

To :

Otoritas Jasa Keuangan
Gedung Soemitro Djojohadikusumo
Jl. Lapangan Banteng Timur 2-4
Jakarta 10170

C.P.: **Bapak Hoesen**
Chief Executive of Capital Market Supervisor

Subject: Change in Accounting Policy for Depreciation of Fixed Assets

Dear Mr. Hoesen,

Continuing our previous discussion, hereby with this letter, we would like to re-inform the change in the Accounting Policy for Depreciation of Fixed Assets in the presentation of the Financial Statements of PT FKS Multi Agro Tbk and subsidiaries, previously using the Double Declining method then converted into Straight Line method. The change comes into effect from January 1, 2018.

The reasons for the change in the accounting policy are due to:

1. To make align the company's accounting policies with the accounting policies of the parent company.
2. Initially in the development process of an investment, the throughput capacity is therefore still low and the growth comes gradually. By using the double declining method, the low income is met with a very high depreciation expense, which then cause a significant impact on the operating profit.

In the Quarterly Report that we have submitted in the first, second and third quarter of 2018, we have not shown such changes, thus the adjustments due to the changes in accounting policies will be reflected in the audited 2018 Annual Financial Report.

The impact of the change in accounting policy will be an increase in the operating profit of PT. Multiagro Tbk and its subsidiaries in a range of USD 1,600,000 to USD 1,800,000, in which the exact calculation of adjustments is currently being examined by the company's accountant. The result of the change to the accounting policy will be fully disclosed in accordance to the existing PSAK and provisions.

Thank you for your attention.

Directors of PT FKS Multi Agro Tbk

Jakarta, 20 December 2018