

BUMITAMA AGRI LTD. (the “Company”)
(Incorporated in Singapore)
(Company Registration Number: 200516741R)

**RESPONSE TO QUERIES FROM THE SINGAPORE EXCHANGE
SECURITIES TRADING LIMITED (“SGX-ST”)**

The Board of Directors of Bumitama Agri Ltd (the “Company” or together with its subsidiaries, the “Group”) refers to the Group’s third quarter results ended 30 September 2012 results announcement released via SGXNET on 14 November 2012.

The following information is provided in response to SGX-ST’s queries:

1. **We note on Page 3 of the results announcement that ‘Inventories’ has increased by approximately 69.8% from IDR263,333 million to IDR447,175 million when ‘Revenue’ has increased by 34.1%. In respect of the above, please provide the following information:**
 - (i) **Breakdown on major items contributing to increase in ‘Inventories’.**
 - (ii) **Reasons for the increase in ‘Inventories’.**
 - (iii) **Inventory turnover days for current period as compared to previous corresponding period and elaborate on material variances, if any.**

Company’s response

- (i) The breakdown on major items contributing to the increase in ‘Inventories’ is as follows:

	30-Sep-12	31-Dec-11
	IDR'million	IDR'million
Finished Good (CPO and PK)	192,624	126,135
Fertilizer and chemicals	157,707	86,376
Others	96,844	50,822
Total	447,175	263,333

- (ii) Reasons for the increase in ‘Inventories’

As shown in the above table, the increase in inventories of Crude Palm Oil (“CPO”) and Palm Kernel (“PK”) was due to delay in collection of stocks by buyers in view of the shortages of vessel. The increase in fertilizer and chemicals was due to deferment on application of fertilizer to the fourth quarter of 2012.

The increase in "Others" comprised mostly spare parts, fuel and oil stocked up to ensure the availability of resources for repair and maintenance purposes.

- (iii) Inventory turnover days for current period as compared to previous corresponding period and elaborate on material variances, if any.

As a result of the above, overall inventory turnover days increased from 48.8 days to 75.6 days.

Inventory turnover days for both CPO and PK maintained at 29 days.

2. **We note on Page 3 of the results announcement that ‘Trade and other receivables’ has increased by approximately 100% from IDR33,891 million to IDR67,789 million when ‘Revenue’ has increased by 34.1%. In respect of the above, please provide the following information:**

(i) Breakdown on major items contributing to increase in ‘Trade and other receivables’.

(ii) Reasons for the increase in ‘Trade and other receivables’.

(iii) Trade and other receivables turnover days for current period as compared to previous corresponding period and elaborate on material variances, if any.

(iv) Company’s views on whether provision for doubtful debt is adequate and basis for views.

Company’s response

- (i) The breakdown on major items contributing to the increase in ‘Trade and other receivables’ is as follows:

		30-Sep-12	31-Dec-11
		IDR'million	IDR'million
Trade receivable		9,583	2,837
Other Receivable:			
Contractor		32,900	21,655
Hedging		15,133	-
Employees		9,908	7,121
Others		265	2,278
Total		67,789	33,891

- (ii) Reasons for the increase in ‘Trade and other receivables’.

The increase in trade receivable and other receivables was due mainly to higher sales, advances to contractors for earlier start work timing and unrealised hedging gains following the hedging activities carried out in 2012.

- (iii) Trade and other receivables turnover days for current period as compared to previous corresponding period and elaborate on material variances, if any.

Overall trade and other receivables turnover days increased from 4.4 days to 7.32 days; whereas the trade receivables turnover days increased from 0.4 days to 1.03 days.

- (v) Company's views on whether provision for doubtful debt is adequate and basis for views.

Management believes that all receivables would be collectible and there is no indication which warrant the provision for doubtful debt for the quarter under review.

- 3. We note on Page 3 of the results announcement that 'Prepayments and advances' has increased by approximately 125.7% from IDR17,997 million to IDR40,622 million. In respect of the above, please provide the following:**
(i) Reasons for the increase in 'Prepayments and advances'
(ii) Breakdown of major items contributing to the increase.

Company's Response

- (i) Reasons for the increase in 'Prepayments and advances'.

The increase in "Prepayment and advances" was due mainly to advances for new mill development in PT Windu Nabatindo Lestari ("WNL"), mill extension in PT Gunajaya Karya Gemilang ("GKG") and advances for recruitment services, training and staff development.

- (ii) Breakdown of major items contributing to the increase.

The breakdown is as follows:

	30-Sep-12	31-Dec-11
	IDR' Million	IDR' Million
Advances for Purchasing & Services	35,255	14,284
Others	5,367	3,713
Total	40,622	17,997

"Others" refer to prepayment for insurance and advances for the purchases of assets for Research and Development ("R&D") and Geographic Information Systems ("GIS").

By Order of the Board

Lim Gunawan Hariyanto
Executive Chairman and CEO

19 November 2012

The Joint Issue Managers for the Company's initial public offering are DBS Bank Ltd and The Hongkong and Shanghai Banking Corporation Limited, Singapore Branch. The joint issue managers assume no responsibility for the contents of this announcement.