange rate changes on cash and cash equivalents	3,651	12,543	(840)	14,853
Cash and cash equivalents at beginning of period / year	354,454	450,241	598,797	310,858
Cash and cash equivalents at end of period / year	517,097	598,797	517,097	598,797

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

Cash Flows from Operating Activities:	4th Quarter		FY	
	2016	2015 Restated	2016	2015 Restated
	IDR million	IDR million	IDR million	IDR million
Profit before income tax	707,731	256,133	1,515,683	1,001,981
Depreciation and amortisation	83,727	92,425	435,907	356,610
Finance cost	39,400	44,117	163,344	155,476
Interest income	(62,568)	(40,747)	(182,223)	(145,566)
Post employment benefits	16,919	15,253	16,919	15,143
Unrealized foreign exchange (gain)/loss - net	113	64,098	(87,483)	415,568
Gain on divestment of business in a subsidiary	-	-	-	(5,749)
(Gain) /Loss on disposal of property, plant and equipment	(5)	286	(75)	118
Share of loss of associate companies	6,893	14,597	21,784	67,357
(Gain) / loss arising from fair value changes in biological assets	(26,943)	91,227	(26,943)	91,227
Operating cash flows before working capital changes	765,267	537,389	1,856,913	1,952,165
Decrease/(increase) in:				
- Trade and other receivables	40,735	(77,866)	354,203	(7,661)
- Inventories	(150,265)	(17,448)	43,298	(140,437)
- Prepaid taxes	185,892	(31,671)	24,719	(149,996)
- Prepayments and advances	1,800	68,584	69,551	1,018
- Deferred charges	617	824	2,767	(2,300)
(Decrease)/increase in:				
- Trade and other payables	39,385	67,516	(568,581)	157,435
- Accrued operating expenses	(3,632)	(33,485)	(51,179)	(9,504)
- Tax payable	(64,626)	32,365	(97,137)	-
- Sales advances	(36,323)	(56,333)	(31,124)	(103,118)
Post employment benefits	-	(6,837)	-	(6,837)
Cash flows generated from operations	778,850	483,038	1,603,430	1,690,765
Corporate income tax paid	(118,616)	(70,696)	(231,207)	(356,376)
Net cash flows generated from operating activities	660,234	412,342	1,372,223	1,334,389

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

Group	----- Attributable to owners of the Company -----						Non-controlling interests	Total equity
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserve	Total share capital and reserves		
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million		
Opening balance at 1 January 2016								
- As previously reported	1,807,045	(17,946)	5,515,407	(217,473)	(151,743)	6,935,290	653,213	7,588,503
- Cumulative effect of adopting amendments to FRS 41	-	-	(1,274,141)	-	-	(1,274,141)	(107,320)	(1,381,461)
Opening balance at 1 January 2016 (As restated)	1,807,045	(17,946)	4,241,266	(217,473)	(151,743)	5,661,149	545,893	6,207,042
Profit for the period	-	-	1,005,086	-	-	1,005,086	183,050	1,188,136
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	173,637	173,637	-	173,637
Fair value reserve on derivative	-	-	-	(37,461)	-	(37,461)	-	(37,461)
Re-measurement on defined benefit plan	-	-	2,267	-	-	2,267	-	2,267
Total comprehensive income for the period	-	-	1,007,353	(37,461)	173,637	1,143,529	183,050	1,326,579
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	76,317	76,317
Dividends on ordinary shares	-	-	(86,587)	-	-	(86,587)	-	(86,587)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(1,644)	(1,644)
Closing balance at 31 December 2016	1,807,045	(17,946)	5,162,032	(254,934)	21,894	6,718,091	803,616	7,521,707
Opening balance at 1 January 2015								
- As previously reported	1,807,045	-	4,889,062	(240,163)	27,292	6,483,236	625,490	7,108,726
- Cumulative effect of adopting amendments to FRS 41	-	-	(1,097,167)	-	-	(1,097,167)	(100,410)	(1,197,577)
Opening balance at 1 January 2015 (As restated)	1,807,045	-	3,791,895	(240,163)	27,292	5,386,069	525,080	5,911,149
Profit for the period:								
- As previously reported	-	-	890,697	-	-	890,697	98,724	989,421
- Effect of adopting amendments to FRS 41	-	-	(176,974)	-	-	(176,974)	(6,910)	(183,884)
Profit for the period (As restated)	-	-	713,723	-	-	713,723	91,814	805,537
Other comprehensive income:								
Items that may be reclassified subsequently to profit or loss:								
Foreign currency translation	-	-	-	-	(179,035)	(179,035)	-	(179,035)
Fair value reserve on derivative	-	-	-	22,690	-	22,690	-	22,690
Re-measurement on defined benefit plan	-	-	(3,255)	-	-	(3,255)	(157)	(3,412)
Total comprehensive income for the period	-	-	710,468	22,690	(179,035)	554,123	91,657	645,780
Distribution to owners:								
Contribution from non-controlling interests	-	-	-	-	-	-	625	625
Buy-back of ordinary shares	-	(17,946)	-	-	-	(17,946)	-	(17,946)
Dividends on ordinary shares	-	-	(261,097)	-	-	(261,097)	-	(261,097)
Dividend paid to non-controlling interests	-	-	-	-	-	-	(71,469)	(71,469)
Closing balance at 31 December 2015	1,807,045	(17,946)	4,241,266	(217,473)	(151,743)	5,661,149	545,893	6,207,042

Company	----- Attributable to owners of the Company -----					
	Share capital	Treasury shares	Retained earnings	Other reserves	Foreign currency translation reserves	Total share capital and reserves
	IDR million	IDR million	IDR million	IDR million	IDR million	IDR million
Opening balance at 1 January 2016	1,807,045	(17,946)	326,096	(32,535)	958,320	3,040,980
Profit for the period	-	-	120,633	-	-	120,633
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	(77,855)	(77,855)
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	-	-	-	(37,461)	-	(37,461)
Total comprehensive income for the period	-	-	120,633	(37,461)	(77,855)	5,317
Distribution to owners:						
Share issuance expense	-	-	-	-	-	-
Dividends on ordinary shares	-	-	(86,588)	-	-	(86,588)
Closing balance at 31 December 2016	1,807,045	(17,946)	360,141	(69,996)	880,465	2,959,709
Opening balance at 1 January 2015	1,807,045	-	298,376	(55,225)	555,270	2,605,466
Profit for the period	-	-	288,817	-	-	288,817
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss:						
Foreign currency translation	-	-	-	-	403,050	403,050
Item that will not be reclassified subsequently to profit or loss:						
Fair value reserve on derivative	-	-	-	22,690	-	22,690
Total comprehensive income for the period	-	-	288,817	22,690	403,050	714,557
Distribution to owners:						
Dividends on ordinary shares	-	-	(261,097)	-	-	(261,097)
Buy-back of ordinary shares	-	(17,946)	-	-	-	(17,946)
Closing balance at 31 December 2015	1,807,045	(17,946)	326,096	(32,535)	958,320	3,040,980

1(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 issues of equity securities, issue of shares for cash or as 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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

The Company did not issue any share during the year. As of 31 December 2016 and 2015, the number of issued shares were 1,757,531,844, of which 2,255,300 shares were held as treasury shares.

Other than the shares buy back mentioned above, there were no other changes in the Company's share capital.

1(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.

The Company's total number of issued shares excluding treasury shares as at 31 December 2016 and 31 December 2015 were 1,755,276,544 shares.

1(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.

There were no treasury shares which were sold, transferred, disposed, cancelled or used in the current financial period.

2. Whether the figures have been audited or reviewed and in accordance with which auditing standard or practice.

The financial statements presented above have not been audited or reviewed by the Company's 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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2015, except for the new and revised standards that are effective for annual periods 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 changed, as well as the reasons for, and the effect of, the change.**

Amendments to FRS 41 Agriculture – Bearer Plants

The Group adopted the amendments to FRS 41 with effect from 1 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 – Property, Plant and Equipment 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.

Based on its initial adoption on 1 January 2016, the Group's total net assets decreased by approximately IDR 1.4 trillion with a corresponding decrease in total equity.

The Group has applied these amendments retrospectively; hence the financial statements of corresponding comparative period have been restated.

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

Earning per share for the period (weighted average number of shares)	4th Quarter		FY	
	2016	2015 Restated	2016	2015 Restated
Based on weighted average number of share (in IDR)	263	105	572	406
Weighted number of shares	1,757,153,644	1,757,282,762	1,757,153,644	1,757,447,904

7. **Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**
(a) Current financial period reported on; and
(b) Immediately preceding financial year.

Net asset value per share	Group		Company	
	31-Dec-2016	31 Dec 2015 Restated	31-Dec-2016	31 Dec 2015 Restated
Net asset value per ordinary share (in IDR)	3,827	3,225	1,686	1,732
Number of issued shares *	1,755,276,544	1,755,276,544	1,755,276,544	1,755,276,544

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 the following:
- 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
 - 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 INCOME STATEMENT

Overview

In the fourth quarter ("4Q2016") and full year of 2016 ("FY2016") the Group recorded an increase in net profit after tax by 170.8% to IDR 563 billion and by 47.5% to IDR 1,188 billion respectively. The improved performance was primarily due to higher revenue, higher interest income, gain from fair value changes in biological assets, foreign exchange gain, and lower loss from associate companies.

The Group's EBITDA increased to IDR 1,891 billion as compared to IDR 1,531 billion in the preceding year, mainly due to higher revenue and containment in cost.

Revenue

Revenue increased by 56.8% to IDR 2,270 billion in 4Q2016 and 19.6% to IDR 6,630 billion in FY2016, compared to the previous corresponding period, reversing the trend of the last three quarter of the same year. The increase in revenue was from stronger average selling price as well as increase in sales volume.

The revenue of biodiesel during the period has improved and contributed approximately 4.7% to the Group's total revenue. This was in line with the improvement of sales volume and price for biodiesel.

Below is the year-on-year comparative of the Group's revenue:

Revenue	4th Quarter			FY		
	2016	2015	Change	2016	2015	Change
	IDR million	IDR million	(%)	IDR million	IDR million	(%)
CPO	1,826,943	1,229,082	48.6%	5,416,743	4,888,709	10.8%
Palm Kernel	355,516	161,882	119.6%	902,170	579,909	55.6%
Biodiesel	87,404	56,717	54.1%	309,968	72,839	325.6%
Glycerin	313	378	-17.2%	891	666	33.8%
Total	2,270,176	1,448,059	56.8%	6,629,772	5,542,123	19.6%
Volume	2016	2015	Change	2016	2015	Change
	mt	mt	(%)	mt	mt	(%)
CPO	235,131	207,232	13.5%	734,219	704,859	4.2%
Palm Kernel	48,347	42,493	13.8%	141,866	137,363	3.3%
Biodiesel	8,624	7,279	18.5%	32,183	9,194	250.0%
Glycerin	1,450	726	99.7%	3,779	847	346.2%
Average sales prices	2016	2015	Change	2016	2015	Change
	IDR / kg	IDR / kg	(%)	IDR / kg	IDR / kg	(%)
CPO	7,770	5,931	31.0%	7,378	6,936	6.4%
Palm Kernel	7,353	3,810	93.0%	6,359	4,222	50.6%
Biodiesel	10,135	7,792	30.1%	9,631	7,922	21.6%
Glycerin	216	521	-58.5%	236	786	-70.0%

Cost of Sales

The Group's cost of sales comprised of palm oil and biodiesel costs. Palm oil costs mainly consist of costs in relation to plantation maintenance, harvesting, plantation overhead, depreciation and amortisation, milling, and fresh fruit bunches ("FFB") purchased externally (including plasma and third parties). Biodiesel costs mainly consist of processing and feed stock purchase costs.

The Group's cost of sales increased by 44.8% in 4Q2016 to IDR 1,376 billion and by 19.7% in FY2016 to IDR 4,654 billion compared to the previous period. The increase in cost of sales during 4Q2016 was mainly due to completion of fertiliser application for current year and higher purchase price of external FFB of palm oil cost.

In FY2016, increase in cost of sales was mainly attributable to higher purchase price of external FFB as well as higher palm feed stock purchase price of biodiesel which was affected by increase in CPO price during the year.

Interest Income

Interest income increased by 53.6% to IDR 63 billion in 4Q2016 and by 25.2% to IDR 182 billion in FY2016 was mainly attributable to interest income earned from advances given to the plasma farmers and interest income from time deposits.

Selling expenses

Selling expenses mainly comprised of transportation freight and loading expenses. The higher selling expense in 4Q2016 was mainly due to higher sales volume.

However for the FY2016, more efficient logistic management as well as decrease in fuel price has resulted in lower selling expense compared to previous year.

General and Administrative expenses

General and administrative expenses ("G&A expenses") of IDR 206 billion in FY2016 mainly comprised of salaries and employee cost, depreciation and amortisation, taxes and licenses, and office expenses.

Finance cost

Finance cost decreased by 10.7% to IDR 39 billion in 4Q2016 was mainly attributable to repayment of some revolving bank loans.

In FY2016, finance cost increased by 5.1% to IDR 163 billion was mainly attributable to higher LIBOR rate in current year compared to previous year.

Foreign Exchange Gain / (Loss)

The Group recorded net foreign exchange loss of IDR 55 billion in 4Q2016 which was mainly due to translation loss on USD denominated borrowings in the Group's IDR financial statements as a result of the depreciation of IDR against USD compared to 3Q2016.

On the other hand, the Group recorded net foreign exchange gain of IDR 16 billion in FY2016 which was mainly due to translation gain on USD denominated borrowings in the Group's IDR financial statements as a result of the appreciation of IDR against USD during FY2016 compared to FY2015.

Gain / (loss) arising from Fair Value Changes in Biological Assets

In accordance with the implementation of new FRS 41, the agricultural produce growing on bearer plants are measured at fair value less costs to sell.

The Group recorded gain arising from fair value changes in biological assets of IDR 27 billion based on market value of the agricultural produce as at 31 December 2016.

Other expenses

Other expenses amounting to IDR 58 billion in 4Q2016 and IDR 122 billion in FY2016, mainly consist of tax payment in regards with tax incentive programme issued by the Indonesian Ministry of Finance for revaluation of the Group's assets. With this incentive, the Group has potential deferred tax benefit in the future.

Share of loss of associate companies

Share of loss of associate companies of IDR 22 billion in FY2016 was due to share of losses from the Group's associate companies namely, PT Sawit Nabati Agro and PT Berkas Agro Sawitindo Group of companies ("SNA Group").

Lower share of loss during the period was mainly due to improvement in foreign exchange translation as a result of the appreciation of IDR against USD during 4Q2016 combined with better production.

Income tax expense

The Group recorded an increase in income tax expense to IDR 144 billion in 4Q2016 compared to IDR 48 billion in 4Q2015 and IDR 328 billion in FY2016 compared to IDR 196 billion in FY2015, due to higher taxable profit during the period.

Deferred tax income

In FY2016, the Group recognised deferred tax income of IDR 54 billion from the tax incentive programme issued by the Indonesian Ministry of Finance for the revaluation of the Group's assets. With this incentive, the Group has potential deferred tax benefit in the future.

REVIEW OF STATEMENT OF FINANCIAL POSITION

Non-Current Assets

As at 31 December 2016, the Group's total non-current assets increased by IDR 1,156 billion from IDR 11,316 billion to IDR 12,472 billion, were mainly due to:

- a) Bearer plants increased by IDR 933 billion to IDR 7,025 billion as at 31 December 2016 mainly due to acquisition of subsidiaries during the period.
- b) Plasma receivables increased by IDR 210 billion to IDR 923 billion as at 31 December 2016 mainly due to increase in advances given to the plasma farmers with respect to maintenance cost of immature plantation and the development/acquisition of new plasma plantation.
- c) Land use rights increased by IDR 199 billion to IDR 815 billion as at 31 December 2016 mainly attributable to acquisition of land bank in the current period.
- d) Property, plant and equipment ("PPE") increased by IDR 63 billion to IDR 3,307 billion as at 31 December 2016 mainly attributable to the purchase of machineries, vehicles and heavy equipment, construction of infrastructure, and acquisition of new subsidiaries.

Above increases in non-current assets were partially offset against the decrease in loan to associate company by IDR 260 billion from IDR 328 billion to IDR 68 billion due to repayment from associate company in the current period.

Current Assets

As at 31 December 2016, the Group's total current assets decreased by IDR 761 billion from IDR 3,056 billion to IDR 2,295 billion. Save for the decrease in cash and cash equivalents which was explained in the cash flow section, the net decrease in the current assets were mainly due to:

- a) Trade and other receivables decreased by IDR 321 billion to IDR 278 billion mainly attributable to repayment of other receivables (other receivable turnover FY2016: 13 days; FY2015: 17 days).
- b) Due from related companies decreased by IDR 158 billion to IDR 0.5 billion as at 31 December 2016 mainly attributable to repayment and reclassification of loans of related companies.
- c) Current portion of plasma receivables decreased by IDR 124 billion to IDR 302 billion as at 31 December 2016 compared to 31 December 2015. This portion comprised of target funding for advances given to the plasma farmers which was expected to be refinanced by the banks within the next 12 months.
- d) Prepayment and advances decreased by IDR 69 billion to IDR 11 billion as at 31 December 2016 attributable to decrease in advances related to mill projects which reduced due to lower activities, as well as decrease in advances related to acquisition of a subsidiary.
- e) Inventories decreased by IDR 39 billion to IDR 612 billion as at 31 December 2016 mainly due to decrease in finished goods (CPO and PK) as a result of higher sales volume during the year compared to previous year.

Above decreases in current assets were partially offset against the increase in biological assets to IDR 260 billion as at 31 December 2016 which comprised of agricultural produce growing on the bearer plants as in accordance with the implementation of new FRS 41 in the current year.

Current Liabilities

Decrease in current liabilities by IDR 1,361 billion to IDR 1,915 billion as at 31 December 2016 was mainly due to:

- a) Loans and borrowings decreased by IDR 976 billion due to repayment of IDR and USD bank loans during the period and reclassification to long-term loan due to extension of revolving loans from some banks to more than 1 year tenure.
- b) Trade and other payables decreased by IDR 363 billion to IDR 572 billion as at 31 December 2016 mainly comprised of payables related to purchase of fertiliser, FFB, and mill construction projects.

Non-Current Liabilities

As at 31 December 2016, the Group's total non-current liabilities increased from IDR 4,889 billion to IDR 5,330 billion. This was mainly due to reclassification of loans and borrowings as a result of extension of some of revolving bank loans to more than 1 year tenure.

The increase in non-current portion of loans and borrowings was partially offset by the decrease in Islamic Medium Term Note ("IMTN") to IDR 2,992 billion as a result of the translation of the foreign denominated IMTN as at 31 December 2016. During the financial year, the MYR has depreciated against USD which resulted in a foreign exchange gain and decreased the IMTN.

REVIEW OF STATEMENT OF CASH FLOW

The Group reported a net decrease in cash and cash equivalents of IDR 81 billion as at 31 December 2016, bringing the cash and bank balances to IDR 517 billion, which was mainly attributable to the following:

- In 4Q2016 and FY2016, the Group generated cash of IDR 660 billion and IDR 1,372 billion compared to previous year which was mainly due to higher cash collection from customers as affected by higher production and average sales price of CPO and PK during the year.
- Lower net cash used in investing activities of IDR 127 billion in 4Q2016 and of IDR 705 billion in FY2016 compared to previous year was mainly due to receipt of loans repayment from associate company amounted to IDR 263 billion in the current year as well as slower expansion which resulted in lower cash used for acquisitions of PPE, bearer plants and land use rights.
- The Group reported net cash used in financing activities of IDR 374 billion in 4Q2016 and IDR 748 billion in FY2016 compared to previous year which was mainly due to repayment of some revolving bank loans.

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 palm oil industry forecast a recovery from the El Nino impact on palm oil production for 2017. Palm oil prices is expected to be resilient for the next three months of the year.

The Group remains positive on the long term outlook of the palm oil industry and will continue to focus on yield improvement as well as cost management.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period 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 payment of the dividend will be subject to the approval by shareholders at the forthcoming AGM to be convened at the end of April 2017.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year?

Yes.

FY2015	
Name of Dividend	Final dividend
Dividend Type	Cash
Dividend amount per share	0.5 Singapore Cents
Payment Type	Tax Exempted (1-tier)

(c) Date payable

To be announced later.

(d) Books closure date

To be announced later.

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 interested person transactions ("IPT") for FY2016:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 of the Listing Manual during the financial year under review (excluding transactions less than S\$100,000)
	in IDR million	in IDR million
Mr Gunardi Hariyanto Lim	2,400 ⁽¹⁾	-
IOI Corporation Berhad	-	92,830 ⁽²⁾
PT Sawit Nabati Agro	-	5,286 ⁽³⁾
PT Lima Srikandi Jaya	6,900 ⁽⁴⁾	-
TOTAL	9,300	98,116

Notes:

*For illustrative purpose the aggregate value of all interested person transactions, conducted under the Shareholders' Mandate during the financial year under review using the current period closing rate

- (1) In respect of the aggregate rent paid by the Group to Mr. Gunardi Hariyanto Lim for office space in Indonesia pursuant to the lease agreement between Mr. Gunardi Hariyanto Lim and PT Bumitama Gunajaya Agro.
- (2) In respect of transactions conducted pursuant to the Shareholders' Mandate for Transactions with IOI Corporation and its Associates (as described in the Prospectus).
- (3) In respect of transactions conducted pursuant to the Shareholders' Mandate for transaction with Sawit Nabati Agro (SNA) Group (as described in the Prospectus).
- (4) In respect of the rental agreement of vessels transactions involving PT Lima Srikandi Jaya which is one of the subsidiaries of Harita Group. Harita Group is owned by Lim family and also one of the Company's controlling shareholders.

14. Undertaking Confirmation Statement from all its directors and executive officers under Rule 720(1)

The Company has procured undertakings from all its directors and executive officer (in the format set out in Appendix 7.7) under Rule 720(1) of the Listing Manual.

ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

- 15. 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.**

The Group's primary business activities are cultivating and harvesting palm trees, processing FFB from our oil palm plantations, our plasma plantations, and third parties into CPO and PK, and selling CPO and PK in Indonesia. Since FY2015, the Group has initiated low capacity of biodiesel production through one of its subsidiary. Accordingly, no segmental information is presented based on business segment as biodiesel contribution is not material to the Group's total revenue.

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

Not applicable.

- 17. A breakdown of sales**

FY2016	The Group		
	FY2016	FY2015 Restated	Increase / (Decrease)
	IDR million	IDR million	IDR million
(a) Sales reported for the first half year	2,864,909	2,915,177	(50,268)
(b) Operating profit before deducting minority interests reported for the first half year	387,009	392,240	(5,231)
(c) Sales reported for the second half year	3,764,863	2,626,946	1,137,917
(d) Operating profit before deducting minority interests reported for the second half year	801,127	413,297	387,830

- 18. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year 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). If there are no such persons, the issuer must make an appropriate negative statement.**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year.
Lim Liana Sarwono	64	The sister of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL and daughter of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL.	Senior Purchasing Manager since 1998 - Responsible for securing quality purchases at reasonable prices.	No Change
Lim Christina Hariyanto	49	The sister of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL and daughter of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL.	Head of Investor Relations since 2012 - Responsible for IR activities for Bumitama Agri Ltd.	No Change
Lim Shu Hua, Cheryl	28	The daughter of Lim Gunawan Hariyanto, Executive Chairman and CEO of BAL and granddaughter of Dr. Lim Hariyanto Wijaya Sarwono, a controlling shareholder of BAL.	Deputy Group Dept Head of Logistic & Commercial since January 2014 - Responsible for negotiating and finalising fertiliser purchases and developing commercial strategy of the business.	No Change

For and on behalf of the Board of Directors

Lim Gunawan Hariyanto
Executive Chairman and CEO
24 February 2017

Tan Boon Hoo
Lead Independent Director