Golden Agri-Resources Ltd
Listed on the Singapore Exchange

PRESERVING THE PRESENT
ENSURING THE FUTURE

ANNUAL REPORT 2014

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Vision

Be the best, fully-integrated, global agribusiness and consumer product company – the partner of choice

Mission

We efficiently provide sustainable and superior quality agribusiness and consumer products, solution and services to create value for all our stakeholders

Corporate **Profile**

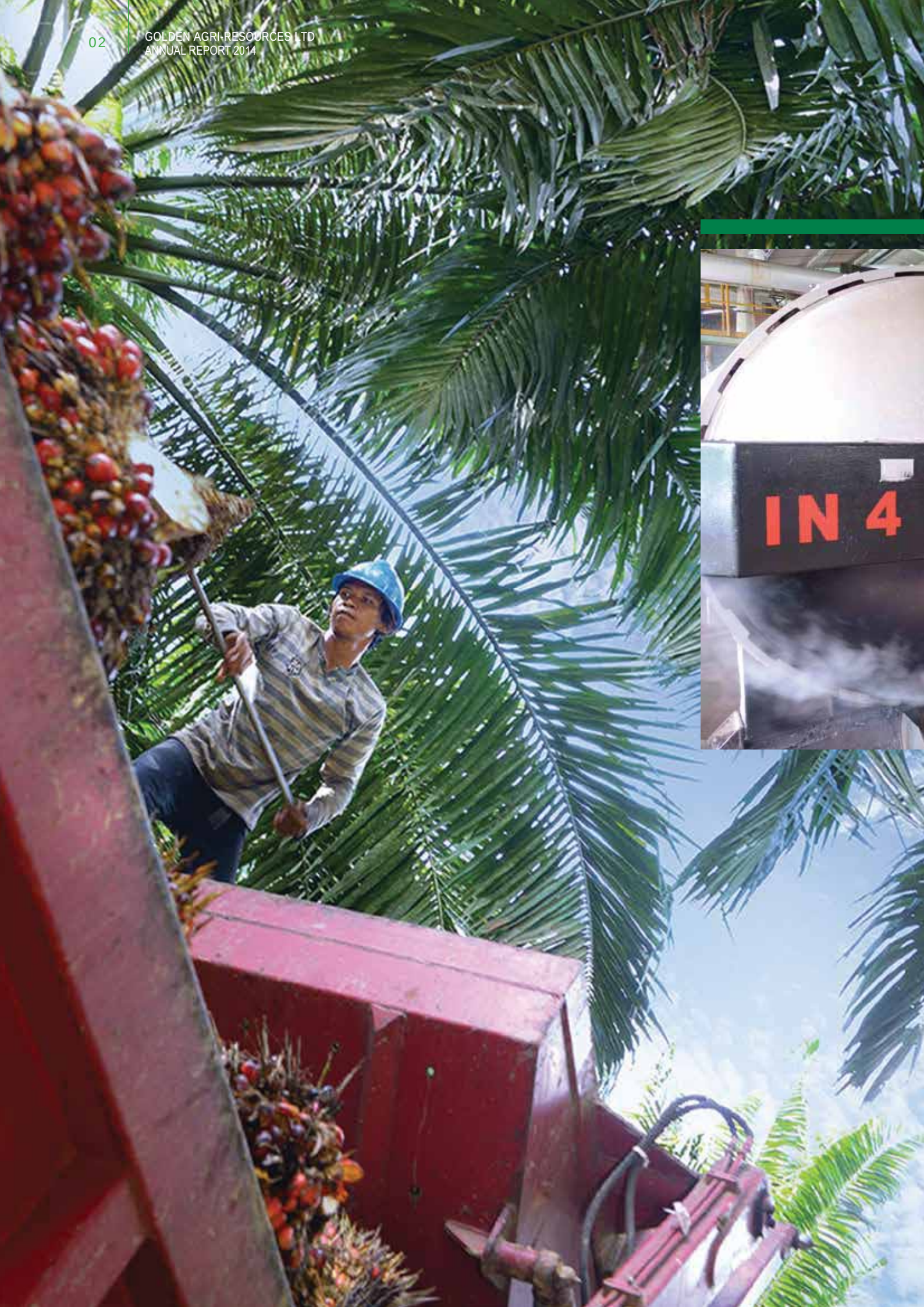
Listed on the Singapore Exchange since 1999, Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") form one of the leading integrated palm oil plantation companies in the world, with total revenue of more than US$7.6 billion and core net profit of US$221 million in 2014.

GAR's primary activities range from cultivating and harvesting oil palm trees, processing fresh fruit bunches ("FFB") into crude palm oil ("CPO") and palm kernel ("PK"), to refining CPO into industrial and consumer products such as cooking oil, margarine and shortening.

GAR is focused on sustainable palm oil production. GAR cultivates 472,800 hectares of oil palm plantations in Indonesia, including plasma smallholders. Our 42 mills extract CPO and PK from FFB, with a total capacity of 11.6 million tonnes per annum. Part of our CPO is processed further into value-added bulk, industrial and branded products through our own refineries, with a total capacity of 3.5 million tonnes per annum. The PK is crushed in our kernel crushing plants, which have an annual capacity of 1.1 million tonnes, producing higher-value palm kernel oil and palm kernel meal.

GAR also has a presence in China, where we operate an integrated business including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles.

GAR's products are sold globally through its extensive distribution network. The Company is well-positioned to grow a global, diversified, customer base through strong distribution, branding, merchandising, and destination processing. Our shipping and logistics capabilities are bolstered by our ownership of vessels, sea ports, jetties, warehouses and bulking facilities in favourable locations.


IN 4

Leading in Plantation Scale
Driving Operational Excellence

472,800 Ha
of oil palm estates

6.25 MT per ha
of palm product yield

The large scale and integrated nature of our palm oil operations allow us to promote efficiency, productivity, quality and sustainable growth across the entire value chain. Our strong expertise is supported by a comprehensive management system and an internationally recognised research and development centre. We aim to build on our competitive strengths to maintain the growth of oil palm plantation and its output.

Chairman's **Statement**

Dear Shareholders,

The year 2014 was eventful for Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company"), with many developments within the Company and in the palm oil industry. Our plantation business delivered an outstanding performance with record plantation production accompanied by higher margins. The development of our palm downstream business is progressing well and we expect its earnings contribution to step up, as our multi-year expansion programme has mostly been completed with additional refining capacities newly in operation and our entry into more destination markets. The business environment in China remains challenging and we are continuously improving our business model for the oilseed business.

Crude palm oil ("CPO") saw a downward price trend during the year, affected by the ample supply of edible oils globally, a milder than expected drought and a large drop in crude oil prices. While CPO prices may continue to be range bound for most of 2015, we are of the view that long-term supply and demand fundamentals remain favourable for edible oils, and for palm oil in particular, given its lowest cost of production and wide range of uses.

We will bring our business strategy to the next phase; from rapid expansion of our downstream business to a focus on optimising the vertical integration of our operations to improve margins. Our stronger presence internationally allows us to deliver our high quality product portfolio to end-customers. As this progresses, we are creating long-term value throughout the supply chain of our integrated operations.

FY2014 Performance

The Company's palm product output grew by 7 percent in 2014 despite dry conditions in the early part of the year. Output reached 2.95 million tonnes, with palm product yield per hectare increasing to 6.25 tonnes from 5.88 tonnes, supported by consistent implementation of best-in-class estate and mill management across our operational units.

With growing plantation output and expanding downstream capacities, revenue has experienced solid growth from year to year. During 2014, it increased by 16 percent to US$7.62 billion, in spite of lower average CPO market prices. We recorded EBITDA of US$566 million and net profit of US$114 million. Excluding the loss on revaluation of biological assets and other non-core items, our core net profit remained robust at US$221 million. The dip in performance was mainly due to softer CPO market prices and the challenging business environment in China.

The Company remained in good shape financially, with sufficient cash reserves and prudent net adjusted gearing of 0.19 times. Total assets and equity grew steadily, reaching US$14.67 billion and US$8.73 billion

respectively at the end of 2014. Our healthy financial position allows us to be more flexible in selecting the most appropriate source of financing and puts us in good stead to support our growth.

For the year 2014, the Board proposed a final dividend distribution of 0.177 Singapore cents per share, after considering our strategic expansion plan for 2015 and potential value-creating acquisitions. Combined with the interim dividend of 0.408 Singapore cents announced in November 2014, the total dividend for the year will be 0.585 Singapore cents. This is aligned with our dividend policy of distributing up to 30 percent of underlying profit.

Business Expansion and Strategy

GAR is passionate to be the best. By leveraging our fully integrated operations and its large scale, we are aiming to be the partner of choice in the global agribusiness and consumer sectors. Capitalising on our competitiveness, we have a mission to provide solutions, quality products and services both efficiently and sustainably, which ultimately will provide higher value to our shareholders in the long term. We continuously add value to our operations, by relentlessly enhancing operational excellence to be at the cutting edge of the palm oil industry. Of equal importance, we apply strict management control to ensure that all operational units recognise our targets and standards and work together to achieve them.

Our endeavours in plantation division will stay focused on maintaining the growth of our plantations and their output and sustaining cost leadership. We will continue to invest in the future by using improved planting techniques and planting materials, as well as intensification of research and development in oil palm breeding. We will also further innovate to improve our best plantation management, fertilising and harvesting techniques in order to maintain cost competitiveness. While we are in the process of completing the acquisition of plantation assets in Sumatra, we are on the look-out for opportunities to expand through strategic acquisitions amid the current low CPO prices. We are also extending our efforts to replant our old estates in order to maintain a favourable age profile and further enhance long-term yield. As at 31 December 2014, our planted area was approximately 472,800 hectares.

Our downstream capacity in Indonesia has expanded to 3.5 million tonnes of CPO per annum today. Our downstream operations are in strategic locations with easy access to the raw material sources and ports. Our main focus remains on capturing value across the supply chain, which will eventually help us to be the leader in sourcing and processing materials efficiently, optimising margins through a large range of products, and merchandising and destination processing across markets and geographies.

To this end, we have added partnerships with global companies to leverage on industry best practices. In 2014, we formed a partnership with Louis Dreyfus Armateurs, an international maritime transportation and services specialist, to enhance our capacity and efficiency in shipping our palm oil products domestically. We established a similar joint venture with CEPSA Quimica, S.A. to develop, formulate, produce, distribute and sell fatty alcohols and derivatives globally. Besides these joint ventures, we have successfully completed the acquisition of Gemini Edibles & Fats India Private Limited with a controlling stake of 75 percent. In line with our strategy to extend distribution and processing reach to key consuming countries, the acquisition provides an opportunity to participate in the high-growth branded cooking oils and specialty fats industry in India.

The oilseed market environment in China remains challenging, though it showed an improvement in the last quarter of 2014. This is a positive sign for the industry in years to come. In seeking a long-term profit model, we are reviewing our business approach and strategy in China.

Recognising our superior performance in the industry, Frost and Sullivan named GAR as the Home Grown Palm Oil Plantation Company of the Year and Palm Oil Trader of the Year at the 2014 Frost and Sullivan Indonesia Excellence Awards. These were two of six award categories covering palm oil companies.

Sustainable Development

As one of the largest palm oil players in Indonesia, we continue to play a pioneering role in the responsible management of forests, multi-stakeholder engagement and value creation for our communities and shareholders. Our focus remains on practices and standards for the long-term, sustainable growth of the palm oil industry.

In 2014, we made advances in our leading Forest Conservation Policy ("FCP") by extending it to our downstream operations, thus expanding our "no deforestation" commitment to the entire supply chain. We recognise the challenges in ensuring traceability in our downstream business, and are aligning our efforts towards deforestation-free palm oil.

In addition to our FCP, we reiterated our commitment to our Social and Community Engagement Policy which guides and shapes the Company's decisions in engaging communities to ensure that our palm oil operations improve the lives of those they impact. Core to this is a commitment to Free, Prior and Informed Consent of local communities in keeping with Roundtable on Sustainable Palm Oil ("RSPO") Principles and Criteria.

Chairman's **Statement**

As part of our ongoing commitment to report our progress in an open and transparent manner, we launched the GAR Sustainability Dashboard in May 2014. The online dashboard allows our stakeholders to track our FCP and sustainability commitments.

GAR believes that multi-stakeholder engagement is important to achieve solutions for sustainable palm oil. In August 2014, GAR joined a High Carbon Stock ("HCS") Approach Steering Group comprising mainly of plantation companies and NGOs to lead a process for further development and global standardisation of the HCS methodology first developed by GAR, The Forest Trust ("TFT") and Greenpeace since 2011. Separately, GAR will publish a final report on our HCS forest conservation pilot project in West Kalimantan in mid-2015.

We declared GAR's commitment to forest protection in the 2014 New York Declaration on Forests at the United Nations Climate Summit. We also signed the Indonesia Palm Oil Pledge with other major palm oil players and the Indonesian Chamber of Commerce and Industry ("KADIN"), as a commitment to improving environmental stewardship together.

GAR has made further progress in our RSPO certification plans. To-date, 228,682 hectares of our plantations and 23 mills are RSPO-certified, bringing us closer to our overall target of obtaining RSPO certification for all our existing palm oil operating units (as at June 2010) by December 2015. GAR continues to work with RSPO and is a member of the High Conservation Value ("HCV") Compensation Task Force and the Biodiversity and HCV Working Group. We are also advancing in attaining Indonesian Sustainable Palm Oil Certification and International Sustainability and Carbon Certification to meet the demand for sustainably produced palm oil.

Outlook for the Industry

Looking ahead, long-term prospects for the palm oil industry remain sound and exciting. While we expect slower growth in CPO output in 2015 as a result of the drought in some parts of Indonesia and Malaysia in early 2014, global demand for palm oil both for food and non-food sectors continues to be strong. With rising income per capita in developing countries, especially in Asia, consumption of palm oil as the cheapest vegetable oil will continue to grow. Furthermore, the Indonesian government is on track to implement a subsidy for biofuel in the coming years.

Appreciation

Last but not least, on behalf of the Board, I am grateful for the wholehearted support GAR has received from employees, shareholders and other stakeholders through both good and challenging times. Your efforts and collaboration have made GAR what it is today and will bring us greater success in the future.

Franky Oesman Widjaja
Chairman and Chief Executive Officer
18 March 2015

Financial Highlights

	2014	2013	2012	2011
Consolidated Income Statement (US$'000)				
Revenue	7,619,309	6,584,962	6,051,748	5,952,924
Gross profit	1,311,006	1,363,307	1,610,795	1,836,687
EBITDA [1]	566,443	662,269	785,169	941,959
Core net profit [2]	221,320	318,352	404,274	571,433
Net profit attributable to owners of the Company	113,553	311,286	409,641	1,267,970
Weighted average number of shares (million shares)	12,838	12,838	12,430	12,139
Core net profit [2] per share (US$ cents)	1.72	2.48	3.25	4.71
Earnings per share (US$ cents)	0.88	2.42	3.30	10.45
Consolidated Statement of Financial Position (US$'000)				
Total assets	14,666,621	14,148,204	13,286,134	11,837,377
Total current assets	2,794,374	2,538,526	2,421,811	1,881,801
Total current liabilities	2,500,566	1,884,110	1,302,206	1,143,322
Total non-current liabilities	3,347,734	3,460,721	3,365,724	2,581,589
Non-controlling interests	89,818	82,818	91,575	87,429
Equity attributable to owners of the Company	8,728,503	8,720,555	8,526,629	8,025,037
Ratios				
Gross profit margin	17%	21%	27%	31%
EBITDA [1] margin	7%	10%	13%	16%
Core net profit [2] margin	3%	5%	7%	10%
Net profit [3] margin	1%	5%	7%	21%
Return on equity [4]	1%	4%	5%	16%
Return on assets [5]	1%	2%	3%	11%
Current ratio (times)	1.12	1.35	1.86	1.65
Adjusted net debt to equity [6] (times)	0.19	0.13	0.07	0.02
Receivable turnover [7] (days)	24	24	19	14
Inventory turnover [8] (days)	47	56	65	61
Other information				
Average CPO market price – FOB Belawan (US$ per tonne)	768	797	959	1,083

Remarks:
(1) EBITDA = earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, changes in fair value of biological assets, foreign exchange gain or loss, exceptional items and share of results of associated companies and joint ventures
(2) Core net profit = net profit attributable to owners of the Company excluding net effect of net gain or loss from changes in fair value of biological assets, foreign exchange gain or loss and exceptional items (net of tax and non-controlling interests)
(3) Net profit = net profit attributable to owners of the Company
(4) Return on equity = net profit attributable to owners of the Company / equity attributable to owners of the Company
(5) Return on assets = net profit attributable to owners of the Company / total assets
(6) Adjusted net debt to equity = (total borrowings – cash and cash equivalents – short-term investments – liquid working capital) / equity attributable to owners of the Company
(7) Receivable turnover = average trade receivables / revenue * 365
(8) Inventory turnover = average inventory / cost of sales * 365

Plantation Highlights

	2014	2013	2012	2011
Total planted area (hectares)				
Young (4 - 6 years)	65,666	79,912	91,849	90,513
Prime 1 (7 - 18 years)	215,802	223,438	211,663	199,541
Prime 2 (19 - 25 years)	136,825	107,079	94,286	90,391
Old (> 25 years)	22,285	20,282	18,511	10,314
Total mature plantations	440,578	430,711	416,309	390,759
Immature plantations	32,259	40,389	47,117	64,901
Total planted area	472,837	471,100	463,426	455,660
Nucleus planted area (hectares)				
Young (4 - 6 years)	54,051	69,599	83,880	85,521
Prime 1 (7 - 18 years)	175,371	172,550	153,570	138,980
Prime 2 (19 - 25 years)	93,071	76,059	72,462	72,012
Old (> 25 years)	22,285	20,282	18,511	10,314
Total mature plantations	344,778	338,490	328,423	306,827
Immature plantations	27,173	32,612	38,491	54,233
Total nucleus planted area	371,951	371,102	366,914	361,060
Plasma planted area (hectares)				
Young (4 - 6 years)	11,615	10,313	7,969	4,992
Prime 1 (7 - 18 years)	40,431	50,888	58,093	60,561
Prime 2 (19 - 25 years)	43,754	31,020	21,824	18,379
Total mature plantations	95,800	92,221	87,886	83,932
Immature plantations	5,086	7,777	8,626	10,668
Total plasma planted area	100,886	99,998	96,512	94,600
Production statistics				
FFB harvested (tonnes)	9,729,030	9,040,682	9,686,045	8,508,746
Nucleus	7,569,932	6,997,213	7,389,763	6,397,955
Plasma	2,159,098	2,043,469	2,296,282	2,110,791
FFB yield (tonnes per hectare)	22.1	21.0	23.3	21.8
CPO produced (tonnes)	2,386,531	2,240,598	2,356,978	2,152,809
PK produced (tonnes)	566,501	527,509	554,023	487,298
OER (%)	22.83	22.68	22.60	22.96
KER (%)	5.42	5.34	5.31	5.20
Palm product yield (tonnes per hectare)	6.25	5.88	6.49	6.13
Plantation location (hectares)				
Sumatra	215,951	216,127	215,632	216,408
Nucleus	140,040	140,216	140,025	140,887
Plasma	75,911	75,911	75,607	75,521
Kalimantan	243,531	241,618	234,439	225,897
Nucleus	218,556	217,531	213,533	206,818
Plasma	24,975	24,087	20,906	19,079
Papua				
Nucleus	13,355	13,355	13,355	13,355

Board of **Directors**

1 Franky Oesman Widjaja

Chairman and Chief Executive Officer

Mr. Franky Widjaja, aged 57 was appointed Chairman in 2000. He has been a Director and the Chief Executive Officer of the Company since 1996. Mr. Franky Widjaja earned his Bachelor's degree in Commerce from Aoyama Gakuin University, Japan in 1979.

Mr. Franky Widjaja has extensive management and operational experience. Since 1982, he has been involved with different businesses, including pulp and paper, property, chemical, financial services and agriculture.

Mr. Franky Widjaja is a member of the Company's Executive/Board Committee, Nominating Committee and Remuneration Committee. He is President Commissioner of the Company's Indonesian subsidiary, PT Sinar Mas Agro Resources and Technology Tbk, which is listed on the Indonesia Stock Exchange.

Mr. Franky Widjaja is Executive Chairman of Sinarmas Land Limited ("SML"), Vice President Commissioner of its Indonesia Stock Exchange listed property subsidiaries, PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk and Director of Bund Center Investment Ltd ("BCI"). He is a member of the Boards of several subsidiaries of the Company, SML and BCI.

Board of **Directors**

2 Muktar Widjaja

Director and President

Mr. Muktar Widjaja, aged 60 was appointed as President of the Company since 2000. He has been a Director since 1999, and became non-executive Director since December 2006. His last re-election as a Director was in 2013. He obtained his Bachelor of Commerce in 1976 from the University Concordia, Canada.

Since 1983, Mr. Muktar Widjaja has been actively involved in the management and operations of the property, financial services, agriculture, chemical and pulp and paper businesses. Mr. Muktar Widjaja is a member of the Company's Executive/Board Committee and Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk.

Mr. Muktar Widjaja is Director and, since December 2006, Chief Executive Officer of Sinarmas Land Limited ("SML"). He is President Commissioner of PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk. He is a member of the Boards of several subsidiaries of the Company and SML.

Mr. Muktar Widjaja was a Director of Bund Center Investment Ltd until May 2012.

3 Frankle (Djafar) Widjaja

Director

Mr. Frankle Widjaja, aged 58 has been a Director of the Company since 1999. He became non-executive Director since December 2006. His last re-election as a Director was in 2014. He graduated from the University of California, Berkeley, USA, with a degree of Bachelor of Science in 1978.

Since 1979, Mr. Frankle Widjaja has been involved in the management and operations of the pulp and paper, financial services, food and agriculture and real estate businesses.

Mr. Frankle Widjaja is a member of the Company's Executive/Board Committee. He is the Executive Chairman and Chief Executive Officer of Bund Center Investment Ltd ("BCI") and presently sits on the Boards of several subsidiaries of the Company and BCI.

Mr. Frankle Widjaja was a Director of Sinarmas Land Limited until April 2012.

4 Simon Lim

Director and Deputy President

Mr. Lim, aged 52 was appointed as a Director of the Company in 2002 and was promoted as Deputy President in January 2013. His last re-election as a Director was in 2012. Mr. Lim graduated from University of Trisakti, Indonesia, majoring in Accounting and Finance in 1988. He later obtained a Master in Business Management from the Asian Institute of Management, Philippines in 1992 with a full scholarship from ADB-Japan.

Mr. Lim has extensive financial, management and operational experience having worked in different industries.

Mr. Lim is a member of the Company's Executive/ Board Committee, and Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk. He is also a member of the Boards of several subsidiaries of the Company.

Mr. Lim was the Chief Financial Officer of the Company from 2002 to January 2013, and a Director of Sinarmas Land Limited until April 2012.

5 Rafael Buhay Concepcion, Jr.

Director and Chief Financial Officer

Mr. Concepcion, aged 48 was appointed as a Director of the Company in 2002 and as the Chief Financial Officer in January 2013. His last re-election as a Director was in 2013. Mr. Concepcion studied at the University of the Philippines where he obtained a Bachelor of Science in Economics in 1988. He later obtained a Master in Business Management from the Asian Institute of Management, Philippines in 1992 with scholarship from SGV Philippines.

Mr. Concepcion worked on regional projects and has extensive experience in corporate and financial planning. After 5 years with Pilipinas Shell Petroleum Corporation, Mr. Concepcion joined PT Sinar Mas Agro Resources and Technology Tbk, and now holds the position of Commissioner. He is a member of the Company's Executive/Board Committee, and sits on the Boards of several subsidiaries of the Company.

Mr. Concepcion was a Director and the Chief Financial Officer of Sinarmas Land Limited until April 2012.

6 Hong Pian Tee

Independent Director and Chairman of Audit Committee and Nominating Committee

Mr. Hong, aged 70 joined the Company's Board of Directors in 2001. His last re-election as a Director was in 2013. Prior to retiring from professional practice, Mr. Hong was a partner of PricewaterhouseCoopers, a position he held from 1985 to 1999.

Mr. Hong's experience and expertise are in corporate advisory, financial reconstruction and corporate insolvencies since 1977. He has been a corporate/ financial advisor to clients with businesses in Singapore and Indonesia and in addition was engaged to restructure companies with operations in Taiwan, Indonesia and Malaysia.

Mr. Hong is Chairman of the Company's Audit Committee and Nominating Committee and member of its Remuneration Committee. He is Chairman of Pei Hwa Foundation Limited, Lead Independent Director of XMH Holdings Ltd, non-executive Chairman and Independent Director of AsiaPhos Limited and Independent Director of Memstar Technology Ltd.

7 Lew Syn Pau

Independent Director and Chairman of Remuneration Committee

Mr. Lew, aged 61 re-joined the Company's Board of Directors in December 2007. Prior to that, he was Director of the Company from 1999 to May 2007. His last re-election as a Director was in 2014. A Singapore Government scholar, Mr. Lew obtained a Master in Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA.

Mr. Lew is a Director of Capital Connections Pte Ltd. Prior to that, he was Senior Country Officer and General Manager for Banque Indosuez Singapore, where he worked from 1994 to 1997. He was General Manager and subsequently, Managing Director of NTUC Comfort from 1987 to 1993 and Executive Director of NTUC Fairprice from 1993 to 1994. Mr. Lew served as a Member of Parliament from 1988 to 2001. He was President of The Singapore Manufacturers' Federation from July 2002 to June 2006.

Mr. Lew sits on the Boards of Directors of several public listed companies namely, Poh Tiong Choon Logistics Ltd, Achieva Ltd, Food Empire Holdings Ltd and Broadway Industrial Group Ltd. He was a Director of Lafe Corporation Limited until his retirement on 28 April 2014.

Mr. Lew is Chairman of the Company's Remuneration Committee and member of its Audit Committee and Nominating Committee.

8 Kaneyalall Hawabhay

Independent Director

Mr. Hawabhay, aged 67 was appointed as a Director of the Company in 2003. His last re-election as a Director was in 2012. He is a Fellow of the Institute of Chartered Accountants in England and Wales. Mr. Hawabhay has been a Partner (Assurance and Business Advisory Services ("ABAS")) of De Chazal du Mée & Co, Mauritius from 1987 to June 2002 and a Director of Multiconsult Limited from July 2002 to 2005. Presently, Mr. Hawabhay is Partner (ABAS) of BDO & Co, Mauritius.

Mr. Hawabhay is a member of the Company's Audit Committee.

9 Jacques Desire Laval Elliah

Independent Director

Mr. Elliah, aged 51 was appointed as a Director of the Company in 2010. His last re-election as a Director was in 2014. He is a Fellow of the Association of Chartered and Certified Accountants since 1990. Mr. Elliah is currently the Chief Financial Officer of Lux Island Resorts Ltd, a company listed on the Stock Exchange of Mauritius, a position which he held since March 2003. Previously, Mr. Elliah was a Partner in the Assurance and Business Advisory Services of De Chazal du Mée & Co, Mauritius, now BDO from 1998 to February 2003.

Minyak Goreng
Kunci Mas
MINYAK GORENG
FILMA
Hasil Buah Sawit Pilihan

Building Solid Customer Base
Optimising Our Value Chain

34% GROWTH
in refined product sales

46% GROWTH
in destination sales

Our vertically integrated agri-business model allows us to control every aspect of production, operations and supply chain management. With our expanding geographical presence, GAR is well-positioned to grow a global, diversified customer base through strong distribution, branding, merchandising, destination processing, shipping and logistics. As we constantly fine-tune our upstream and downstream capabilities to enhance performance, we are able to leverage our logistical advantage to supply our products to the world.

Operations **Review**

PLANTATION AND PALM OIL MILLS

2014 Operational Performance

Leading oil palm plantation group in Indonesia with favourable age profile

GAR maintains its position as the leading oil palm plantation group in Indonesia with its estates spanning from east to west across the archipelago. The Company manages 161 oil palm estates with a total area of 472,800 hectares. As at end 2014, the planted area consists of estates owned by GAR (called 'nucleus') totalling 372,000 hectares and estates owned by smallholders (called 'plasma') amounting to 100,800 hectares. During the year, GAR planted 8,300 hectares, including replanting of 5,000 hectares of old estates. GAR is also in the process of completing an acquisition of mature oil palm plantations in Indonesia.

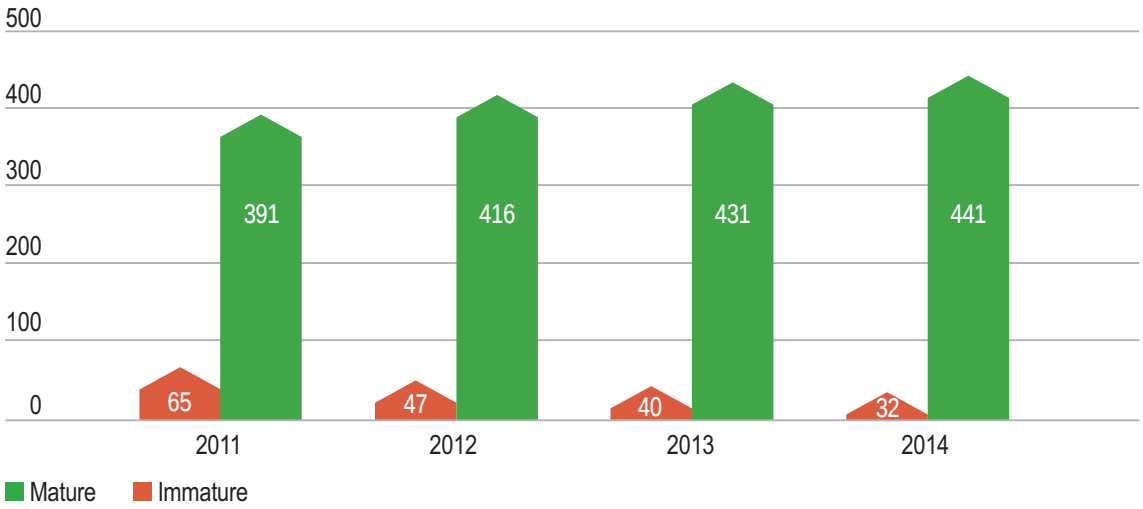
The age profile of our estates remains favourable with an average age of approximately 14 years, providing a solid foundation for GAR's near to medium term growth. Of the 472,800 hectares, 7 percent is immature and 93 percent is mature. 80 percent of the mature estates is at the prime age of seven to 25 years that produces the highest yields, whilst 15 percent is still at the young age of four to six years, securing production growth in the coming years. Younger estates use a new generation of high-yielding Dami seeds, which will further boost the growth of GAR's production in the future.

Best-in-class estate management sustaining leading productivity

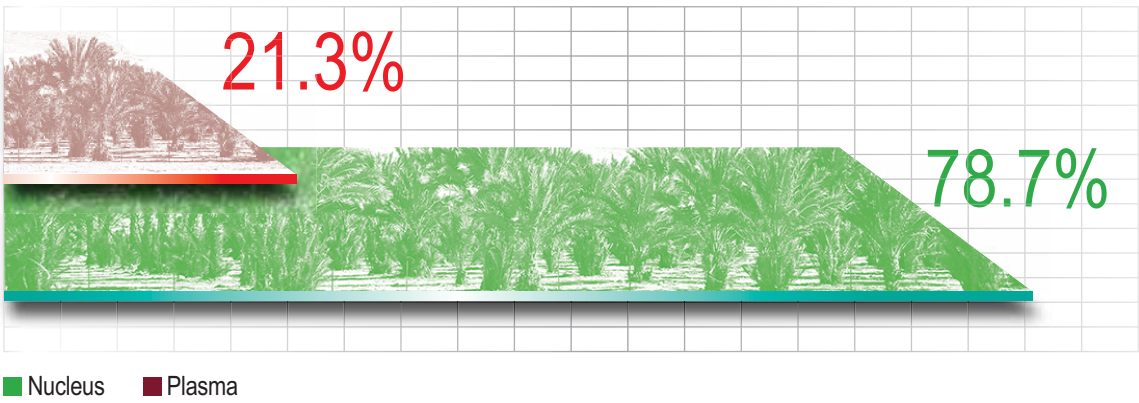
GAR's leading productivity and cost efficiency result from having among the largest and best managed plantations in the industry. Our large-scale operations are well supported by our advanced information

Planted Area

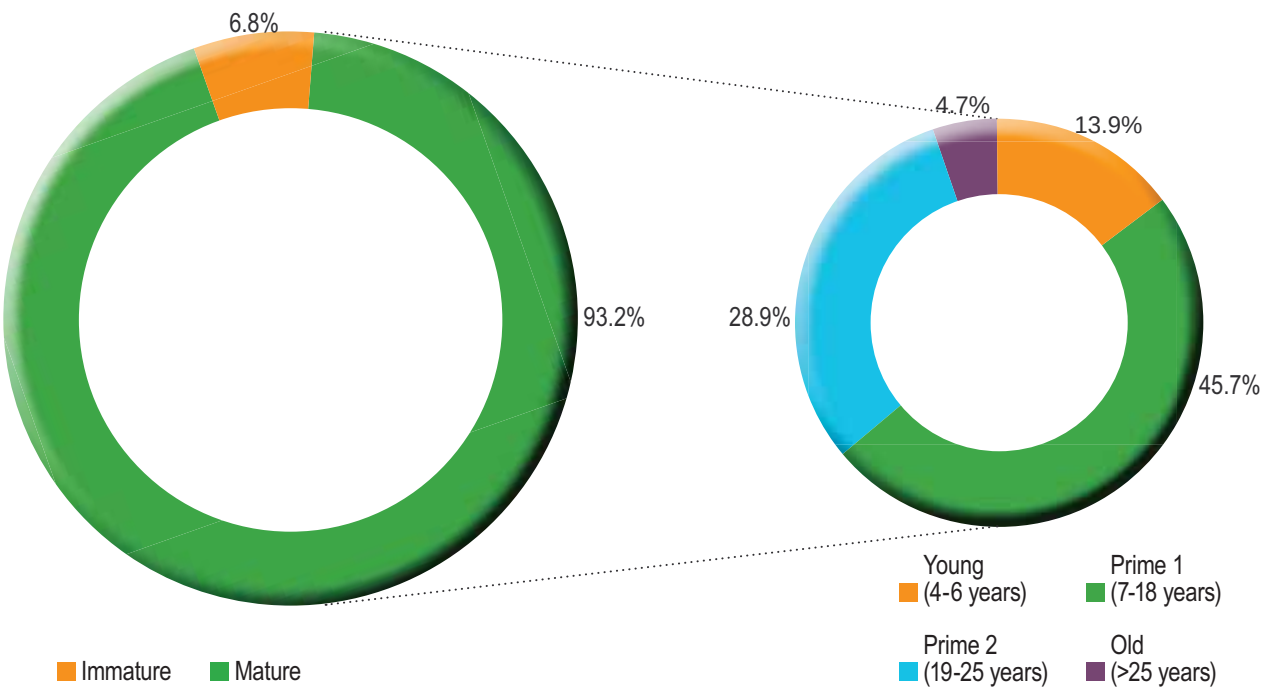
'000 Hectares



Plantation Ownership Profile



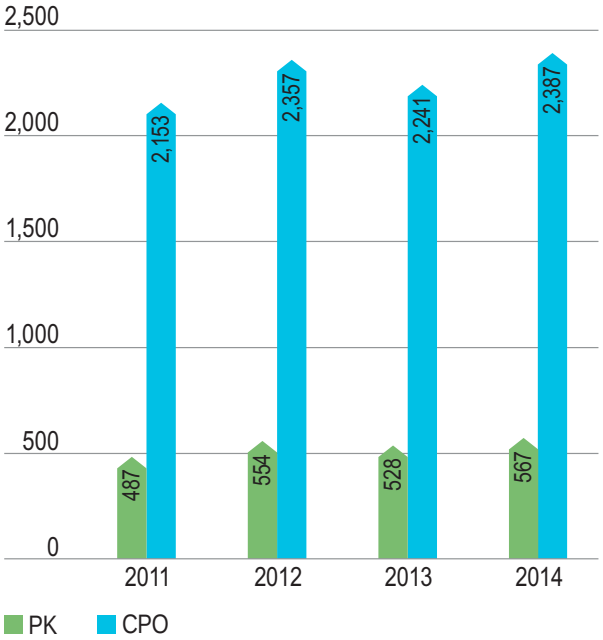
Age Profile (Nucleus and Plasma)



Operations **Review**

Annual CPO and PK Production

'000 tonnes



technology system and world-class oil palm research and development centre (SMART Research Institute or "SMARTRI").

In managing a vast plantation area, our one-stop multi-function monitoring and management control centre provides up-to-date and comprehensive information on operations, industry and general market conditions. This state-of-the-art system enables management to make decisions with complete factual input in a timely manner and to gather information in great detail as if on-site at each of our plantations.

SMARTRI plays an essential role in sustaining our high productivity by employing qualified scientists and agronomists who relentlessly search for innovative solutions and provide recommendations for continual improvement in productivity, efficiency and environmental sustainability. SMARTRI has been accredited with ISO 9001 for quality management and ISO 17025 for excellent implementation of general requirements for testing and calibrating laboratories.

During 2014, GAR harvested a record output of approximately 9.73 million tonnes of FFB, including from its plasma estates, which is 8 percent higher than last year. The increase was supported by growing yield and expanding mature area. The average FFB yield per hectare increased to 22.08 tonnes from 20.99 tonnes in 2013.

The harvested FFB are processed in owned milling facilities, which are strategically located near the plantations, to produce CPO and PK. GAR has 42 mills with a combined installed annual capacity of 11.65 million tonnes, an increase from 11.10 million tonnes in the previous year.

During the year, our mills produced 2.39 million tonnes of CPO and 566,501 tonnes of PK. This output was 7 percent higher compared to last year, in line with the trend in FFB production. In 2014, the oil extraction and kernel extraction rates increased to 22.83 percent and 5.42 percent, respectively, well above the industry average.

Business Strategy

Constantly expand core upstream business

Robust palm oil industry fundamentals encourage us to continue expanding our oil palm plantations and remain a leading oil palm plantation company. We will also construct additional milling facilities producing CPO, to increase our capacity in line with the growing output from our maturing plantations.

Our principle in implementing this strategy is through sustainable utilisation of our land resources and close cooperation with local farmers. The execution will focus on greenfield development, by using high-yielding

planting materials, improving planting techniques and ensuring on-time delivery of new planting facilities. At the same time, we will keep exploring any strategic opportunities to acquire well-positioned and high quality oil palm estates and landbank, specifically in Indonesia.

To sustain our growth in the long term, we are also studying the prospect of oil palm plantations development across geographical frontiers. We are investing in Africa through The Verdant Fund LP (the "Fund"). The Fund is a private equity fund that owns Golden Veroleum (Liberia) Inc, a company that has been granted a concession by the Liberian government to develop 220,000 hectares of land in Liberia for oil palm plantations. The planting is ongoing but was delayed by the Ebola outbreak that occurred in the country in the second half of 2014. The Fund has also geographically diversified its investment portfolio by acquiring oil palm estates in Indonesia. We closely monitor the development of this project as well as provide technical expertise to ensure the quality and sustainability of the estates being developed.

Exploring new initiatives for yield improvement and cost efficiency

Our research and development division plays a vital role in supporting the sustainable development of GAR, through innovation, developing best practices, and an improved oil palm breeding programme. We constantly invest in research and development to invent new technologies that will enhance productivity of our oil palm operations in a sustainable way as well as to develop new product alternatives to meet increasing customer demand. Our research institute has integrated research activities in developing practical field applications with the latest technology. The institute also undertakes research in plant breeding and biotechnology, and producing tissue culture planting materials beside the existing high-yielding Dami Mas DxP seeds.

We consistently seek to sustain our cost leadership through continuous improvement by relentlessly exploring options, such as mechanisation, to further enhance the efficiency of our operations. We will carry on ensuring best-in-class field practices in agronomy at all our nucleus and plasma estates, in terms of fertilising and harvesting techniques, transportation and processing efficiencies.

PALM AND LAURICS

2014 Operational Performance

Well-established downstream operations with efficient large-volume sourcing and end-to-end processing facilities

Part of the CPO and PK produced are further processed in GAR's refineries and kernel crushing plants, which are strategically located in Indonesia, close to ports, consumer markets, and our plantations.

Operations **Review**

At the end of 2014, GAR successfully added one refinery in Lampung and extended the capacity of its Marunda refinery, which brought total capacity to 3.48 million tonnes of CPO per annum. Four of our refineries are accredited with ISO 22000 certification, an international recognition that our refined products (including cooking oil, margarine and shortening) meet food safety standards. GAR's kernel crushing capacity stood at 1.07 million tonnes of PK per annum.

GAR is also in the process of completing the expansion of its oleochemical facility in North Sumatra, which will bring total capacity to 240 thousand tonnes per annum from the current 88 thousand tonnes per annum. Our fatty acid and glycerine products have been acknowledged domestically and internationally, and accredited by many certifications such as Halal, HACCP, ISO 9001, ISO 14001, ISO 22000, OHSAS 18001, KOSHER and FDA registration.

Furthermore, GAR joined forces with well-established maritime transportation company Louis Dreyfus Armateurs in mid 2014, to further enhance GAR's capacity and efficiency in the domestic shipping of palm oil products. Through this partnership, we can further optimise our supply chain, ensure best practices of international standards and achieve cost efficiencies in the domestic transportation of our products.

Offering customer solutions through broad product portfolio and destination shipments

From the processing facilities we generate higher value-added products such as cooking oil, margarine, shortening and fats, palm kernel oil, palm kernel meal and oleochemicals. We market our products both in bulk form and branded, domestically as well as in international markets.

As a testament to the quality and strong awareness of our prominent local brand, FILMA, we were recognised as the 1st Champion of Indonesia Original Brands 2014 in the Cooking Oil and Margarine category, based on a survey by SWA magazine and Business Digest.

The distribution of our branded products in Indonesia will be further strengthened by the acquisition of a well-established nationwide distributor of fast moving products in 2014. The distribution company has 26 branches covering nearly 250 thousand outlets, including over 200 sub-distributers in all primary and secondary cities across Indonesia.

During 2014, we continued to pursue our sales to international markets, building on the expansion in the previous year. We market to more than 70 countries with particular emphasis on the growing demand in Europe, China, India, Pakistan, the Middle East, and Africa. This has led PT SMART Tbk, our main subsidiary, to receive the 2014 Primaniyarta Award as Global Brand Creator and Outstanding Winner for Five Times Achievement from the Ministry of Trade of the Republic of Indonesia.

2014 marked the completion of the joint venture between GAR and CEPSA Quimica, S.A. to jointly develop, formulate, produce, distribute and sell fatty alcohols and derivatives globally. This partnership is expected to benefit from both companies' expertise, knowledge and capabilities throughout the fatty alcohols supply chain starting from the procurement of raw materials

to the commercialisation of the final products. The joint venture is currently building its first fatty alcohol plant, which is expected to complete in the next two years.

Meanwhile, our joint ventures with global transportation players Stena Weco and Stena Bulk AB has extended our distribution and logistics capabilities. This initiative provides a holistic solution to GAR's international transportation by securing greater and more flexible access to large shipping capacities. During 2014, we grew our owned fleet and improved logistic infrastructure through increased bulking, warehousing as well as through owned jetty and port facilities in strategic locations.

In India, we acquired Gemini Edibles & Fats India Private Limited, which is engaged in the business of manufacturing and marketing of edible oils and fats. It has refinery plants with a total annual capacity of 315 thousand tonnes and a solid and established brand in its market, supported by an extensive distribution system. This acquisition provides the opportunity for GAR to participate in the high-growth branded cooking oil and specialty fat industries in India and to bring our products closer to the greater European and Middle East markets.

The above initiatives have resulted in expanded destination presence and a more diversified consumer base globally. During 2014, our destination sales grew by 46 percent, contributing 70 percent to our export volume.

Business Strategy

Optimising our vertically integrated operations

Our strategy is to have downstream capacity that could cover our upstream production and capture the merchandising opportunity that is unique to GAR given our close access to third party plantations, to grow our global diversified customer base. During the past few years, we have been enlarging the downstream capacity in our main producing country, Indonesia, while simultaneously exploring growth opportunities in other underserved destination countries. Moving forward, we will focus our efforts on optimising our integrated business model by extracting value throughout the downstream value chain.

We will leverage on our refining capacity, logistic efficiencies, marketing presence, and plantation relationships to serve and focus on the most profitable market segments. We will also extend our capabilities through innovation and customer solutions, to shift the product mix to higher value-added products. We intend to optimise margins by providing a broad product portfolio in terms of specifications, quality and sustainability certification, and an expanding geographical mix.

We are strengthening our penetration in existing markets and broadening it to other potential domestic and international markets. To cater to our growing production flows and destination business, we are optimising and leveraging available distribution channels and transportation options as well as extending our logistics and processing reach to key consuming countries. We are enlarging our own shipping capacity to secure our shipping requirements, better control costs and service level, and to enable us to deliver value added services to our customers by providing holistic solutions in international transportation. This will support us to independently secure and widen our market reach as well as realise cost efficiencies in distribution by leveraging operational scale and synergies.

Our downstream operations are prudently managed through a centralised and independent risk management team supporting clear governance. The risk management team follows a prudent and systematic approach to market risk management in line with industry best practices.

Focus on operational excellence to manage costs

GAR's initiatives to manage costs in downstream operations include increasing utilisation rate of all its processing facilities, capitalising on various distribution channels and transportation options, diversifying supply sources for materials, as well as implementing prudent and effective merchandising strategies to obtain the highest quality input materials at the lowest price.

Operations **Review**

OILSEEDS AND OTHERS

2014 Operational Performance

Strategically located and fully integrated vegetable oil facilities capitalise on China's position as the largest consumer of vegetable oils

GAR owns integrated vegetable oil facilities comprising one of China's largest deep-sea ports, oilseed storage, crushing and refining facilities in China. The strategic location of our operations provides the key advantage of easy access to our target markets, enabling us to achieve better cost efficiency and shorter delivery lead times.

In Ningbo, Zhejiang Province, GAR operates a deep-sea port and storage facility for oils and grains. Its oilseed crushing annual capacity is 2.3 million tonnes, located in Ningbo and Tianjin. GAR also has refining facilities in Ningbo and in Zhuhai, Guangdong Province, with total annual refining capacity of 776,000 tonnes.

The oilseed crushing operations produce soybean meal that is sold domestically under an in-house brand and crude soybean oil that is, in turn, processed by the refineries together with other edible oils including palm oil. These refined oils and value-added products such as margarine, shortening and butter oil substitute, are sold both in bulk and in consumer packs.

In terms of production, 1.3 million tonnes of soybeans were processed by our crushing operations during 2014, 13 percent higher than last year's processed volume of 1.2 million tonnes. This resulted in 1.01 million tonnes of soybean meal with a yield of 78 percent and 248,000 tonnes of crude soybean oil with a yield of 19 percent. Our refinery processed 303,000 tonnes of soybean oil and palm oil, 21 percent lower compared to last year in an effort to manage capacity utilisation to control cost.

2014 saw a challenging market for commodity business in China, impacted by intense competition and continued government measures to manage inflation in the country. While it is expected to remain competitive in the future, the last two quarters showed a gradually improving market environment, reflected by recovering quarterly performance.

Leverage integrated network of distribution channels from noodle business in China

GAR also operates a food business in China through Florentina International Holdings Limited ("FIH"), which manufactures and distributes a variety of economy and premium grade snack noodle and instant noodle products, and other snack products in the country. FIH has a leading market share of snack noodle in China. The food products are produced through seven strategically located plants with a total annual capacity of five billion packets of noodle and distributed via a strong integrated network of more than 24,000 distributors, 161,000 traditional retail outlets, supermarkets, chain stores and hypermarkets, as well as convenience stores throughout the country. These extensive distribution channels together with FIH's market knowledge provide opportunity for GAR to grow its presence in the consumer product business in China, including the edible oils and specialty fats markets.

Business Strategy

Improving oilseed business model and strategy in China

We intend to maintain our presence in China as one of the largest and fastest growing edible oil markets. To overcome challenges posed by the intense competition, our strategy is to strengthen our position in targeted markets by expanding sales distribution channels and strengthening business relationships with reputable customers by pursuing additional value-added services.

We will actively manage flexible production in all existing facilities in order to manage cost and stabilise performance. For the long term, we are reviewing our business model and are exploring several strategic alternatives to source raw materials and rationalise capacity.

Financial **Review**

For the year 2014, revenue of Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") grew strongly by 16 percent to US$7.6 billion, supported by record plantation output and expanded downstream operations in Indonesia. EBITDA and core net profit registered at US$566 million and US$221 million, respectively. The balance sheet remained strong with prudent gearing (adjusted net debt to equity ratio) at 0.19 times.

Plantation and Palm Oil Mills

Revenue from the plantation and palm oil mills segment expanded by 10 percent to US$1.9 billion, primarily attributable to recovering production yield despite lower average crude palm oil ("CPO") prices during the current year.

In tandem with the increased production and lower production costs, EBITDA from the plantation and palm oil mills segment reached US$562 million in the current year, 15 percent better than the previous year.

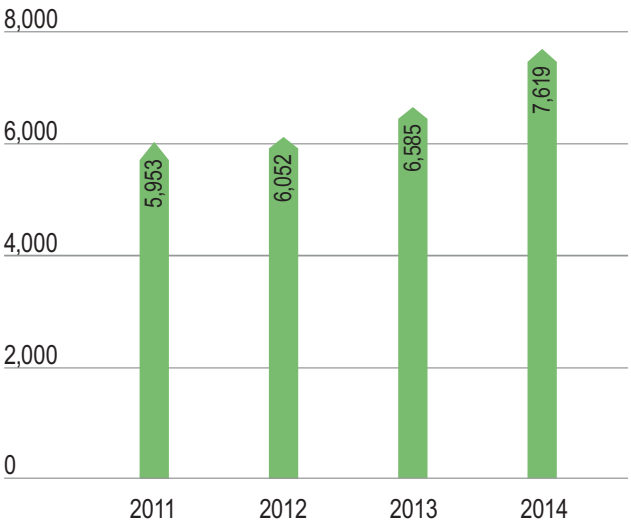
Palm and Laurics

Revenue from the palm and laurics segment increased by 26 percent to US$6.5 billion, mainly due to higher sales volume as a result of our expanded downstream activities.

EBITDA from the palm and laurics segment was lower at US$57 million mainly attributable to lower refining margins and start-up costs for our new facilities, as well as expansion in destination markets.

Revenue

million US$



Oilseeds and Others

Revenue from the oilseeds and others segments decreased by 21 percent to US$1.0 billion in 2014, mostly due to lower average selling prices and lower utilisation of refining facilities in China during the current year.

The oilseeds and others segment recorded a negative EBITDA of US$52 million for the current year, affected by the challenging market environment in China.

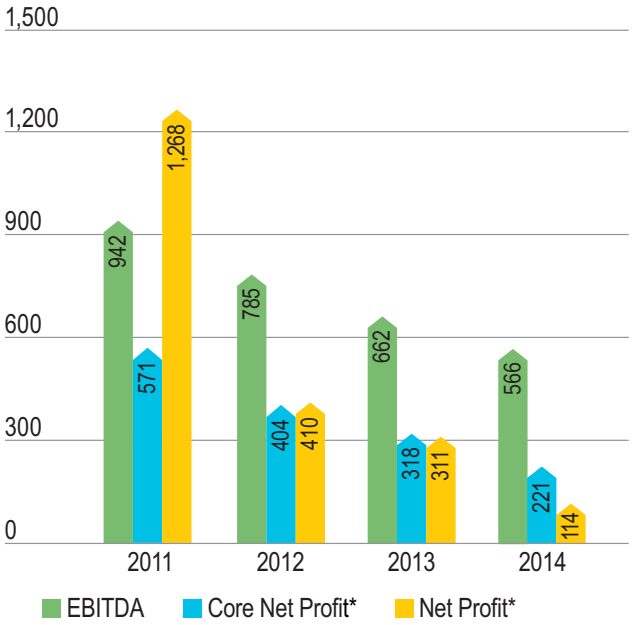
Net Loss from Changes in Fair Value of Biological Assets

A gain or loss is recognised in accordance with International Accounting Standard ("IAS") No. 41, whereby the biological assets (plantations) are stated at fair value less estimated point-of-sale costs from initial recognition up to the point of harvest. The fair value of plantations is determined based on the present value of their expected net cash inflows. The CPO price assumption in the valuation model is based on average price for the past three years. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

As compared to the previous year, GAR recorded a net loss from changes in fair value of biological assets of

EBITDA, Core Net Profit and Net Profit

million US$



Note: *Attributable to owners of the Company

Financial **Review**

US$134 million in 2014 mainly resulting from the effect of a lower CPO price assumption used in line with the international CPO price movements.

Operating Expenses

Operating expenses increased by 10 percent to US$956 million from US$872 million in 2013. The increase was mainly attributable to higher selling expenses at US$648 million compared to US$570 million recorded in the previous year. This was largely due to increases in freight costs, marketing and promotion expenses in line with the higher sales volume during the year. General and administrative expenses only experienced a slight increase of two percent to US$308 million, mainly comprising salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees.

Financial Expenses, net

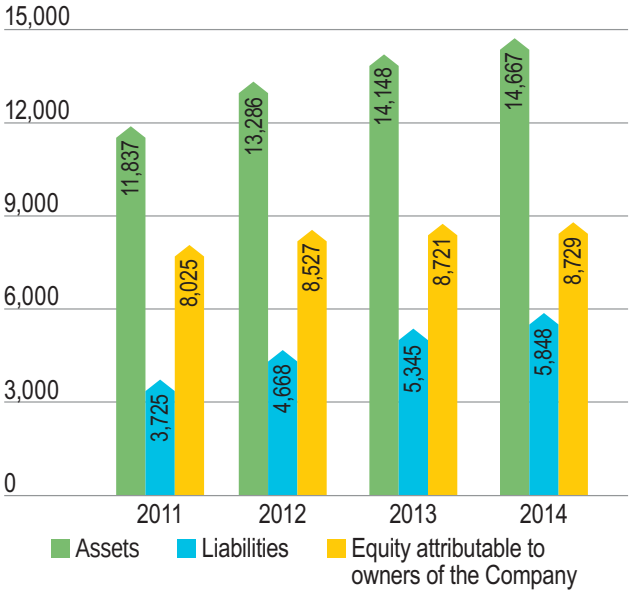
As compared to the prior year, net financial expenses were higher by 10 percent at US$98 million in line with higher average borrowings in the current year.

Foreign Exchange Loss, net

Net foreign exchange loss was recorded at US$14 million in 2014 as compared to US$33 million in the previous year. This was mainly attributable to translation loss on US Dollar denominated payables in our subsidiaries in China following the strengthening of US Dollar against Chinese Renminbi ("RMB") in 2014, as well as foreign exchange loss recorded by our subsidiaries in Indonesia.

Assets, Liabilities and Equity

million US$



Other Operating Income, net

Net other operating income of US$42 million comprised mainly income from sales of seedlings and other materials, rental and changes in fair value of financial assets. Higher net other operating income in the current year was mainly due to net gain from changes in fair value of financial assets in line with higher market prices.

Exceptional Item

The exceptional gain of US$7.6 million in the current year related to gain on disposal of 50 percent of GAR's interests in certain subsidiaries to a joint venture partner.

Income Tax

Income tax expense was 64 percent lower at US$41 million in 2014 in line with lower taxable profit.

Assets

Total assets grew by 4 percent from US$14.1 billion as at end of 2013 to US$14.7 billion as at end of 2014, mainly contributed by increased property, plant and equipment; long-term investments; other current assets; inventories and trade receivables.

Property, plant and equipment increased by US$201 million as a result of the construction of plantation facilities, refinery and oleochemical facilities in Indonesia.

Higher long-term investments of US$129 million was mainly due to additional investments in plantation development and infrastructure funds.

Other current assets increased by US$122 million to US$827 million mainly attributable to higher prepaid value-added tax and loans granted to joint venture companies.

Inventories and trade receivables were higher by US$79 million and US$52 million, respectively, in line with the expansion of our palm downstream business.

Liabilities

As at 31 December 2014, total liabilities increased by US$503 million to US$5.8 billion primarily due to additional borrowings and medium-term notes issued, partly offset by lower deferred tax liabilities.

Total borrowings increased from US$2.6 billion to US$3.1 billion as at 31 December 2014, mainly attributable to additional borrowings for working capital and general corporate purposes.

Equity Attributable to Owners of the Company

Total equity attributable to owners of the Company at the end of 2014 was at US$8.7 billion, a slight increase by US$7.9 million compared to end of 2013. The increase was mainly contributed from 2014 net income recorded at US$114 million, partly offset by dividend distributed during the year.

Corporate **Governance Report**

Golden Agri-Resources Ltd (the "Company" or "GAR") and its subsidiaries ("Group") remains committed to observing high standards of corporate governance, to promote corporate transparency and to enhance shareholder value. The Company has complied substantively with the principles and guidelines set out in the Code of Corporate Governance 2012 ("2012 Code") through effective self-regulatory corporate practices.

This report sets out the Company's corporate governance processes and activities with specific reference to the guidelines of the 2012 Code, and provides explanation for deviations. For easy reference, the principles of the 2012 Code are set out in italics in this report.

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this objective and Management remains accountable to the Board.

1.1 The Board's Role

The primary function of the Board of Directors of the Company ("Board") is to provide effective leadership and direction to enhance the long-term value of the Group to its shareholders and other stakeholders. The Board has the responsibility to fulfil its role which includes the following:-

(a) ensuring that the long-term interests of the shareholders are being served and safeguarding the Company's assets;

(b) assessing major risk factors relating to the Company and its performance, and reviewing measures, including internal controls, to address and mitigate such risks;

(c) reviewing and approving Management's strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realised;

(d) monitoring the performance of Management against plans and goals;

(e) reviewing and approving significant corporate actions and major transactions;

(f) assessing the effectiveness of the Board;

(g) ensuring ethical behaviour (including ethical standards) and compliance with laws and regulations, auditing and accounting principles and the Company's own governing documents;

(h) identifying key stakeholder groups and recognise that their perceptions affect the Company's reputation;

(i) considering sustainability issues, e.g. environmental and social factors, as part of its strategic formulation; and

(j) performing such other functions as are prescribed by law, or assigned to the Board in the Company's governing documents.

1.2 Independent Judgement

All Directors are expected to fulfil their duty to objectively take decisions in the interests of the Company.

The Board currently consists of 9 members, as shown below together with their membership on the Board committees of the Company ("Board Committee"):-

Name	Board Appointment	Board Committee Appointment
Franky Oesman Widjaja	Executive, Non-independent Director	Member of NC, RC and BC
Muktar Widjaja	Non-executive, non-independent Director	Member of BC
Frankle (Djafar) Widjaja	Non-executive, non-independent Director	Member of BC
Simon Lim	Executive, Non-independent Director	Member of BC
Rafael Buhay Concepcion, Jr.	Executive, Non-independent Director	Member of BC
Hong Pian Tee	Non-executive, independent Director	Chairman of AC and NC, Member of RC
Lew Syn Pau	Non-executive, independent Director	Chairman of RC, Member of AC and NC
Kaneyalall Hawabhay	Non-executive, independent Director	Member of AC
Jacques Desire Laval Elliah	Non-executive, independent Director	–

Abbreviation: NC: Nominating Committee; RC: Remuneration Committee; AC: Audit Committee; BC: Executive/Board Committee

All the Board members except the Chairman/ Chief Executive Officer ("CEO"), Deputy President and Chief Financial Officer ("CFO"), are non-executive. Of the 6 non-executive Directors, 4 are independent Directors making up more than one-third of the composition of the Board, thereby providing a strong and independent element on the Board. This is fundamental to good corporate governance as it facilitates the exercise of independent and objective judgement on corporate affairs. It also ensures discussion and review of key issues and strategies in a critical yet constructive manner.

1.3 Delegation by the Board

To assist the Board, the Board has delegated certain functions to the 4 Board Committees, namely, the AC, the NC, the RC and the BC, at the same time recognising that the ultimate responsibility on all matters rest with the Board. Each of these Board Committees has its own written terms of reference. Please refer to pages 28 to 34 of this report for further information on these Board Committees.

1.4 Key Features of Board Processes

To facilitate Directors' attendance at meetings, the dates of Board, Board Committee meetings and annual meeting together with agenda items are scheduled up to one year in advance, with Directors meeting each quarter. In addition to the regular scheduled meetings, ad-hoc meetings are held whenever circumstances arise. Besides physical meetings, the Board and the Board Committees may also make decisions by way of circular resolutions under the Company's Constitution and their respective terms of reference.

Board meetings are chaired in Mauritius where participation by Board members by means of teleconference or similar communication equipment is permitted under the Company's Constitution. In 2014, the Board and Board Committees held a total of 14 meetings, with the year-end meeting focusing on annual budget and strategic issues.

1.5 Attendance at Board and Board Committee Meetings in 2014

Details on the number of Board and Board Committee meetings held in 2014, and the attendance of Directors and Board Committee members respectively at those meetings are disclosed below:-

	No. of Meetings Attended by Members				
Name	**Board Meetings**	**Audit Committee Meetings**	**Nominating Committee Meetings**	**Remuneration Committee Meetings**	**Total Attendance at Meetings**
EXECUTIVE DIRECTORS					
Franky Oesman Widjaja	5	–	1	3	9/9
Simon Lim	4	–	–	–	4/5
Rafael Buhay Concepcion, Jr.	5	–	–	–	5/5
NON-EXECUTIVE DIRECTORS					
Muktar Widjaja	5	–	–	–	5/5
Frankle (Djafar) Widjaja	5	–	–	–	5/5
Hong Pian Tee	5	5	1	3	14/14
Lew Syn Pau	5	5	1	3	14/14
Kaneyalall Hawabhay	5	5	–	–	10/10
Jacques Desire Laval Elliah	4	–	–	–	4/5
Number of Meetings Held	**5**	**5**	**1**	**3**	**14**

Corporate **Governance Report**

1.6 Matters Requiring Board Approval

Matters specifically requiring the Board's approval are set out in the Company's Internal Guidelines, which include the following corporate events and actions:-

- approval of results announcements
- approval of the annual report and financial statements
- dividend declaration/proposal
- convening of members' meetings
- shares issuance
- material acquisitions and disposal of assets
- annual budgets
- interested person transactions
- corporate governance

1.7 Board Orientation and Training for New Directors

Procedures are in place whereby newly appointed Directors are provided with a formal appointment letter setting out the terms of appointment, duties and obligations. They are also given the relevant governing documents of the Company and contact particulars of senior Management. Those who do not have prior experience as a director of a Singapore listed company are required to undergo externally conducted training on their roles and responsibilities as a director of a listed company in Singapore.

Newly appointed non-executive Directors who are not familiar with the Group's business may, upon recommendation of the Chairman or the NC, be provided with orientation through overseas trips to familiarise them with the Group's operations. Management will brief new Directors on the Group's business as well as governance practices.

1.8 2014 Director Training Programme

The NC reviews and makes recommendations on Directors' training which are arranged and funded by the Company. The Company has an annual training budget to fund any Director's participation/attendance at seminars and training programmes that are relevant to his duties as a Director.

In conformity with the framework for Directors' Training as approved by the Board, the 2014 Director Training Programme provided a 3-step approach to training as follows, through:-

(1) Externally conducted courses on Board, audit committee and remuneration matters

(2) Quarterly management updates on operations and industry specific trends and development

(3) Quarterly continuing education on regulatory changes and updates, which include briefings to AC members on changes to accounting standards and issues

Directors having attended external courses/ seminars, in turn shared their experience and knowledge with fellow Directors.

Principle 2: Board Composition and Guidance

There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

2.1 Board Size and Composition

Each year, the Board examines its size, composition, skills and core competencies of its members to ensure an appropriate balance of skills and experience. The Board comprise Directors from different industries, with vast experience and knowledge that collectively as a group provides the core competencies for the leadership of the Company.

Taking into account the scope and nature of operations of the Group, the Board considers that the current board size of 9 Directors is appropriate to facilitate effective decision making.

Please refer to pages 9 to 11 of this Annual Report for key information, including qualifications, on the Directors of the Company.

2.2 Directors' Independence Review

The NC/Board has considered that the following Directors are regarded as independent Directors of the Company:-

Mr. Hong Pian Tee
Mr. Lew Syn Pau
Mr. Kaneyalall Hawabhay
Mr. Jacques Desire Lavall Elliah

The ensuing paragraphs set out the criteria for independence and processes to determine a Director's independence.

The Board has adopted guidelines set out in the 2012 Code on relationships, the existence of which, would deem a Director not to be independent. A Director who has no relationship with the Company, its related corporations, officers or its shareholders with shareholdings of 10% or more in the voting shares of the Company, that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgement in the best interests of the Company, is considered to be independent.

The NC is tasked to determine on an annual basis and, as and when the circumstances require, whether or not a Director is independent, bearing in mind the 2012 Code and any other salient factors which would render a Director to be deemed not independent. In addition, consideration is given to Guideline 2.4 of the 2012 Code which requires that the independence of any Director who has served on the Board beyond nine years, be subject to particularly rigorous review. For the purpose of determining independence, each Director is required to complete a checklist at the time of appointment, and annually, based on these guidelines.

The Board recognises that independent Directors may over time develop significant insights into the Group's business and operations, and can continue to objectively provide significant and valuable contribution to the Board as a whole. Where there are such Directors serving as an independent Director for more than nine years, the Board will do a rigorous review of their continuing contribution and independence. Mr. Hong Pian Tee and Mr. Kaneyalall Hawabhay have served on the Board as non-executive independent Directors for more than nine years.

During its review, the NC considered that Mr. Hong has demonstrated independent mindedness and conduct at Board and Board Committee meetings. By diligently discharging his duties and exercising sound independent business judgement and objectivity in an exemplary manner, in the interests of the Company, he has exhibited a strong spirit of professionalism which did not diminish with time.

During its review, the NC considered that Mr. Kaneyalall Hawabhay who is resident in Mauritius, has continued to demonstrate a strong spirit of professionalism and independent mindedness in the discharge of his duties as a Director of the Company which did not diminish with time.

After taking into account these factors, the NC's views and having weighed the need for Board's refreshment against tenure, the Board has considered and determined that the following Directors continue to be regarded as independent Directors of the Company, notwithstanding having served more than 9 years:-

Mr. Hong Pian Tee
Mr. Kaneyalall Hawabhay

Each independent Director duly abstained from the NC/Board's determination of his independence.

2.3 Non-executive Directors

Non-executive Directors are encouraged, in line with corporate governance practice, to constructively challenge and help develop proposals on strategy; to review the performance of Management in meeting agreed goals and objectives; to monitor the reporting of performance; and to meet regularly without the presence of Management.

The non-executive independent Directors, including the lead independent Director, meet at least annually without the presence of other executive Directors, non-independent Directors and Management.

Principle 3: Chairman and Chief Executive Officer

There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

3.1 Chairman and CEO

Our Chairman and CEO is Mr. Franky Oesman Widjaja. We believe that the independent Directors have demonstrated a high commitment in their roles as Directors and have ensured that there is a good balance of power and authority within the Company. In view that the

Corporate **Governance Report**

Chairman and CEO positions are being held by the same person, the AC chairman acts as the lead independent Director, who is contactable by shareholders with concerns when contact through the normal channels has failed to resolve or is inappropriate.

The Chairman is responsible for:-

(a) leading the Board to ensure its effectiveness on all aspects of its role;

(b) setting the agenda and ensuring that adequate time is available for discussion of all agenda items, in particular strategic issues;

(c) ensuring that the Directors receive complete, adequate and timely information;

(d) ensuring effective communication with shareholders;

(e) encouraging constructive relations within the Board and between the Board and management;

(f) facilitating the effective contribution of non-executive Directors in particular; and

(g) promoting high standards of corporate governance.

3.2 Executive/Board Committee Composition and Role

The Board has established the BC to supervise the management of the business and affairs of GAR. The BC assists the Board in the discharge of its duties by, *inter alia*, approving the opening, closing of banking accounts and acceptance of banking facilities up to certain limits. The BC comprises the following 5 Directors:-

Group A
Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja

Group B
Simon Lim
Rafael Buhay Concepcion, Jr.

Circular resolutions of the BC are effective if signed by any 2 Directors from Group A jointly with the 2 Directors from Group B.

Principle 4: Board Membership

There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

4.1 Nominating Committee Composition and Role

The NC comprises the following 3 Directors, 2 of whom, including the NC chairman, are non-executive and independent Directors:-

Hong Pian Tee (NC Chairman)
Lew Syn Pau
Franky Oesman Widjaja

The NC's terms of reference sets out its roles and responsibilities.

The NC is primarily responsible for:-

(a) identifying and nominating for the approval of the Board, all Board appointments including candidates to fill Board vacancies as and when they arise;

(b) reviewing the independence element on the Board annually; and

(c) deciding how the Board's performance may be evaluated.

The NC is also responsible for making recommendations to the Board:-

(a) as regards the re-appointment, re-election and re-nomination of any Director;

(b) concerning the Board having a strong and independent element;

(c) concerning the re-appointment of any Director having multiple board representations;

(d) concerning the Board's performance criteria;

(e) regarding training and professional development programmes for Board members; and

(f) concerning any matters relating to the continuation in office of any Director at any time.

4.2 Process for Selection and Appointment, Re-appointment of Directors

All new Board appointments are considered, reviewed and recommended by the NC first, before being brought up to the Board for approval. Potential candidates to fill casual vacancies are sourced with recommendations from Directors, Management or external consultants. The NC then evaluates the suitability of potential candidates for the position taking into account, *inter alia,* his knowledge, skills, experience and ability to contribute to the Board's effectiveness. Upon the NC's recommendation, the Board approves the new appointment. In the event that the membership of the NC falls below the minimum number of 3 members, the NC shall be dissolved, and any new nominations are channeled directly to the Board for approval after which the NC is reconstituted with the requisite number of members.

Pursuant to the Constitution, save for the position of CEO, all Directors are to submit themselves for re-election at regular intervals. In particular, one-third of the Directors retire from office by rotation at the annual meeting ("AM"), and newly appointed Directors must submit themselves for re-election at the AM immediately following his appointment. Under the Mauritius Companies Act 2001, the office of a director of the Company shall become vacant at the conclusion of the AM commencing next after the director attains the age of 70 years, and he shall be subject to yearly re-appointment. The Board is satisfied with the current practice.

In its deliberation on the re-election / re-appointment of retiring Directors, the NC takes into consideration the Director's contribution and performance during the past year. Mr. Muktar Widjaja, Mr. Simon Lim and Mr. Kaneyalall Hawabhay retire from office by rotation at the forthcoming AM under Article 90 of the Constitution and, being eligible, have offered themselves for re-election. The NC has recommended their re-election at the forthcoming AM.

Mr. Hong Pian Tee retires at the forthcoming AM under the Mauritius Companies Act 2001 and, being eligible, has offered himself for re-appointment. The NC has recommended the re-appointment of Mr Hong at the forthcoming AM.

4.3 Directors' Time Commitments and Multiple Directorships

The Board believes that each Director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to ensure that he can allocate sufficient time and attention to the affairs of each company. The Board is of the view that setting a numerical limit on the number of listed company directorships that a Director may hold is arbitrary, given that time requirements for each person vary, and therefore prefers not to be prescriptive. As a safeguard, the NC reviews each Director's ability to devote sufficient time and attention to the affairs of the Company during the NC's annual assessment process.

Principle 5: Board performance

There should be a formal annual assessment of the effectiveness of the Board as a whole and its board committees and the contribution by each director to the effectiveness of the Board.

5.1 Board Evaluation Process

The NC is tasked to carry out the processes as implemented by the Board for assessing the effectiveness of the Board as a whole, and the contribution by each individual Director to the effectiveness of the Board on an annual basis.

The Company has in place a system to assess the effectiveness/performance of the Board and acts, where appropriate, on feedback from Board members, on improvements.

During the annual evaluation process, each Director is required to complete the respective forms for self-assessment as well as for assessment of the performance of the Board, based on pre-determined approved performance criteria.

The Board considers the current assessment of the Board and individual Director as being sufficient for the Company, rather than excessive if additional assessments of 4 Board Committees and Chairman are introduced.

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Principle 6: Access to Information

In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

6.1 Complete, Adequate and Timely Information

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete and adequate information in a timely manner. Such information extends to documents on matters to be brought up at Board meetings which, as a standard procedure, are circulated to Board members in advance for their review and consideration. Senior Management and other professionals who can provide additional insights into the matters to be discussed at Board meetings are also invited to be present at these meetings, where necessary. As Directors may have further queries on the information provided, they have separate and independent access to the Company's senior Management who accordingly addresses individual Directors' request for additional information/documents.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis, and upon request as and when required. Explanations are given by Management for material variance (if any) between the projections in the budget and actual results.

6.2 Company Secretary

The Directors may separately and independently contact the company secretary or its nominee who attends and prepares minutes for all Board meetings. The company secretary's role is defined which include responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with.

The appointment and removal of the company secretary are matters requiring Board approval.

6.3 Independent Professional Advice

The process is in place whereby Directors, either individually or as a group, in the furtherance of their duties, require professional advice, the company secretary or its nominee can assist them in obtaining independent professional advice, at the Company's expense.

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

7.1 Remuneration Committee Composition and Role

The RC comprises the following 3 Directors, 2 of whom, including the RC Chairman, are non-executive and independent Directors:-

Lew Syn Pau (RC Chairman)
Hong Pian Tee
Franky Oesman Widjaja

The Board views that the current RC composition is adequate as a majority of its members are independent, and the RC chairman is non-executive and independent.

The RC's roles and responsibilities are described in its terms of reference.

The duties of the RC include reviewing and recommending to the Board for approval, the following:-

(a) general framework of remuneration for the Board and key management personnel;

(b) the specific remuneration packages for each Director and key management personnel; and

(c) the Company's obligations arising in the event of termination of executive Directors and key management personnel's contracts of service, to ensure that such contracts of service contain fair and reasonable termination clauses which are not overly generous.

The RC may, during its annual review of remuneration of Directors and key management personnel, seek advice from external remuneration consultants as and when it deems necessary.

None of the members of the RC is involved in deliberations in respect of any remuneration, compensation, incentives or any form of benefits to be granted to him.

Principle 8: Level and Mix of Remuneration

The level and structure of remuneration should be aligned with the long-term interest and risk policies of the company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the company, and (b) key management personnel to successfully manage the company. However, companies should avoid paying more than is necessary for this purpose.

8.1 Remuneration of Executive Directors and Key Management Personnel

In designing the compensation structure, the Company seeks to ensure that the level and mix of remuneration is competitive, relevant and appropriate.

The remuneration structure for executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits.

8.1.1 The use and application of clawback provisions in remuneration contracts of executive directors and key management personnel is subject to further consideration by the Company.

8.2 Remuneration of Non-Executive Directors

Non-executive independent Directors receive Directors' fees, which are subject to shareholders' approval at AMs.

Principle 9: Disclosure on Remuneration

Every company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

9.1 Directors' Remuneration

The Directors' remuneration for the year ended 31 December 2014 in bands of S$250,000 is set out in the table below:-

Name of Directors	Fixed Salary	Bonus/ Benefit	Directors' Fees	Total
S$2,500,000 to below S$2,750,000				
Franky Oesman Widjaja	41.6%	58.4%	–	100%
S$1,250,000 to below S$1,500,000				
Rafael Buhay Concepcion, Jr.	64.9%	35.1%	–	100%
S$750,000 to below S$1,000,000				
Simon Lim	80.0%	20.0%	–	100%
Below S$250,000				
Muktar Widjaja	–	100%[1]	–	100%
Hong Pian Tee	–	–	100%	100%
Lew Syn Pau	–	–	100%	100%
Kaneyalall Hawabhay	–	–	100%	100%
Jacques Desire Laval Elliah	–	–	100%	100%
Nil				
Frankle (Djafar) Widjaja	–	–	–	–

[1] Consultancy fee

Variable bonus is based on performance in the same financial year.

The Company believes that the current format of disclosure is sufficient indication, for the time being, of each Director's remuneration package, given that remuneration continues to be a sensitive subject.

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9.2 Remuneration of Top 5 Key Management Personnel

The top 5 key management personnel who are not Directors of the Company ("KMP") for the year ended 31 December 2014 and their remuneration falling in bands of S$250,000, are as follows:-

Jo Daud Dharsono
Hemant K Bhatt
The Biao Ling
Paul J Hickman
Edy Saputra Suradja

KMPs' Remuneration Band	Number of KMP
S$1,250,000 to S$1,500,000	2
S$750,000 to S$1,000,000	3

The total remuneration paid to the top 5 KMPs for the year ended 31 December 2014 amounted to S$5,698,993.

The Company believes that it is not in the Group's interest to disclose the remuneration of the KMPs to the full extent recommended, due to continuing confidentiality and sensitivity of executives' remuneration and, moreover, such disclosure may hamper its ability to retain the Group's talent pool in a competitive environment.

9.3 Remuneration of Employees who are Immediate Family Members of a Director/CEO

The remuneration of employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S$50,000 for the year ended 31 December 2014, being one, the immediate family member of the CEO, is as follows:-

Remuneration Band	Fixed Salary	Bonus/ Benefit	Total
S$500,000 to S$750,000	66.2%	33.8%	100%

Mr. Franky Oesman Widjaja, Mr. Muktar Widjaja and Mr. Frankle (Djafar) Widjaja are brothers. Other than disclosed above, none of the Directors had immediate family members who were employees and whose remuneration exceeded S$50,000 for the year ended 31 December 2014.

The Company believes that the current format is sufficient indication, for the time being, of the relative.

9.4 Share Scheme

The GAR Restricted Share Plan ("RSP") was approved by shareholders at the Special Meeting of the Company held on 24 October 2008.

The RSP is intended to align the interests of key management and executives with the interests of shareholders. It is also expected to enhance the Company's competitiveness in attracting and retaining talented key senior management and executives. The RSP contemplates the award of fully paid shares of the Company free of charge, upon meeting prescribed performance target(s) and/or service condition(s).

Non-executive Directors and controlling shareholders and their associates are not eligible to participate in the RSP.

Awards granted under the RSP will vest upon the satisfactory achievement of pre-determined operational and financial performance targets.

The selection of participants and determination of the number of shares to be awarded under the RSP shall be undertaken by a committee (comprising Directors of the Company) ("RSP Committee") to be established by the Board at the appropriate time for administration of the RSP. In the selection process, the RSP Committee shall take into account criteria such as, *inter alia*, the participant's capability, scope of responsibility, skill, vulnerability to leaving the employment of the Company, job performance, years of service, potential for future development, contribution to the success and development of the Company and the extent of effort and resourcefulness required to achieve the service conditions and/ or performance targets within the performance and/or service periods (as the case may be).

The total number of new shares which may be issued pursuant to awards granted under the RSP shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of an award. Subject to prevailing rules and legislation, the Company may deliver shares to participants upon vesting of their awards by way of issue of new shares; and/or transfer of existing shares (by way of purchase of existing shares) for delivery to participants.

As at 31 December 2014, the RSP Committee has not been formed and no award has been granted by the Company under the RSP.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

10.1 Accountability

The Board reviews and approves the results announcements before its release. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of GAR's performance, position and prospects.

For the financial year under review, the CEO and the CFO have provided assurance to the Board on the integrity of the financial statements of GAR and its subsidiaries. For the interim financial statements, the Board provided a negative assurance confirmation to shareholders.

Principle 13: Internal Audit

The company should establish an effective internal audit function that is adequately resourced and independent of the activities it audits.

13.1 Internal Audit

The Company has established an in-house internal audit function. The role of the internal auditors is to assist the AC to ensure that the Company maintains a sound system of internal controls.

The Chief Internal Auditor ("CIA") reports to the AC chairman. On administrative matters, the CIA reports to the CEO. The CIA has met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC approves the hiring and removal of the CIA and ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. It also ensures the adequacy and effectiveness of the internal audit function.

The annual internal audit plan is established in consultation with, but independent of, Management, and is reviewed and approved by the AC. Every quarter, the AC and Management review and discuss internal audit findings, recommendations and status of remediation, at AC meetings.

The internal auditors have unfettered access to the Group's documents, records, properties and personnel, including access to the AC.

Principle 12: Audit Committee

The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

12.1 Audit Committee Composition and Role

The AC comprises the following 3 Directors, all of whom, including the AC chairman, are non-executive independent Directors:-

Hong Pian Tee (AC Chairman)
Lew Syn Pau
Kaneyalall Hawabhay

The Board considers that the members of the AC are appropriately qualified to discharge the responsibilities of the AC.

The AC's roles and responsibilities are described in its terms of reference.

The AC has the explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation of Management and full discretion to invite any Director or executive officer to attend its meetings. Reasonable resources are made available to enable the AC to discharge its functions properly.

In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board. In particular, the duties of the AC include:-

(a) Reviewing significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Group and any formal announcements relating to the Group's financial performance.

(b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such

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review can be carried out internally or with the assistance of any competent third parties).

(c) Reviewing the effectiveness of the Group's internal audit function.

(d) Reviewing the scope and results of the external audit, and the independence and objectivity of the external auditors.

(e) Making recommendations to the Board on the proposals to the shareholders on appointment, re-appointment and removal of the external auditors, and approving the remuneration and terms of engagement of the external auditors.

The AC reviews with Management, and where relevant, the auditors, the results announcements, annual report and financial statements, interested person transactions and corporate governance, before submission to the Board for approval and adoption.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by Management to the respective auditors. Where necessary, the AC also meets separately with the internal and external auditors whereby any issues may be raised directly to the AC, without the presence of Management. The internal and external auditors have unfettered access to the AC.

12.2 Auditor Independence

The AC reviews the independence of the external auditors. During this process, the AC also reviews all non-audit services provided by the external auditors to satisfy itself that the nature and extent of such non-audit services would not affect their independence. The AC confirms that after reviewing all non-audit services, if any, by the external auditors during the financial year, they would not, in the AC's opinion, affect the external auditors' independence. The AC has recommended to the Board that the external auditors be re-appointed for the ensuing year subject to shareholders' approval at the forthcoming AM.

In appointing the audit firms for the Group, the AC is satisfied that the Company has complied with Rules 712 and 715 of the listing manual of the Singapore Exchange Securities Trading Limited ("SGX-ST").

12.3 Whistle Blowing Procedures

The Board is committed to uphold the Company's values and standards, and has put in place arrangements by which employees may, in confidence and without fear of retaliation, bring to the AC's attention, concerns about possible improprieties relating to matters of financial reporting or other matters.

Principle 11: Risk Management and Internal Controls

The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extent of the significant risks which the Board is willing to take in achieving its strategic objectives.

11.1 Responsibilities for Risk Management and Internal Controls

The Board, with assistance from the enterprise risk management ("ERM") committee ("ERMC") and the AC, is responsible for the governance of risk by ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Group's assets, and determines the nature and extent of the significant risks which the Board is willing to take in achieving strategic objectives.

11.2 The ERMC

The ERMC was formed in 2013 to assist Management in its role of managing risks, as part of the Group's efforts to strengthen its risk management processes and enable accountability for its adequacy and effectiveness. The ERMC comprises the following senior Management:-

Franky Oesman Widjaja	– Executive Director, Chairman and CEO
Simon Lim	– Executive Director and Deputy President
Rafael Buhay Concepcion, Jr.	– Executive Director and Chief Financial Officer
Jo Daud Dharsono	– Head, Upstream
Hemant K Bhatt	– Head, Downstream

The ERMC reports to the AC which, in turn, reports to the Board.

11.3 ERM Processes

The Board has ultimate responsibility for the governance and oversight of the risk management process. The Audit Committee assists the Board in their oversight of the process as well as to that of financial reporting risk and the effectiveness of the Company's internal control and compliance systems. The Management is responsible for assuring the Board as to the adequacy and effectiveness of the risk management lifecycle and ensuring the quality and timeliness of information.

The Company's risk management process comprises of a disciplined and repeatable interaction structure that facilitates active involvement by the Board in risk evaluation of strategic alternatives and operational decisions. These structures serve as a forum for the Management to highlight both favorable and adverse factors affecting the business and its performance and associated risks, and in turn creates visibility for the Board and relevant stakeholders. The Board members and Management collectively determine the materiality of the risks and appropriate strategies to address them following which appropriate risk governance structures are constituted. Governance policies are reviewed and approved by at least one Board member and one or more members of the senior management team.

11.4 Assurance from the CEO and CFO

The Board has received assurance from the CEO and the CFO that:-

(a) the financial records of the Group for the financial year ended 31 December 2014 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework that are free from material misstatement; and

(b) the system of risk management and internal controls in place within the Group is adequate and effective in addressing the material risks in the Group in its current business environment including material financial, operational, compliance and information technology risks.

The CEO and CFO have in turn obtained relevant assurance from the business heads in the Group.

11.5 Opinion on Adequacy and Effectiveness of Internal Control and Risk Management Systems

The AC is responsible for making the necessary recommendations to the Board such that the Board may make an opinion regarding the adequacy and effectiveness of the risk management and internal control systems of the Group. In this regard, the AC is assisted by the external auditors, internal auditors and the ERMC.

The Board is satisfied that there is appropriate and adequate review by the AC of the adequacy of the Company's internal controls, including operational, compliance and information technology controls, and risk management policies and systems established by Management. In its review, the AC had been assisted by both the external auditors and the internal auditors, and this review is conducted at least once every year.

During the course of the audit, the external auditors carried out a review of the effectiveness of the Group's material internal controls, including financial, operational, compliance and information technology controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during the audit are reported to the AC together with the recommendations of the external auditors.

In addition, based on the ERM framework established and maintained, the work performed by the ERMC and the internal audit function as well as the assurance received from the CEO and CFO, the Board with the concurrence of the AC, is of the opinion that the Group's internal controls including financial, operational, compliance and information technology controls, and risk management systems, were adequate to meet the needs of the Group in its current business environment.

The Board notes that the Company's systems of internal controls and risk management provide reasonable, but not absolute, assurance that the Group will not be adversely affected by any event that can be reasonably foreseen. Furthermore, the Board also acknowledge that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

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D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

14.1 Shareholder Rights

The Company recognises the importance of maintaining transparency and accountability to its shareholders. The Board ensures that the Company's shareholders are treated equitably and their rights are protected.

The Company is committed to providing shareholders with adequate, timely and sufficient information pertaining to the Group's business which could have a material impact on the Company's share price.

All shareholders of the Company receive the annual reports and notice of AMs. The notice is also advertised in the newspapers.

Principle 15: Communication with Shareholders

Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

15.1 Communication with Shareholders

Transparency and communication are the heart of our Investor Relations activities. We aim to timely deliver thorough and up-to-date information to the global investing community, to support informed investment decisions. The Company does not practice selective disclosure of material information. GAR conveys material information and its quarterly results through announcements made on SGXNET, and is required to comply with the Listing Manual on the continuous disclosure obligations. Results and annual reports are announced or issued within the specified/stipulated period. All announcements are posted immediately on the Company's website *www.goldenagri.com.sg*, upon release via SGXNET.

The Company has been announcing its quarterly results since 2003 and starting from 2007, conducts regular briefings, conference calls and meetings with analysts and media. For the results announcements, we generate an extensive set of materials, including financial statements as well as management discussion and analysis in the presentation slides and press releases. During these briefings, Senior Management reviews the most recent performance, analysis, business key-value drivers and metrics, and shares the Company's insights and business strategy. The materials used in the briefing are disseminated via SGXNET and are also available on the Company's website. On this occasion, analysts and investors have the opportunity to raise questions to our Management. While these meetings are largely undertaken by the Company's Senior Management, the Chairman and CEO also meets analysts every year.

We offer direct and frequent access to our Management through one-on-one or group meetings, conferences, roadshows and conference calls. Throughout 2014, we met with more than 170 equity and fixed income investors and analysts domestically and internationally. The Company participated in investor conferences and roadshows in Singapore, Hong Kong, Indonesia, Thailand, Malaysia, Europe and United States. These facilitate us to strengthen existing relationships with long-term shareholders, understand their views and expectations of the Company as well as to tap new potential investors. We develop and maintain strong relationships with sell-side research analysts as they play an important role in informing and educating the investment community. Approximately twenty analysts based in Singapore, Hong Kong, Malaysia and Indonesia currently cover GAR. We also arrange site visits to our plantations and refineries to provide investors and analysts with better understandings of our day-to-day operations.

15.2 Dividend Policy

The Company currently aims to declare future dividends of up to 30% of its underlying profit, i.e. profit after excluding any adjustments related to International Accounting Standard (IAS) 41: Agriculture and other non-operating items. The declaration, amount and payment of future dividends will depend on many factors, including results of operations, cash flow and financial condition; expansion and working capital requirements; cash dividends received from subsidiaries; future prospects; and other factors deemed relevant by the Board and our shareholders.

15.3 Financial Calendar 2015

27 February	Announcement of Full Year 2014 results
2 April	Release of Annual Report 2014
24 April	Annual Meeting 2015 Proposed 2014 final dividend*
27 April	Last day for trading for cum dividend (scrip-less holders)
30 April 5:00 PM	Record date and time
4 May	Books closure date
8 May	Dividend payment date
May**	Announcement of First Quarter 2015 results
August**	Announcement of Second Quarter 2015 results
November**	Announcement of Third Quarter 2015 results
February 2016**	Announcement of Full Year 2015 results

Notes:
The above calendar may not list every corporate event. For the latest updates, please refer to our website *www.goldenagri.com.sg*.

* Subject to shareholders' approval at the 2015 AM
** Indicative timeline

Principle 16: Conduct of Shareholder Meetings

Companies should encourage greater shareholder participation at general meetings of shareholders, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

16.1 Conduct of Shareholder Meetings

During the AMs which are held in Singapore, shareholders are given the opportunity to air their views and to engage the Board and Management on the Group's business activities and financial performance. Directors are encouraged to attend shareholders' meetings. In particular, members of the AC, NC and RC and the external auditors are asked to be present to address questions at such meetings.

The Constitution allows a member of the Company to appoint one or two proxies to attend and vote instead of the member at members' meetings if he is unable to attend in person.

At members' meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted.

With effect from the 2013 AM, for greater transparency in the voting process, the Company has employed electronic poll voting for all resolutions put at the AM. Votes cast for, or against, each resolution were instantly displayed on screen. The detailed results showing the total number of votes cast for and against each resolution were also announced after the AM via SGXNET.

DEALINGS IN SECURITIES

The Company complies with the SGX-ST best practices on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealings in the Company's securities by the Company, its Directors and officers.

Dealings in the Company's securities are prohibited during the period commencing (i) two weeks before announcement of the Company's first, second and third quarter results and (ii) one month before the announcement of the Company's full year results, and ending on the date of the announcement of the results. Such dealings in the Company as well as other listed companies' securities are also prohibited whilst in possession of unpublished material price-sensitive information in relation to those securities.

Growing Business **by Growing People**

Build a Strong Foundation for Leadership Pipeline

We believe that our business can grow only if our people are growing. Hence, we have integrated people strategy with our business strategy for achieving the Company's vision and mission. In 2014, we focused our initiatives on building a high-performing culture, translating our Chairman and CEO's view that, "minds grow sharp and inspired, where talented individuals come together to innovate, where the best and the brightest are sitting at every desk; where no good idea is ever left behind and where all of us continuously improve by getting better every day." The initiatives are:

1. Driving Performance to the Next Level
2. People Development
3. Organisation Development

Driving Performance to the Next Level

To ensure business success, people must understand the objective of the company and how their contribution can make a difference. Our Performance Management System translates the Company's objectives into "shared goals" to create focus, grow our people and cherish our shared values. These shared goals include growing a healthy leadership bench strength, collaborating across divisions, improving margins and optimising our cost competitiveness.

People Development

To accelerate people development activities, GAR is building a new learning academy with an integrated and practical leadership curriculum and a practical, cost effective learning facility. To ensure a world class academy, we have formed an advisory board whose members come from some of the world's best organisations for growing leaders. The first programme of the Academy, Senior Leadership Development Programme, was launched in 2014. As we always believe in continuous learning, the Academy will also ensure our integrated management development programmes, for new entrants up to senior managers, are updated with required competencies to address future business challenges.

Organisation Development

Given the aspiration and growth of our business, our organisation capability needs to be developed from time to time. Evaluation of organisation structure and job leveling is conducted regularly, to ensure position equity and our competitiveness with the market. This is important to facilitate the implementation of key policies including reward strategy and job rotation.

Aside from these, GAR is also actively supporting Young Leaders for Indonesia ("YLI") Foundation, a non-profit foundation initiated by McKinsey, to develop the next generation of leaders in Indonesia. In addition, we provided internship for Harvard University MBA students. These activities provide learning opportunity for new talents and further strengthen our employer brand.

Words and Action Counts

Despite a challenging operating environment ahead, we see many opportunities for growth. This is because we have the right leaders to ensure GAR remains competitive. And this is why when we say "grow people to grow business", we demonstrate our words with actions and deeds.

Talented People with Good Attitude

Compulsory
- Executive Development Programme
- Leadership Development Programme
- Middle Management Development Programme
- Supervisory Management Development Programme
- Basic Management Development Programme

Technical
- Agronomy
- Manufacturing
- Finance and Accounting
- Others

Soft Skill
- Leadership
- Managerial
- Personal

Special Programme
- Advanced Management Development Programme
- Management Trainee 2
- Management Trainee 1

Our Culture

Performance
we deliver outstanding results

Ownership
we do what is best for the company

Collaboration
we work as a team

People
we realise our people's potential

Our Shared Values

Integrity
to put statements or promises into actions so that one can earn the trust of others

Positive Attitude
to display encouraging behaviour towards the creation of a mutually appreciative and conducive working environment

Commitment
to perform our work whole heartedly in order to achieve the best results

Continuous Improvement
to continuously enchance the capability of self, working unit and organisation to obtain the best results

Innovation
to come up with ideas or to create new products/tools/ systems that can increase productivity and the Company's growth

Loyalty
to cultivate the spirit of knowing, understanding and implementing the Company's core values as part of the GAR family

Ensuring Environmental Sustainability
Empowering Communities

Supporting
253 SCHOOLS
and **147 CLINICS**
surrounding our plantations

Our sustainability strategy focuses on implementing best practices holistically, covering the environment, community, market place and workplace, and benchmarking against industry standards. We believe that multi-stakeholder collaboration is the best way to achieve solutions for conserving forests, creating much needed employment and ensuring the long-term, sustainable growth of the palm oil industry, which is a vital part of the Indonesian economy.

Leading **Sustainable Development**

Sustainability has always been an integral part of our business and is supported by our management and Board. GAR's sustainability strategy focuses on engaging multi-stakeholders proactively, implementing best practices holistically (covering the environment, community, marketplace and workplace), benchmarking against industry standards, and reporting our progress in a timely and open manner.

In September 2014, a Sustainability Committee comprising the senior leadership team from the upstream, downstream and corporate centre was established to oversee the development and implementation of GAR's sustainability strategy to meet the Company's business goals. The Sustainability Committee reports to the Chairman and CEO of GAR.

We believe that multi-stakeholder collaboration is the best way to achieve solutions for conserving forests, creating much needed employment and ensuring the long term, sustainable growth of the palm oil industry, which is a vital part of the Indonesian economy.

Our mission and values commit us to being the leader in sustainable palm oil production by adopting the best industry practices and standards, managing the environment responsibly, creating employment and empowering the communities where we operate, while maximising long-term shareholder value.

A Holistic Approach Towards Sustainability

GAR's Forest Conservation Policy ("FCP"), Social and Community Engagement Policy ("SCEP") and Yield Improvement Policy ("YIP") set the framework for our approach to sustainable development.

Our FCP focuses on: no development in high carbon stock ("HCS") forests, high conservation value ("HCV") areas and peat lands; free, prior and informed consent from indigenous and local communities; and compliance with all relevant laws and internationally accepted certification principles and criteria.

Building on the FCP are our SCEP and YIP. The SCEP ensures that our palm oil operations improve the lives of the communities they impact while the

YIP leverages technology and innovation to increase crude palm oil ("CPO") yield, in order to improve the livelihoods of smallholders and reduce the pressure to open new land.

We are committed to evaluating and reporting our performance regularly against our policies in a transparent manner. We publish an annual sustainability report to give GAR's stakeholders a better understanding of our priorities, performance and stakeholder engagement process for sustainable palm oil production. We will publish our fifth sustainability report in the second half of 2015.

For greater accountability and open communication with our stakeholders, we launched an online reporting system, the GAR Sustainability Dashboard, in May 2014. The online dashboard allows our stakeholders to track the progress of our sustainability developments.

ADVANCING THE MULTI-STAKEHOLDER ENGAGEMENT PROCESS

Our stakeholder engagement involves customers, employees, the Government of Indonesia, civil society organisations, local and indigenous communities, our peers and other stakeholders in the palm oil industry.

We believe that multi-stakeholder collaboration is the best way to achieve solutions for sustainable palm oil production. To succeed, GAR cannot act alone.

Engaging Stakeholders on High Carbon Stock Forest Conservation

Since we launched the FCP in February 2011, there has been an increasing number of producers and consumer companies making similar FCP commitments, referencing the HCS methodology first developed by GAR, Greenpeace and The Forest Trust ("TFT").

In February 2014, we made further advances with our pioneering FCP by extending it to our downstream operations, thus expanding our "no deforestation" commitment to our entire supply chain. GAR is partnering with TFT to ensure adherence to our FCP in our upstream and downstream operations. In 2015, we will review our FCP to align with our goals and meet new challenges as our sustainability journey progresses.

In August 2014, GAR joined an HCS Approach Steering Group comprising mainly of plantation companies and NGOs to lead a process for further development and global standardisation of the HCS methodology. The Steering Group targets to publish an HCS Approach Toolkit in March 2015 to guide practitioners in implementing the HCS methodology.

In September 2014 at the United Nations ("UN") Climate Summit, we declared GAR's commitment to forest protection in the New York Declaration on Forests, a collective vision by the public and private sector to address deforestation and promote forest restoration. GAR also signed the Indonesia Palm Oil Pledge ("IPOP"), an initiative led by the Indonesian Chamber of Commerce and Industry ("KADIN"). GAR is collaborating with KADIN and other IPOP signatories to engage the industry and Government of Indonesia on regulatory reforms to foster conservation. An industry workshop on HCS and HCV conservation was held on 12 December 2014 in Jakarta.

During the year, GAR continued to progress with our HCS forest conservation pilot project in PT Kartika Prima Cipta, West Kalimantan, Indonesia. As announced in March 2013, the purpose of the pilot is to establish a framework for successful HCS conservation by the broader palm oil industry. We will publish a final report on the pilot project in mid-2015.

Leading **Sustainable Development**

Working with Certification Bodies and Industry Standards

Industry certification is part of GAR's on-going commitment to adopt best practices and standards in sustainable palm oil production. We comply with all relevant laws and internationally accepted certification principles and criteria.

Roundtable on Sustainable Palm Oil ("RSPO")

We continued to work closely with the RSPO during the year. GAR co-chaired the Indonesian HCV Task Force, which was formed to explore means of effectively securing HCV areas in oil palm development areas in Indonesia, in line with the RSPO Principles and Criteria ("P&C"), as well as to explore options to reform local and national laws and procedures to secure HCV areas and accommodate the RSPO P&C.

GAR is also a member of the Dispute Settlement Facility Advisory Group, HCV Compensation Task Force and the Biodiversity and HCV Working Group.

GAR continued to progress in its RSPO certification plans. To date, 228,682 hectares of plantations including smallholder plantations of 50,886 hectares, 23 mills, three kernel crushing plants, four refineries, one bulking station and one oleochemical plant have received RSPO certification. This brings GAR closer to our overall target of obtaining RSPO certification for all our existing 433,200 hectares of oil palm plantations and 41 mills (as at June 2010) by December 2015. This includes about 89,000 hectares of plasma scheme plantations involving about 45,000 smallholders. Palm oil operations established after 30 June 2010 will be part of a separate time-bound plan.

Together with TFT, we have implemented a scorecard system to optimise efforts in RSPO certification. As an analytic management tool, it enables the Company to efficiently map progress across all estates and mills.

Indonesian Sustainable Palm Oil System ("ISPO")

GAR is also working towards ISPO certification. ISPO is a policy implemented by the Indonesian Ministry of Agriculture to improve the competitiveness of Indonesian palm oil in world markets; to meet Indonesia's commitment to reduce greenhouse gases and to focus on environmental issues.

To date, we have received ISPO certification for 81,971 hectares of plantations and 12 mills in Riau and North Sumatra.

International Sustainability and Carbon Certification ("ISCC")

In October 2014, GAR became a member of ISCC Association to support the production, processing and utilisation of sustainable biomass and bioenergy.

The objective of the ISCC is the establishment of an international, practical and transparent system for the certification of biomass and bioenergy. ISCC is oriented towards the reduction of greenhouse gas emissions, the sustainable use of land, the protection of natural biospheres and social sustainability.

To date, we have obtained ISCC certification for 283,783 hectares of plantations including smallholder plantations of 57,755 hectares, 29 mills, two kernel crushing plants, four refineries and 17 bulking stations.

Palm Oil Innovation Group ("POIG")

GAR is supportive of the POIG which is aligned to the goals of GAR's pioneering FCP to break the link between palm oil and deforestation.

The POIG aims to build on RSPO standards and commitments by both demonstrating innovation to implement existing RSPO standards as well as to address additional critical issues. Importantly, it requires third party verification of its requirements including achieving "no deforestation".

The Company provided input to the development of the POIG Charter and has recently applied to be a member of the POIG.

Strengthening Customer Relationships

We remain focused on engaging with our customers to ensure we deliver on our commitments. GAR is committed to "no deforestation" palm oil in our entire supply chain. We are partnering with TFT to ensure that the palm oil for both our upstream and downstream operations complies with GAR's FCP.

We take a pragmatic approach towards the growing market demand for traceable, deforestation-free palm oil. Ensuring traceability is more challenging in the downstream business, as compared to the upstream

business where more than 90 percent of the fresh fruit bunches come from our own plantations. We have developed the necessary standard operating procedures and work instructions for achieving traceability and segregation from estate through to refinery.

GAR believes that multi-stakeholder collaboration is the best way to achieve solutions for sustainable palm oil and will engage constructively with leading palm oil players to share, learn and implement best practices for the upstream and downstream business.

Our subsidiary, PT SMART Tbk ("SMART")continues to be a member of the London-based Supplier Ethical Data Exchange ("SEDEX"), an online database of socially responsible suppliers supported by a number of global multinationals as they seek contacts and information on suppliers based in developing countries that adhere to internationally recognised sustainability standards.

Engaging Beyond the Industry

GAR also reaches out to stakeholders such as investors, academia and those in the supply chain to enable a better understanding of our business and the industry.

In 2014, we presented our approach to sustainability at various forums involving customers, investors, supply chain personnel, government officials and NGOs.

These events included the UN Climate Summit held in New York in September 2014 and Innovation Forum's "How business can tackle deforestation" conference in London in October 2014. In Singapore, the Company was invited to speak at the World Wildlife Fund ("WWF")'s Environmental and Social Governance Workshop for Banks and the Haze Roundtable organised by The Singapore Institute of International Affairs, a top think tank in Asia.

In February 2014, SMART together with the Centre de coopération internationale en recherche argonomique pour le développement ("Cirad"), France, and WWF Indonesia jointly organised the 4th International Conference on Oil Palm and Environment in Bali to develop best practices and solutions for sustainable palm oil.

Leading **Sustainable Development**

PROMOTING PRODUCTIVITY OF THE INDUSTRY

GAR has been leading the industry in palm oil productivity. In 2014, the Company achieved a CPO yield of 5.04 per hectare, higher than the industry estimated average of 3.78 tonnes per hectare. Our plasma smallholders attained 4.75 tonnes per hectare last year.

GAR CPO yield compared to the Indonesian industry (tonnes/ha)

Year	2010	2011	2012	2013	2014
GAR	4.70	5.02	5.26	4.76	5.04
Indonesian Industry [1]	3.89	4.00	4.14	3.69	3.78

[1] Source: Oil World, ISTA Mielke GmbH, Germany www.oilworld.de

Yield Improvement Policy

GAR launched our YIP in February 2012. The policy leverages technology and innovation to improve CPO yield. Increasing productivity enables GAR to produce more palm oil from less land, hence reducing the impact of the palm oil industry on the environment. Higher yields also help improve the livelihoods of smallholders and at the same time reduce the pressure to open new land.

The YIP focuses on best practices in planting material, agronomy, plantation management and land suitability. It applies to GAR's total cultivated area of 472,837 hectares, including a total plasma smallholding area of 100,886 hectares as at 31 December 2014.

Under the policy, the Company aims to achieve by 2015 an average CPO yield of 5.8 tonnes per hectare from oil palm trees in the prime age of 7-18 years. This is a 12 percent increase from the 2010 level.

GAR CPO yield for oil palm trees in prime age of 7-18 years (tonnes/ha)

Year	2010	2011	2012	2013	2014	2015 (Target)
Nucleus	5.23	5.62	6.21	5.58	5.80	5.80
Smallholders	5.02	5.54	5.71	4.78	4.94	5.60
GAR Average	**5.16**	**5.60**	**6.06**	**5.36**	**5.60**	**5.80**

GAR is committed to taking a multi-stakeholder approach towards developing and implementing the YIP. This includes on-going consultations with the Government of Indonesia, palm oil associations, academics, research institutions, civil society organisations, key players in the Indonesian palm oil industry and local stakeholders. The consultations are aimed at providing a platform for all stakeholders to share experiences and challenges with regard to increasing productivity in the palm oil industry, in order to move the industry forward in sustainable palm oil production.

GAR published the first progress report of the YIP implementation in July 2014. The report is available on the GAR website: http://www.goldenagri.com.sg/pdfs/News%20Releases/2014/YIP%20report_FINAL_23Jul14.pdf.

Together with the Indonesian Oil Palm Seed Producers Forum, smallholders and government bodies, we promote the use of seeds that are derived from selected highly productive oil palms. We also encourage prudent use of pesticides and biological pest control to enhance the productivity of the entire industry.

Our research institute, SMARTRI, continues to push the frontiers of innovation to enhance productivity in our estates as well as in smallholdings. The oil palm breeding programme at SMARTRI complements the traditional improvement of crops with new biotechnological techniques which enable important genetic enhancements of the plant.

We have been an active participant in the Oil Palm Genome Project, a worldwide initiative by a consortium of 16 reputable research organisations from seven countries. The project uses molecular biology as a tool to support conventional breeding. The main objective is to map the entire genome spectrum of oil palm varieties, including identification of specific traits such as disease resistance, drought tolerance, superior quality oil and high yield. As an active participant in this project, we have formed a dedicated team in our biotechnology division, and our staff has been involved in related research activities in Spain and France.

Innovative Financing Scheme

To boost the productivity of one million independent oil palm smallholders in Indonesia, KADIN initiated an innovative financing scheme. KADIN is confident that the scheme will help to increase their annual CPO yield from the current 2 to 3 tonnes per hectare to 5 to 6 tonnes per hectare; and avoid opening one million hectares of additional land for oil palm development, through the use of high-yielding certified seeds and implementation of best agronomy practices by the farmers.

This scheme was formally endorsed by the Government of Indonesia through a decree issued by the Directorate General of Agriculture on 30 October 2014. Through the scheme, independent farmers are able to secure loans with affordable interest rates through cooperatives to fund their replanting. This financial support will help to sustain the living expenses of these smallholders in the initial four years before the oil palms reach maturity.

In December 2014, two months after the issuance of the decree, the Company successfully assisted independent farmers to secure a loan facility of Rp48 billion from a state-owned bank for a pilot project to replant 500 hectares of the farmers' estates in Riau. We have pledged to support their estate development by supplying them with high-yielding certified seeds and good quality fertilisers as well as ensuring knowledge transfer and capacity building through agronomical support.

ENSURING ENVIRONMENTAL SUSTAINABILITY

As a natural resource based company, we have a fundamental responsibility to manage the environmental impacts of our activities throughout the entire value chain – from the acquisition of land and its development to the management of our plantations and mills, our manufacturing operations, the use of our product and, where appropriate, its recycling and disposal. We want to ensure that our palm oil operations have a "no deforestation" footprint. The FCP ensures that we conserve HCS forests while building on our existing commitments not to develop on HCV forest areas and peat lands regardless of depth.

We recognise that the Government of Indonesia plays a critical role in HCS conservation, particularly with respect to adopting new regulations and enacting relevant legislation to enable the transformation of the palm oil industry (including establishing and implementing a land swap process). Key players in the Indonesian palm oil industry should address the conservation policy with respect to HCS, while civil society organisations, local and indigenous communities and other stakeholders must engage in the process to transform the industry.

Conserving Peat Lands and Pioneering Zero Burning Policy

Peat is a major source of greenhouse gas. In February 2010, we made an important decision not to develop on any peat land regardless of depth although the Government of Indonesia allows planting on peat land less than 3 metres deep.

In Indonesia, GAR and our subsidiary SMART led the industry in being the first palm oil producer to establish a zero burning policy in 1997. We use only mechanical means in our land preparation for oil palm development and monitor our operations stringently to ensure strict adherence to the policy.

Leading **Sustainable Development**

Preserving High Conservation Value Areas

We support efforts to preserve HCV areas. HCV areas are made up of wildlife habitats, rare ecosystems and cultural areas. They are found across land for development and in our existing plantations.

To date, the HCV areas found in our existing plantations and new planting areas cover approximately 22,954 hectares and 25,036 hectares respectively.

As part of our HCS collaboration, we are working with our partners to improve the HCV assessment and reporting processes to ensure that they are more robust and comprehensive.

Protecting Rare and Endangered Species

There is a rich and immensely varied eco-system where we operate in Indonesia. We recognise the need to protect and conserve the habitats of rare and endangered species as part of our commitment to sustainable palm oil production.

We have a Zero Tolerance Policy towards hunting, injuring, possessing and killing of rare and endangered wildlife within our plantations. We have been educating our employees and local communities as well as related stakeholders on the importance of conserving rare and endangered species.

Through a partnership programme with Orangutan Foundation International ("OFI") to support the protection of orangutans in Kalimantan, Indonesia, we have supported the release of 40 wild-born, ex-captive orangutans into their natural habitat in Seruyan Forest.

Our partnership includes a programme by OFI that has trained more than 1,000 of our staff on orangutan conservation. These staff are mainly involved in field operations in Kalimantan while some of them oversee our biodiversity and conservation efforts. The Company has set aside and maintained 1,400 hectares of land in Sungai Rungau, Central Kalimantan for an orangutan sanctuary.

Monitoring Environmental Impact

We manage and regularly monitor every environmental aspect of our operations in order to minimise adverse impact on the natural environment. The monitoring is in accordance with the Environment Management Plan (Rencana Pengelolaan Lingkungan) and the

Environment Monitoring Plan (Rencana Pemantauan Lingkungan), as set out in the Social Environmental Impact Assessment (Analisa Mengenai Dampak Lingkungan) documents submitted to the Government of Indonesia. Assessment of the environmental parameters is conducted by SMARTRI, our ISO 9001:2008 and ISO 17025 accredited internal laboratory, as well as external laboratories referred by the Indonesian authorities.

Our regular internal monitoring and assessments are guided by the ISO 14001:2004 Environment Management Systems and ISO 9001:2008 Quality Management Systems.

Zero Waste and Integrated Pest Management

Our zero waste strategy is to reuse, recover and recycle. We recycle all production waste as organic fertiliser and as a source of energy. For example, we return nutrient-enriched waste from harvested fruit bunches and palm oil mill effluents to the plantations as organic fertiliser. This practice is fully integrated in our fertiliser management plan.

We have invested in technology to convert the methane gas that is produced by the waste into energy. This technology is being implemented

progressively in our operations. In addition, solid waste from the mills, such as the fibre from oil palm mesocarp and shell from the nuts, is used as fuel.

These zero waste practices not only minimise the impact on the environment, but also result in significant cost savings. Regular control of soil fertility is implemented throughout our plantations in order to ensure that our nutrient management practices maintain or, when required, improve the soil fertility.

Integrated pest management is an essential part of oil palm cultivation and we are careful to minimise and mitigate the impact of chemical pesticides on the environment. The preferred method is to deploy biological controls. We use beneficial plants, natural predators and pathogens or bacteria, and handpicking or mechanical traps.

We recognise the concerns about the use of chemical fertilisers and pesticides. Over the long term, by collaborating with national and international institutions, we will continue to research and investigate ways to phase out the use of such chemicals. We will then implement solutions together with other key players in the industry.

EMPOWERING THE COMMUNITY

As a leader in the industry, we recognise our vital role in the well-being of our employees and the communities where we operate. We believe that the cultivation of oil palm is an effective way to create jobs and alleviate poverty, and hence has the potential to empower people to secure a better livelihood for themselves and future generations.

In collaboration with TFT, we have been implementing a Social and Community Engagement Policy ("SCEP") to ensure that our palm oil operations improve the lives of the communities they impact. The SCEP guides and shapes the Company's decisions in engaging with communities.

We mobilise stakeholders such as local communities and government bodies as we actively participate in and drive our comprehensive community programmes, which range from education and energy self-sufficiency to healthcare and disaster relief.

Some of these programmes are carried out in collaboration with the Eka Tjipta Foundation (a non-profit social organisation founded by the family of Eka Tjipta Widjaja in 2006) and the Tzu Chi Foundation in Indonesia (affiliated with the non-denominational global Tzu Chi organisation established in Taiwan).

Together with TFT, we have also developed new guidelines and continued to build capacity in areas such as mediation, conflict management and participatory mapping to facilitate the successful implementation of the SCEP on the ground.

Educating the Next Generation

Education is a pillar of our community development programmes. We see it as a key to unlock the potential of Indonesia and as an effective way to break the poverty cycle that affects many of its people. Through our education programmes, we also support the Government of Indonesia's human resource development efforts in building high quality human capital.

To date, GAR has helped to develop and support the establishment of 253 schools that employ 2,439 teachers and educate 40,137 students, ranging from kindergarten to junior high.

Leading **Sustainable Development**

In support of the nine years of compulsory education required by the Indonesian Ministry of Education, we have ensured that each estate has educational facilities for kindergarten to sixth grade schooling and every region a junior high school that adequately meets the needs of our employees and the local communities.

Children of our employees and casual workers living in the estate receive free education from kindergarten to junior high school and heavily subsidised higher education. In the wider community, children living around our estates receive heavily subsidised education at all levels. To further encourage our employees to send their children to school, we provide free school bus services for all students. During the year, we also donated books, school uniforms and teaching equipment to more than 3,600 students in Central Kalimantan, East Kalimantan, Jambi, Lampung, South Kalimantan and West Kalimantan.

Sekolah SMART programme

GAR's investment in educating the young also includes free training and teaching materials for our teachers.

Sekolah SMART (SMART school), our strategic collaboration with Eka Tjipta Foundation ("ETF"), is a quality improvement programme for schools located in our plantations. Its main aim is to prepare these schools for the National Standard School Certification from the Indonesian Ministry of Education. By focusing on quality training for teachers, school management and community involvement, Sekolah SMART also aims to create schools that combine social conduct, ethics and academics to foster character development and care for the environment. Participating teachers receive instructions on pedagogical approaches to school principal leadership and capacity building.

As of end 2014, the Sekolah SMART programme has been implemented in 31 elementary schools and eight junior high schools in Central Kalimantan, East Kalimantan and West Kalimantan.

Rumah Pintar programme

In mid-2011, GAR started building Rumah Pintar (Smart House) in some of our concessions, in support of the programme initiated by Indonesia's former First Lady, Mrs. Ani Bambang Yudhoyono. To date, we have 23 Rumah Pintar across our plantations in Indonesia.

The goal of Rumah Pintar is to empower children, mothers and other community members, in order to create educated and prosperous communities throughout Indonesia. Each Rumah Pintar is designed as a community learning centre focusing on early childhood education, education of women in empowerment activities and nurturing of family health. It comes with a library, a play room and an arts and culture corner, and is equipped with computers and multimedia stations.

Scholarship programmes

GAR funds five scholarship programmes. In 2014, we spent approximately Rp21.2 billlion (US$1,785,000) on scholarships, benefitting more than 700 students.

Assisting the Needy

GAR's collaboration with the Tzu Chi Foundation is the cornerstone of our community efforts. Together, we have implemented many successful programmes to assist and enable the needy. Our initiatives in 2014 included:

- Free medical and dental services for almost 6,700 patients in Central Kalimantan, East Kalimantan, Jogjakarta, Lampung, Riau, South Sumatra, West Java and West Kalimantan;
- Mobilisation of 329 medical personnel in our 147 plantation clinics to provide free treatment for about 1,100 patients daily;
- Surgery for about 160 patients with conditions such as harelip, hernia, cataracts, tumours, cardiac abnormalities, kidney failure and cancers;
- Health education, environmental and other awareness programmes for over 13,200 participants in Central Kalimantan, East Kalimantan, Jakarta, Jambi, Jogjakarta, North Sumatra, Riau, South Kalimantan and West Kalimantan. Topics included clean environment, dental health, general health, family planning, breast-feeding and children's health, as well as smoking and drug prevention;
- Providing food supplements and multivitamins for mothers and infants in Central Kalimantan;
- Donations of almost 3,000 kg of rice to flood victims in Central Kalimantan and Riau;
- The sale of more than 360,000 litres of our branded cooking oil at below market prices in impoverished areas, mainly in Jakarta, Greater Jakarta and several cities in Java.

Promoting Small and Micro Enterprises

Our operations and plantations play an important role as an economic driver and have led to the development of various businesses in the remote areas of Indonesia. One sector that has been experiencing significant growth is the freight forwarding business that transports oil palm fresh fruit bunches from our plantations to the mills.

Riding on our growth, the transportation businesses owned by local entrepreneurs have been expanding very rapidly in recent years. This in turn has led to higher demand for vehicle repair workshops, gas stations and businesses that offer vehicle spare parts. More importantly, employment opportunities have been created for many in the local communities to become drivers, technicians and service staff.

Providing Infrastructure and Facilities

We also seek to meet the needs of our employees and the people living near our operations, by:

- building and maintaining public infrastructure including roads, bridges, and places of worship such as mosques and churches;
- providing the facilities and know-how to run cooperatives that ensure basic necessities are available at affordable prices;
- constructing well-built dwellings and health, education and sporting facilities; and
- providing financial help for communities to celebrate festive and religious events.

ENGAGING OUR EMPLOYEES IN THE COMMUNITY

We provide employment for about 183,000 people in Indonesia, of whom 50,000 are direct employees, 67,000 are smallholders and 66,000 are casual workers on plantations.

In addition to developing our people (see page 38 – "Growing Business by Growing People"), we involve and mobilise our staff for various causes. For example, we urge employees and tenants at our corporate headquarters in Jakarta and our operations units in Central Kalimantan, Jambi, North Sumatra, Riau and South Kalimantan to participate in regular blood donation drives for the Indonesian Red Cross. More than 2,100 participants were recorded in 2014.

We also encourage our employees to contribute funds regularly to the Tzu Chi Foundation. A dedicated team sees to the distribution and responsible use of these donations.

Corporate **Directory**

Board of Directors

Franky Oesman Widjaja (Chairman)
Muktar Widjaja
Frankle (Djafar) Widjaja
Simon Lim
Rafael Buhay Concepcion, Jr.
Hong Pian Tee
Lew Syn Pau
Kaneyalall Hawabhay
Jacques Desire Laval Elliah

Audit Committee

Hong Pian Tee (Chairman)
Lew Syn Pau
Kaneyalall Hawabhay

Nominating Committee

Hong Pian Tee (Chairman)
Lew Syn Pau
Franky Oesman Widjaja

Remuneration Committee

Lew Syn Pau (Chairman)
Hong Pian Tee
Franky Oesman Widjaja

Secretary

CIM CORPORATE SERVICES LTD

Registered Office

c/o CIM CORPORATE SERVICES LTD
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Republic of Mauritius
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Correspondence Address

108 Pasir Panjang Road #06-00
Golden Agri Plaza
Singapore 118535
Tel: (65) 6590 0800
Fax: (65) 6590 0887

Share Registrar and Transfer Office

B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758
Tel: (65) 6593 4848 Fax: (65) 6593 4847

Auditors

Moore Stephens LLP
Chartered Accountants of Singapore
10 Anson Road #29-15
International Plaza
Singapore 079903
Tel: (65) 6221 3771 Fax: (65) 6221 3815
Partner-in-charge: Neo Keng Jin
(Appointed during the financial year ended 31 December 2014)

Moore Stephens
Chartered Accountants
6th Floor, Newton Tower
Sir William Newton Street
Port Louis,
Republic of Mauritius
Tel: (230) 211 6535 Fax: (230) 211 6964
Partner-in-charge: Ravindra Ramphul, FCCA
(Appointed during the financial year ended 31 December 2011)

Date and Country of Incorporation

15 October 1996
Republic of Mauritius

Share Listing

The Company's shares are listed on the Singapore Exchange Securities Trading Limited

Date of Listing

9 July 1999

Financial Reports

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Consolidated Financial Statements

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
31 DECEMBER 2014

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Report of the Directors

31 December 2014

The directors are pleased to present their report to the members together with the audited financial statements of Golden Agri-Resources Ltd ("GAR" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2014.

1 Directors

The directors of the Company in office at the date of this report are:

Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja
Simon Lim
Rafael Buhay Concepcion, Jr.
Hong Pian Tee
Lew Syn Pau
Kaneyalall Hawabhay
Jacques Desire Laval Elliah

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Except as disclosed in the financial statements, neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3 Directors' Interests in Shares and Debentures

The directors of the Company holding office at 31 December 2014 had no interests in the shares, share awards, convertible securities or debentures of the Company and related corporations as recorded in the Register of Directors' Shareholdings as at 31 December 2014 and 21 January 2015 except as follows:

	Shareholdings registered in the name of directors or their spouse or their nominees		Shareholdings in which directors are deemed to have an interest	
Name of directors in which interests are held	At the beginning of the year	At the end of the year	At the beginning of the year	At the end of the year
The Company	Shares of US$0.025 each			
Hong Pian Tee	200,000	400,000	-	-
Lew Syn Pau	1,000,000	1,000,000	-	-

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2015.

4 Directors' Receipt and Entitlement to Contractual Benefits

Since the end of the previous financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and except as disclosed in the notes to the financial statements.

There were certain transactions (shown in the consolidated financial statements) with corporations in which certain directors have an interest.

5 Share Plan

The GAR Group Restricted Share Plan ("RSP") was approved and adopted by shareholders at the Special Meeting of the Company held on 24 October 2008. Please refer to page 32 of the Corporate Governance Report in the Annual Report for details of the RSP.

6 Convertible Bonds

On 4 October 2012, the Company issued US$400 million 2.5% convertible bonds due on 4 October 2017. The convertible bonds were listed and quoted on the SGX-ST on 5 October 2012. These convertible bonds are convertible at the option of the bondholders at any time on and after 14 November 2012 up to 27 September 2017 into fully paid ordinary shares of the Company totaling 561,106,115 new ordinary shares at an initial conversion price of S$0.8896 (using a fixed exchange rate of S$1.2479 : US$1.00) for each new share; adjusted to S$0.8819 for each new share on 14 May 2013, and further adjusted to S$0.87 for each new share on 9 May 2014, pursuant to the terms and conditions of the convertible bonds. The adjusted number of new shares to be issued, assuming the conversion of all the issued convertible bonds, based on the adjusted conversion price of S$0.87 was 573,747,126 new shares.

On 27 February 2015, notice was given to bondholders on the potential further adjustment in the conversion price of the convertible bonds pursuant to condition 6.3.3 of the terms and conditions of the convertible bonds. Subject to shareholders' approval at the forthcoming Annual Meeting of the Company on 24 April 2015 ("AM") of the proposed final dividend of S$0.00177 per share for the financial year ended 31 December 2014 ("Proposed Final Dividend"), the adjusted conversion price of the convertible bonds will be further adjusted to S$0.86 for each new share and the adjusted number of new shares to be issued, based on the further adjusted conversion price and assuming the conversion of all the issued convertible bonds, will be 580,418,605 new shares.

If shareholders' approval for the Proposed Final Dividend is obtained at the AM, the further adjusted conversion price will become effective on 8 May 2015 or when the Proposed Final Dividend is paid.

As at 31 December 2014, there was no conversion of bonds into equity shares.

Report of the Directors
31 December 2014

7 Interested Person Transactions Disclosure

The aggregate value of all interested person transactions during the financial year ended 31 December 2014 is as follows:

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*)	Aggregate value of all interested person transactions conducted under shareholders' mandate* (excluding transactions less than S$100,000)
	US$	US$
Eka Tjipta Widjaja	239,400	-
Ningbo Asia Pulp & Paper Co., Ltd	-	259,711
Ningbo Asia Paper Tube & Carton Box Co., Ltd	-	441,639
Ningbo Zhonghua Paper Co., Ltd	-	134,365
PT Asuransi Sinar Mas	-	4,711,531
PT Bank Sinarmas Tbk	-	32,312,542 [a]
PT Cakrawala Mega Indah	-	6,071,642
PT Rolimex Kimia Nusamas	-	26,825,621
PT Royal Oriental	-	9,726,851
PT Sinar Jati Mitra	-	1,514,828
PT Sinar Mas Teladan	-	298,330
Sinarmas Land Limited	4,400,000	383,583
Total	4,639,400	82,680,643

Notes:

* Renewed at Annual Meeting on 25 April 2014 pursuant to Rule 920 of the SGX-ST's Listing Manual.

a. Principal amount as at 31 December 2014 is approximately US$6.3 million.

8 Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Chartered Accountants, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

Date: 18 March 2015

Statement by the Directors

31 December 2014

In the opinion of the directors, the consolidated financial statements set out on pages 63 to 141 are drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 December 2014 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

Date: 18 March 2015

Independent Auditors' Report

To the members of Golden Agri-Resources Ltd (Incorporated in Mauritius)

We have audited the accompanying consolidated financial statements of Golden Agri-Resources Ltd (the "Company") and its subsidiaries (the "Group") as set out on pages 63 to 141, which comprise the consolidated statement of financial position of the Group as at 31 December 2014 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatements, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of the financial statements to give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2014 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
Date: 18 March 2015

Consolidated Income Statement

For the year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
Revenue	5	7,619,309	6,584,962
Cost of sales	6	(6,308,303)	(5,221,655)
Gross profit		1,311,006	1,363,307
Net (loss)/gain from changes in fair value of biological assets	24	(133,757)	36,852
Operating expenses			
Selling expenses	7	(647,920)	(570,312)
General and administrative expenses	7	(308,455)	(301,426)
		(956,375)	(871,738)
Operating Profit		220,874	528,421
Other income/(expenses)			
Financial income	8	25,444	16,843
Financial expenses	8	(123,478)	(106,114)
Share of results of associated companies, net of tax		(103)	810
Share of results of joint ventures, net of tax		(449)	(1,720)
Foreign exchange loss, net		(13,816)	(32,522)
Other operating income, net	9	41,913	24,262
		(70,489)	(98,441)
Exceptional item			
Gain on deconsolidation	40b	7,586	-
Profit before income tax	10	157,971	429,980
Income tax	11	(40,946)	(113,940)
Profit for the year		117,025	316,040
Attributable to:			
Owners of the Company		113,553	311,286
Non-controlling interests		3,472	4,754
		117,025	316,040
Earnings per ordinary share (cents)			
Basic	12	0.88	2.42
Diluted	12	0.88	2.42

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
Profit for the year		117,025	316,040
Other comprehensive (loss)/income:			
Item that will not be reclassified subsequently to profit or loss:			
Actuarial (loss)/gain on post-employment benefits	38	(4,027)	4,474
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences on consolidation		(7,699)	2,608
Changes in fair value of cash flow hedges		(632)	-
Share of other comprehensive loss of joint ventures		(52)	-
Other comprehensive (loss)/income, net of income tax		(12,410)	7,082
Total comprehensive income for the year, net of income tax		104,615	323,122
Total comprehensive income attributable to:			
Owners of the Company		101,477	316,505
Non-controlling interests		3,138	6,617
		104,615	323,122

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Financial Position

As at 31 December 2014

	Note	2014 US$'000	2013 US$'000
Assets			
Current Assets			
Cash and cash equivalents	13	329,560	327,486
Short-term investments	14	261,166	259,266
Trade receivables	15	525,816	474,303
Other current assets	16	827,109	705,502
Inventories	17	850,723	771,969
		2,794,374	2,538,526
Non-Current Assets			
Long-term receivables and assets	18	360,593	447,673
Long-term investments	19	804,318	675,256
Investment in associated companies	20	8,431	7,673
Investment in joint ventures	21	56,167	8,220
Investment properties	22	1,227	1,351
Property, plant and equipment	23	2,551,664	2,350,951
Biological assets	24	7,902,105	7,988,140
Deferred tax assets	25	27,036	2,784
Deferred charges	26	8,332	11,412
Brands and trademarks	27	353	320
Goodwill	28	152,021	115,898
		11,872,247	11,609,678
Total Assets		14,666,621	14,148,204

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Financial Position (cont'd)

As at 31 December 2014

	Note	2014 US$'000	2013 US$'000
Liabilities and Equity			
Current Liabilities			
Short-term loans	29	1,251,081	1,059,654
Bonds payables	33	389,882	-
Trade payables	30	543,197	556,141
Other payables	31	286,720	229,419
Taxes payable	11	29,554	38,881
Obligations under finance leases	32	132	15
		2,500,566	1,884,110
Non-Current Liabilities			
Obligations under finance leases	32	269	27
Bonds and notes payables	33	1,040,087	1,187,766
Long-term borrowings	34	387,250	333,334
Deferred tax liabilities	25	1,843,437	1,884,050
Long-term payables and liabilities	35	76,691	55,544
		3,347,734	3,460,721
Total Liabilities		5,848,300	5,344,831
Equity Attributable to Owners of the Company			
Issued capital	36	320,939	320,939
Share premium		1,216,095	1,216,095
Other paid-in capital		184,318	184,318
Other reserves		(1,809)	3,329
Option reserve		31,469	31,469
Currency translation reserve		12,293	19,683
Hedging reserve		(632)	-
PRC statutory reserve		3,820	2,116
Retained earnings		6,962,010	6,942,606
		8,728,503	8,720,555
Non-Controlling Interests		89,818	82,818
Total Equity		8,818,321	8,803,373
Total Liabilities and Equity		14,666,621	14,148,204

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Changes in Equity

For the year ended 31 December 2014

	Attributable to Owners of the Company											
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserves	Option Reserve	Currency Translation Reserve	Hedging Reserve	PRC Statutory Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1.1.2014	320,939	1,216,095	184,318	3,329	31,469	19,683	-	2,116	6,942,606	8,720,555	82,818	8,803,373
Profit for the year	-	-	-	-	-	-	-	-	113,553	113,553	3,472	117,025
Other comprehensive (loss)/income	-	-	-	(4,054)	-	(7,390)	(632)	1,704	(1,704)	(12,076)	(334)	(12,410)
Total comprehensive (loss)/income for the year	-	-	-	(4,054)	-	(7,390)	(632)	1,704	111,849	101,477	3,138	104,615
Dividends paid (Note 37)	-	-	-	-	-	-	-	-	(52,795)	(52,795)	-	(52,795)
Dividends payable (Note 37)	-	-	-	-	-	-	-	-	(39,650)	(39,650)	-	(39,650)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(690)	(690)
Acquisition of subsidiaries (Note 40a)	-	-	-	-	-	-	-	-	-	-	3,487	3,487
Change in interests in subsidiaries (Note 40a, 40c)	-	-	-	(1,084)	-	-	-	-	-	(1,084)	1,021	(63)
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	44	44
Balance at 31.12.2014	320,939	1,216,095	184,318	(1,809)	31,469	12,293	(632)	3,820	6,962,010	8,728,503	89,818	8,818,321
Balance at 1.1.2013	320,939	1,216,095	184,318	(48)	31,469	18,821	-	2,116	6,752,919	8,526,629	91,575	8,618,204
Profit for the year	-	-	-	-	-	-	-	-	311,286	311,286	4,754	316,040
Other comprehensive income	-	-	-	4,357	-	862	-	-	-	5,219	1,863	7,082
Total comprehensive income for the year	-	-	-	4,357	-	862	-	-	311,286	316,505	6,617	323,122
Dividends (Note 37)	-	-	-	-	-	-	-	-	(121,599)	(121,599)	-	(121,599)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	-	(9,354)	(9,354)
Change in interests in a subsidiary (Note 40e)	-	-	-	(980)	-	-	-	-	-	(980)	(6,020)	(7,000)
Balance at 31.12.2013	320,939	1,216,095	184,318	3,329	31,469	19,683	-	2,116	6,942,606	8,720,555	82,818	8,803,373

The accompanying notes form an integral part of these financial statements.

Consolidated Statement of Cash Flows

For the year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
Cash flows from operating activities			
Profit before income tax		157,971	429,980
Adjustments for:			
Net loss/(gain) from changes in fair value of biological assets	24	133,757	(36,852)
Depreciation of investment properties	22	91	93
Depreciation of property, plant and equipment	23	146,695	131,902
Amortisation	26,27	2,015	2,036
Unrealised foreign exchange (gain)/loss, net		(4,817)	15,855
Share of results of associated companies, net of tax		103	(810)
Share of results of joint ventures, net of tax		449	1,720
Loss/(Gain) on disposal of property, plant and equipment	9	2,662	(1,525)
Property, plant and equipment written off	9	1,034	1,633
Allowance/(Write-back of) for impairment loss on:			
Inventories, net	17	160	(10,850)
Trade receivables	15	340	132
Other receivables, net	9	100	5
Other receivables written off		51	-
Changes in fair value of financial assets at fair value through profit or loss	9	(11,895)	9,830
Gain on deconsolidation	40b	(7,586)	-
Gain on disposal of a subsidiary	40d	-	(29)
Interest income	8	(25,444)	(16,843)
Interest expense	8	119,132	101,678
Operating cash flows before working capital changes		514,818	627,955
Changes in operating assets and liabilities:			
Trade receivables		(30,038)	(74,392)
Other receivables		23,799	(231,988)
Inventories		(28,718)	78,627
Trade payables		(71,750)	(128,866)
Other payables		104,767	70,047
Cash generated from operations		512,878	341,383
Interest paid		(97,156)	(80,932)
Interest received		17,274	11,715
Income tax paid		(83,780)	(253,835)
Net cash generated from operating activities		349,216	18,331

The accompanying notes form an integral part of these financial statements.

	Note	2014 US$'000	2013 US$'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		18,887	6,779
Proceeds from disposal of biological assets	24	2,142	1,391
Capital expenditure on property, plant and equipment	23	(415,393)	(477,036)
Capital expenditure on biological assets	24	(42,325)	(41,864)
Proceeds from/(Investment in) short-term investments, net		34,522	(116,659)
Investment in long-term investments, net		(132,037)	(170,119)
Investment in joint ventures		(32,228)	(4,511)
Investment in an associated company	45d	(890)	-
(Investment in)/Proceeds from Plasma/KKPA program plantations, net		(4,945)	1,511
Acquisition of subsidiaries, net of cash acquired	40a	(18,377)	-
Cash flow effect arising from deconsolidation	40b	(9,024)	-
Proceeds from disposal of a subsidiary, net	40d	-	3,261
Dividend received from a joint venture		1,000	-
Payments for deferred expenditure	26	(538)	(891)
Net increase in long-term receivables and assets		(79,074)	(54,025)
Net cash used in investing activities		(678,280)	(852,163)
Cash flows from financing activities			
Proceeds from short-term loans		2,816,392	1,954,529
Proceeds from long-term borrowings		136,990	185,327
Proceeds from bonds and notes issue, net		237,167	237,235
Payments of dividends		(53,485)	(130,953)
Payments of short-term loans		(2,498,965)	(1,492,678)
Payments of long-term borrowings		(303,843)	(140,432)
Payments of obligations under finance leases		(102)	(24)
Acquisition of additional interests in subsidiaries	40c,e	(63)	(7,000)
Capital subscribed by non-controlling shareholders		44	-
Payments of deferred loan charges and bank loan administration costs	34	(2,997)	(4,224)
(Increase)/Decrease in time deposits pledged		(1,282)	10,324
Net cash generated from financing activities		329,856	612,104
Net increase/(decrease) in cash and cash equivalents		792	(221,728)
Cash and cash equivalents at the beginning of the year		321,854	543,582
Cash and cash equivalents at the end of the year	13	322,646	321,854

The accompanying notes form an integral part of these financial statements.

Notes to the Consolidated Financial Statements

31 December 2014

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1 General

Golden Agri-Resources Ltd (the "Company" or "GAR") is a limited company incorporated in Mauritius. The registered office is c/o Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Republic of Mauritius.

The Company is principally engaged as an investment holding company. The principal activities of the subsidiaries, associated companies and joint ventures are described in Note 45 to the consolidated financial statements. The Controlling Shareholders of the Company comprise certain members of the Widjaja Family.

The consolidated financial statements as at and for the year ended 31 December 2014 were authorised for issue by the Board of Directors on 18 March 2015.

2 Amendments to International Financial Reporting Standards ("IFRSs")

(a) Adoption of Amendments to IFRSs

The Group has adopted the following amendments to IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2014. The adoption of these amendments to IFRSs has had no material financial impact on the financial performance and financial position of the Group. They did however give rise to additional disclosures.

(i) Amendments to IFRS 10, IFRS 12 and IAS 27, Investment Entities

The amendments define an "investment entity" and provides an exception for such entities to consolidate their subsidiaries. Instead, investment entities are required to recognise their investments in controlled investees in a single line item in the statement of financial position, measured at fair value through profit or loss. In addition, investment entities are also required to account for substantially all other investments under the fair value model, including investments in associates and joint ventures and investment property. The amendments have also added new disclosures for unconsolidated subsidiaries.

(ii) Amendment to IAS 32, Offsetting of Financial Assets and Financial Liabilities

The amendment to IAS 32 clarifies that the right of set-off must not be contingent on a future event, and must be legally enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and its counterparties. The amendment further clarifies situations where settlement on a gross basis that does not occur simultaneously (e.g. settlement through central counterparties or clearing houses) may satisfy the offsetting criteria.

(iii) Amendment to IAS 36, Recoverable Amount Disclosure for Non-Financial Assets

The amendment to IAS 36 addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

2 Amendments to International Financial Reporting Standards ("IFRSs") (cont'd)

(a) Adoption of Amendments to IFRSs (cont'd)

(iv) Amendment to IAS 39, Novation of Derivatives and Continuation of Hedge Accounting

The amendment to IAS 39 provides relief from discontinuing hedge accounting when novation of a hedging instrument to a central counter party meets specified criteria.

(b) New and Amendments to IFRSs issued but not yet effective

As at the date of these consolidated financial statements, the following new and amendments to the IFRSs that are relevant to the Group's operations have been issued but are not yet effective:

- *Amendment to IFRS 10, Consolidated Financial Statements*
- *Amendment to IFRS 11, Joint Arrangements*
- *Amendment to IAS 16, Property, Plant and Equipment*
- *Amendment to IAS 19, Employee Benefits*
- *Amendment to IAS 27, Separate Financial Statements*
- *Amendment to IAS 28, Investments in Associates and Joint Ventures*
- *Amendment to IAS 38, Intangible Assets*
- *Amendment to IAS 41, Agriculture*
- *IFRS 9, Financial Instruments*
- *IFRS 15, Revenue from Contracts with Customers*
- *Improvements to IFRSs (2012 and 2013)*
  - *IFRS 3, Business Combinations*
  - *IFRS 8, Operating Segments*
  - *IFRS 13, Fair Value Measurement*
  - *IAS 16, Property, Plant and Equipment*
  - *IAS 24, Related Party Disclosures*
  - *IAS 38, Intangible Assets*
  - *IAS 40, Investment Property*

Except as disclosed below, the directors of the Company expect the adoption of the new and amendments to IFRSs above will have no material financial impact on the consolidated financial statements in the period of initial application.

The amendments to IAS 16 and IAS 41 require biological assets that meet the definition of a bearer plant to be accounted for as property, plant and equipment in accordance with IAS 16. This includes the ability to choose between the cost model and revaluation model for subsequent measurement. Bearer plants are defined as living plants that are used in the production or supply of agricultural produce and of which there is only a remote likelihood that the plant will also be sold as agricultural produce.

The amendments apply retrospectively to annual periods beginning on or after 1 January 2016, with earlier application permitted. As at the end of the reporting period, the Group is still in the process of assessing the financial impact on the future application of these amendments. However, based on the Group's initial assessment, the estimated financial impact to the statement of financial position of the Group upon the adoption of these amendments will be a decrease to biological assets and deferred tax liabilities of US$6,764,274,000 and US$1,574,671,000 respectively, with a corresponding decrease to total equity of US$5,189,603,000.

Notes to the Consolidated Financial Statements

31 December 2014

3 Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below. The consolidated financial statements are drawn up in accordance with IFRSs.

The preparation of financial statements requires the use of estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosures of contingent assets and liabilities. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the consolidated financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 4 to the consolidated financial statements.

(b) Functional and Presentation Currency

The functional currency of the Company, its Indonesian subsidiaries and a number of its other subsidiaries is the United States dollar. Because of the international nature of the crude palm oil and soybean products that the Group is principally engaged in and the fact that the transactions are usually denominated in or derived from United States dollar, the directors are of the opinion that the United States dollar reflects the primary economic environment in which the entities operate.

The consolidated financial statements are presented in United States dollar, which is the Company's functional currency and presentation currency. All financial information presented in United States dollars have been rounded to the nearest thousand, unless otherwise stated.

(c) Foreign Currencies

Foreign currency transactions are translated into the respective functional currencies of the companies in the Group at the exchange rates prevailing at the time the transactions are entered into. Currency translation differences arising from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the end of the reporting period are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates prevailing at the date of transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rate at the date that the fair value was determined.

Currency translation differences on financial assets at fair value through profit or loss are recognised as part of the fair value gain or loss in the income statement while the translation differences on available-for-sale financial assets are recognised in other comprehensive income.

In the preparation of the consolidated financial statements, the financial statements of those subsidiaries whose functional currency is not the United States dollar (i.e. "foreign entities") have been translated to United States dollar, the presentation currency of the Company, as follows:

(i) assets and liabilities are translated at the exchange rates approximating those prevailing at the end of the reporting period;

(ii) share capital and reserves are translated at historical exchange rate; and

3 Summary of Significant Accounting Policies (cont'd)

(c) Foreign Currencies (cont'd)

(iii) income and expenses are translated at the average exchange rates for the period (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions).

Exchange differences arising from the above translations are recognised in other comprehensive income and these are accumulated in currency translation reserve within equity. Such cumulative translation differences are reclassified from equity to the income statement in the period in which the foreign entity is disposed of.

On consolidation, exchange differences arising from the translation of the net investments in foreign entities (including monetary items that in substance form part of the net investments in foreign entities) are recognised in other comprehensive income.

(d) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group") made up to 31 December.

Subsidiaries are entities over which any of the Group companies have control. The Group companies control an entity if and only if they have power over the entity and when they are exposed to, or have rights to variable returns from their involvement with the entity, and have the ability to use their power over the entity to affect those returns. The Group will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Subsidiaries are fully consolidated from the date on which control is transferred to the Group companies and are deconsolidated from the date that control ceases.

In preparing the consolidated financial statements, material inter-company transactions between Group entities are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

With the exception of business combinations involving entities under common control, acquisitions of subsidiaries are accounted for by applying the acquisition method. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the acquisition date. Acquisition related costs are recognised as expenses in the periods in which the costs are incurred and the services are received.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Non-controlling interests consist of the amount of those interests at the date of the original business combination and the non-controlling interests' share of changes in equity since the date of the combination.

Changes in the Group's interest in a subsidiary that do not result in loss of control are accounted for as transactions with equity owners of the Company. Any difference between the change in carrying amounts of the non-controlling interest and the value of consideration paid or received is recognised in other reserves, within equity attributable to the owners of the Company.

Business combinations which involve the transfer of net assets or the exchange of shares between entities under common control are accounted for as a uniting of interests. The financial information included in the consolidated financial statements reflects the combined results of the entities concerned as if the merger had been in effect for all periods presented.

Notes to the Consolidated Financial Statements

31 December 2014

3 Summary of Significant Accounting Policies (cont'd)

(e) Investment in Associated Companies

Associated companies are entities in which the Group has significant influence, but not control, which generally occurs when the Group has a direct or indirect ownership interest of 20% to 50% or is in a position to exercise significant influence on the financial and operating policy decisions.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies represents the excess of the cost of acquisition of the associated company over the Group's share of the fair value of the identifiable net assets of the associated company and is included in the carrying amount of the investments.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profit or losses are recognised in the income statement and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distributions received from the associated companies are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals to or exceeds its interest in the associated company, including any other unsecured non-current receivables, the Group does not recognise further losses, unless it has obligations to make or has made payments to behalf of the associated company. The accounting policies of associated companies have been changed where necessary to ensure consistency with the accounting policies adopted by the Group.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in the income statement. Gains and losses arising from partial disposals or dilutions in investments in associated companies in which significant influence is retained are recognised in the income statement.

(f) Investment in Joint Ventures

Joint ventures are entities over which the Group has contractual arrangements to jointly share the control over the economic activity of the entities with one or more parties.

Investment in a joint venture is initially stated at cost less any impairment losses, and is subsequently accounted for by the Group using the equity method. Under the equity method, the cost of investment less impairment losses is increased or decreased by the Group's share in net profits or losses and other equity changes of the joint venture since the date of acquisition. Losses of a joint venture in excess of the Group's interest in that joint venture (which includes any long-term receivables, in substance, form part of the Group's net investment in that joint venture) are not recognised. The financial statements of the joint ventures are prepared as of the same reporting date as the Group.

Investments in joint ventures are derecognised when the Group loses joint control. Any retained equity interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in the income statement.

(g) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method for raw materials and finished goods and by the moving average method for other inventories, such as fuel, chemical and packing supplies and others. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to make the sale.

3 Summary of Significant Accounting Policies (cont'd)

(h) Investment Properties

Investment properties are properties held either to earn rental income or for capital appreciation or both.

Investment properties are carried at cost less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount. Depreciation is calculated using a straight-line method to allocate the depreciable amounts over the estimated useful lives, or where shorter, the terms of the relevant leases, of 20 to 45 years.

The carrying amount includes the cost of replacing part of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day servicing of an investment property.

Investment properties are derecognised when either they have been disposed of or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. Any gains or losses on the retirement or disposal of an investment property are recognised in the income statement in the year of retirement or disposal.

The residual values and useful lives of investment properties are reviewed, and adjusted as appropriate, at the end of each reporting period.

(i) Biological Assets

Biological assets include mature plantations, immature plantations and nurseries that are established or acquired by the Group.

Plantations are stated on initial recognition and at the end of each reporting period, at fair value less estimated point-of-sale costs. Any resultant gains or losses arising from changes in fair value are recognised in profit or loss.

The harvested product of the Group's biological assets, fresh fruit bunch ("FFB"), is measured at fair value less estimated point-of-sale costs at the point of harvest. The fair values of FFB were determined with reference to their market prices.

Nurseries are recognised at fair value which is normally the costs incurred in the preparation of the nursery, purchase of seedlings and their maintenance. The accumulated costs will be transferred to immature plantations at the time of planting. An oil palm plantation is considered mature when such plantations start to produce at the beginning of the fourth year.

(j) Cash and Bank Balances

Cash and cash equivalents classified under current assets comprise cash on hand, cash in banks and time deposits with maturities of three months or less which are highly liquid assets that are readily convertible into known amounts of cash and subject to an insignificant risk of changes in value.

Short-term time deposits with maturities of more than three months but less than one year are carried at cost and classified under short-term investments.

For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of cash in banks and time deposits with maturities of less than three months pledged as security.

Notes to the Consolidated Financial Statements

31 December 2014

3 Summary of Significant Accounting Policies (cont'd)

(k) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Freehold land is not depreciated. Depreciation is calculated using the straight-line method to allocate the depreciable amount over the following estimated useful lives:

	No. of years
Storage tanks, land improvements and bridges	- 50
Buildings	- 20 to 50
Machinery and equipment	- 4 to 25
Leasehold improvements	- 4
Furniture and fixtures	- 3 to 10
Transportation equipment	- 5 to 17

Land rights are carried at cost less any impairment losses and not subject to amortisation except for those which have finite economic lives are amortised over the terms of the land rights, which range from 46 to 50 years. Amortisation commences upon obtaining regulatory approval from the relevant authorities.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

The residual values and estimated useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The cost of maintenance and repairs is charged to the income statement as incurred; significant renewals and improvements are capitalised. When assets are retired or otherwise disposed of, their carrying amounts are derecognised and any resulting gains or losses are recognised in the income statement.

The cost of construction in progress represents all costs (including borrowing costs on such borrowings) attributable to bringing the constructed asset to its working condition and getting it ready for its intended use. The accumulated costs will be reclassified to the appropriate asset class when the construction is completed. No depreciation charge is provided for construction in progress until the assets are transferred and used in operations.

(l) Deferred Charges

All incidental costs, incurred in connection with the acquisition or renewal of land rights, are capitalised and amortised over the term of the related land rights less any impairment loss.

Costs incurred for acquisition of computer software, whose benefits extend over a period of more than one year, are being capitalised and amortised, over the periods benefited using the straight-line method less any impairment loss.

3 Summary of Significant Accounting Policies (cont'd)

(m) Brands and Trademarks

Brands and trademarks are initially stated at acquisition cost and subsequently carried at cost less accumulated amortisation and any impairment loss. The cost is amortised through the income statement over their estimated useful lives of 20 years using the straight-line method.

(n) Goodwill

The excess of the aggregation of consideration transferred, the amount of any non-controlling interest in the acquiree, and fair value at the date of acquisition of any previous equity interest in the acquiree, over the fair value of the net identifiable assets acquired is initially recognised as goodwill in the consolidated financial statements. Subsequently, goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances change, indicating that goodwill might be impaired. If the Group's interest in the net fair value of the identifiable assets and liabilities exceeds the consideration transferred and the non-controlling interest in the acquiree, the Group will reassess whether it has correctly identified all of the assets acquired and liabilities assumed, and any excess thereafter is recognised as an income in the income statement immediately.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units. If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(o) Impairment of Non-Financial Assets excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and its fair value less costs of disposal.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. A reversal of an impairment loss is recognised as an income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

Notes to the Consolidated Financial Statements

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3 Summary of Significant Accounting Policies (cont'd)

(p) Financial Assets

The Group classifies its non-derivative financial assets in the following categories: loans and receivables, fair value through profit or loss, and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition. Financial assets are recognised initially on the trade date which is the date that the Group becomes a party to the contractual provisions of the instrument. Financial assets are derecognised when, and only when, the contractual rights to the cash flows from the financial assets have expired, or have been transferred and transferred substantially all the risks and rewards of ownership of the financial assets to another entity.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. The Group's loans and receivables comprise trade and other receivables and cash and cash equivalents. Loans and receivables are recognised initially at fair value which is normally the original invoiced amount plus any directly attributable transaction costs, and subsequently carried at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired.

Financial assets at fair value through profit or loss are financial assets held for trading and those designated at fair value through profit or loss at inception. Financial assets at fair value through profit or loss are initially recognised at fair value with subsequent changes in fair value recognised in the income statement. Financial assets at fair value through profit or loss arising from derivatives that are linked to and must be settled by delivery of such unquoted equity instruments whose fair value cannot be reliably measured, are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs, and subsequently carried at fair value with gains and losses being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired at which time the previous gain or loss that has been recognised in other comprehensive income is reclassified from equity to the income statement. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. Impairment losses recognised in the income statement for investments in equity instruments classified as available-for-sale are not subsequently reversed through the income statement.

If the range of reasonable fair value measurements is significant and the probabilities of the various estimates cannot be reasonably assessed, an entity is precluded from measuring the instrument at fair value.

3 Summary of Significant Accounting Policies (cont'd)

(q) Financial Instruments and Hedge Accounting

Derivative financial instruments are used to manage exposures to foreign exchange and commodity price risks arising from operational activities.

Derivative financial instruments are recognised initially at cost and are subsequently remeasured at fair value. The changes in the fair value of the derivative are recognised immediately in the income statement unless the derivative qualifies for hedge accounting where the recognition of any changes in the fair value depends on the nature of the item being hedged.

When a derivative is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion is recognised in other comprehensive income. When the forecast transaction subsequently results in a recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which the fair value hedge accounting is applied, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the carrying amount of the non-financial asset or non-financial liability. For other cash flow hedges, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. The ineffective portion of any changes in the fair value of the derivative is recognised immediately in the income statement.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss previously recognised in other comprehensive income remains there and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement.

(r) Share Capital and Share Premium

Ordinary shares are classified as equity. Share capital is determined using the par value of shares that have been issued. Share premium includes any excess received on the issuance of shares over the par value, net of any direct issue costs. The share premium amount may be applied only for the purpose specified in the Companies Act 2001.

(s) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Group's financial statements in the period in which the dividends are approved for payment.

(t) Trade and Other Payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Interest-bearing payables are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing payables are stated at amortised cost using the effective interest method.

Notes to the Consolidated Financial Statements

31 December 2014

3 Summary of Significant Accounting Policies (cont'd)

(u) Interest-Bearing Borrowings

Interest-bearing borrowings are recorded at the proceeds received, net of direct issue costs. Direct issue costs are amortised over the term of each borrowing. Finance charges are accounted for on an accrual basis in the income statement using the effective interest method.

(v) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recognised in the statement of financial position at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a financial expense which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Payments made under operating leases are charged to the income statement in equal annual amounts over the period of the lease.

(w) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

(x) Convertible Financial Instruments

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to share capital at the option of the holder, where the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option, net of direct issue costs. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest related to the financial liability is recognised in the income statement. On conversion, the financial liability is reclassified to equity.

(y) Borrowing Costs

Interest expense and similar charges are expensed in the income statement in the period in which they are incurred, except to the extent they are capitalised as being directly attributable to the acquisition and construction of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Certain subsidiaries capitalise borrowing costs, including interest and other financial charges on borrowings used to finance the construction of factories, expansion of plantations, construction of fixed assets and development of properties. Capitalisation ceases when substantially all the activities necessary to prepare the related assets for their intended use or sale are completed. The capitalised costs are depreciated over the same periods and on the same basis as the underlying assets.

3 Summary of Significant Accounting Policies (cont'd)

(z) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred income tax is also dealt with in other comprehensive income or directly in equity respectively. Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of each reporting period and are expected to apply when the related deferred tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(aa) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualifies to be capitalised as an asset.

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions made into separate stated managed entities, such as the Central Provident Fund in Singapore under a defined contribution plan, on a mandatory, contractual or voluntary basis with no further payment obligation once the contributions have been paid are recognised in the income statement in the period in which the related service is performed.

Certain subsidiaries in Indonesia have defined contribution retirement plans covering substantially all of their eligible permanent employees. The Group's contributions to the funds are computed at a certain percentage of the basic income for its employees.

Certain subsidiaries also recognise additional provisions for employee service entitlements in accordance with the Indonesian Labor Law No. 13/2003 dated 25 March 2003 (the "Labor Law"). The said additional provisions, which are unfunded, are estimated using the projected unit credit method, with actuarial calculations based on the report prepared by an independent actuary.

Actuarial gains or losses are recognised immediately in other comprehensive income and all past service costs are recognised immediately in the income statement in the period they occur.

The related estimated liability for employee benefits is the difference between the present value of the estimated employee service entitlement based on the Labor Law and the projected cumulative funding based on the defined contribution plan.

Notes to the Consolidated Financial Statements

31 December 2014

3 Summary of Significant Accounting Policies (cont'd)

(ab) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the income statement as follows:

(i) Revenue from sales arising from physical delivery of products is recognised when delivery has taken place and transfer of risks and rewards has been completed.

(ii) Revenue from processing, shipping, repair services and trucking services is recognised when the services are rendered.

(iii) Rental income from operating leases is recognised on a straight-line basis over the term of the lease contracts.

(iv) Dividend income from investments is recognised on the date the dividends are declared payable by the investees.

(v) Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

(ac) Segment Reporting

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components. Operating segments are reported in a manner consistent with the internal reporting provided to the Executive Committee (the chief operating decision maker) of the Group, which consist of the Chairman and Chief Executive Officer (CEO), the Executive Directors and the CEOs of business units, to make decisions about resources to be allocated to the segment and to assess its performance.

The Executive Committee assesses the performance of the operating segments based on a measure of adjusted earnings before income tax, non-controlling interests, interests on borrowings, foreign exchange gain/(loss), depreciation and amortisation, exceptional item and share of results of associated companies and joint ventures ("EBITDA"). All inter-segment sales and transfers are accounted for as if the sales or transfers were to third parties, i.e. at current market price.

(ad) Financial Guarantees

The Company has issued corporate guarantees to creditors for borrowings of its subsidiaries and entities owned by its investees and joint ventures. These guarantees are financial guarantee contracts as they require the Company to reimburse the creditors if the borrowers fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the creditors for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the creditors.

4 Critical Accounting Estimates, Assumptions and Judgements

The Group makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

(i) Estimated Useful Lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment would increase the recorded expenses and decrease the non-current assets.

There is no significant change in the estimated useful lives of property, plant and equipment during the current financial year. As of 31 December 2014, the carrying amount of property, plant and equipment amounted to US$2,551,664,000 (2013: US$2,350,951,000) (Note 23).

(ii) Fair Value of Biological Assets

The Group determined the fair value of biological assets using the discounted cash flow method. The key assumptions for the discounted cash flow calculations are those regarding the average lives of plantations, yields per hectare, extraction rates, discount rates, expected changes in CPO and palm kernel prices and direct costs during the period as discussed in Note 24. The amount of changes in fair value would be different if there are changes to the assumptions used. A decrease in fair value would decrease the gain recognised during the year and the carrying amount of biological assets. As of 31 December 2014, the carrying amount of biological assets amounted to US$7,902,105,000 (2013: US$7,988,140,000) (Note 24).

(iii) Impairment of Goodwill

The Group performed impairment tests on goodwill on an annual basis, in accordance with the accounting policy stated in Note 3(n). The recoverable amounts of the cash-generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and expected changes in crude palm oil ("CPO") prices and direct costs during the period. The growth and discount rates are based on industry forecasts. Changes in CPO prices and direct costs are based on past practices and expectations of future changes in the market. As of 31 December 2014, there is no impairment loss recognised in the consolidated financial statements and the carrying amount of goodwill amounted to US$152,021,000 (2013: US$115,898,000) (Note 28).

Notes to the Consolidated Financial Statements

31 December 2014

4 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(a) Critical Accounting Estimates and Assumptions (cont'd)

(iv) Post Employment Benefits

The present value of the post employment benefits obligations and cost for post employment benefits are dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions, which include among others, discount rates and rates of salary increase, are described in Note 38. In accordance with IAS 19, *Employee Benefits*, actual results that differ from the assumptions may generally affect the recognised expense and recorded obligation. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the post employment benefits obligations. As of 31 December 2014, the estimated post employment benefits liabilities amounted to US$70,383,000 (2013: US$54,706,000) (Note 38).

(b) Critical Judgements in Applying Accounting Policies

(i) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and income tax payable in the period in which such determination is made. As of 31 December 2014, the Group has taxes payable of US$29,554,000 (2013: US$38,881,000) (Note 11).

(ii) Impairment of Available-for-Sale Financial Assets

The Group reviews its equity and debt securities classified as available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment charges on available-for-sale financial assets when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluated, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. As of 31 December 2014, the carrying amount of available-for-sale financial assets amounted to US$624,720,000 (2013: US$606,556,000) (Notes 14 and 19).

5 Revenue

	Note	2014 US$'000	2013 US$'000
Sales in Indonesia			
Third parties		805,086	634,627
Associated companies		22,025	20,229
Related parties	42a	3,190	2,940
		830,301	657,796
Sales outside Indonesia			
Third parties		6,788,677	5,926,680
Related parties	42a	331	486
		6,789,008	5,927,166
		7,619,309	6,584,962

Sales in Indonesia		
Palm oil based products:		
Crude palm oil	139,484	151,462
Margarine and fat	55,024	54,437
Palm fatty acid distillate	2,181	1,497
Palm kernel	32,927	22,192
Palm kernel meal	6,282	7,324
Palm kernel oil	28,003	17,393
Refined bleached deodorised olein	319,709	247,955
Refined bleached deodorised stearin	89,966	84,598
Refined bleached deodorised palm oil	51,634	29,436
Refined bleached deodorised palm kernel oil	12,206	10,335
Others	13,874	7,376
	751,290	634,005
Oleochemical products	26,984	23,791
Others	52,027	-
Total sales in Indonesia	830,301	657,796
Sales outside Indonesia		
Palm oil based products:		
Crude palm oil	2,672,091	2,368,127
Margarine and fat	80,252	84,337
Palm fatty acid distillate	128,548	64,715
Palm kernel meal	72,192	64,237
Palm kernel oil	300,060	284,394
Refined bleached deodorised olein	1,345,430	1,270,597
Refined bleached deodorised palm oil	496,498	142,624
Refined bleached deodorised palm kernel oil	131,433	17,002
Refined bleached deodorised stearin	206,806	161,308
Others	166,735	56,608
	5,600,045	4,513,949
Oleochemical products	68,017	49,058
Soy bean based products	966,360	1,174,418
Noodles and snack products	146,452	183,875
Revenue from provision of port and storage facilities	8,134	5,866
Total sales outside Indonesia	6,789,008	5,927,166
	7,619,309	6,584,962

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6 Cost of Sales

	2014 US$'000	2013 US$'000
Cost of inventories recognised as an expense	5,953,714	4,873,825
Depreciation of property, plant and equipment	117,269	105,230
Processing and direct costs	237,320	242,600
	6,308,303	5,221,655

7 Selling, General and Administrative Expenses

	Note	2014 US$'000	2013 US$'000
Selling expenses:			
Export tax and administration		277,009	268,932
Transportation and insurance		266,892	209,107
Advertising and promotions		25,881	16,266
Salaries and employee benefits expense		23,749	24,067
Bulking		4,851	3,905
Depreciation of property, plant and equipment		4,263	4,647
Amortisation of deferred charges	26	16	14
Others		45,259	43,374
		647,920	570,312
General and administrative expenses:			
Salaries and employee benefits expense		187,694	186,648
Professional fees		25,531	23,426
Depreciation of property, plant and equipment		22,168	18,587
Travelling		16,925	17,724
Rent, tax and licenses		13,528	11,434
Repairs and maintenance		12,091	10,404
Office supplies and utilities		5,521	5,209
Amortisation of deferred charges, brands and trademarks	26, 27	1,705	1,729
Others		23,292	26,265
		308,455	301,426
		956,375	871,738

8 Financial Income and Financial Expenses

	Note	2014 US$'000	2013 US$'000
Interest income from:			
Third parties		23,445	16,347
Associated company		112	77
Joint ventures		1,797	376
Related parties	42a	90	43
Financial income		25,444	16,843
Interest expense to:			
Third parties		(112,893)	(94,116)
Related parties	42a	(263)	(113)
Amortisation of deferred loan charges	34	(4,212)	(5,693)
Amortisation of deferred bond charges	33	(1,764)	(1,756)
Total interest expense		(119,132)	(101,678)
Finance charges		(4,346)	(4,436)
Financial expenses		(123,478)	(106,114)
Financial expenses, net		(98,034)	(89,271)

9 Other Operating Income, Net

	Note	2014 US$'000	2013 US$'000
Changes in fair value of financial assets at fair value through profit or loss		11,895	(9,830)
Insurance and product claims		10,612	8,417
Income from sales of seedlings		8,389	11,558
Rental income		6,479	5,598
Gain on sale of other materials and by-products		5,209	6,599
Shipping and workshop income		3,848	816
Investment income		271	4,273
Depreciation of property, plant and equipment		(2,995)	(3,438)
(Loss)/Gain on disposal of property, plant and equipment		(2,662)	1,525
Property, plant and equipment written off		(1,034)	(1,633)
Allowance for impairment loss on other receivables, net	16	(100)	(5)
Depreciation of investment properties	22	(91)	(93)
Others		2,092	475
		41,913	24,262

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10 Profit Before Income Tax

In addition to the expenses and credits disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following expenses:

	Note	2014 US$'000	2013 US$'000
Audit fees paid/payable to:			
Auditors of the Company		332	328
Auditors of the subsidiaries		916	1,221
Non-audit services paid/payable to:			
Auditors of the Company		16	20
Auditors of the subsidiaries		-	-
Employee compensation:			
Wages and salaries		206,673	200,401
Post employment benefits expense	38	11,553	19,060
Employer's contributions to defined contribution plans		4,553	4,430

11 Income Tax

	2014 US$'000	2013 US$'000
Income tax expense/(credit) attributable to the profit is made up of:		
Current income tax		
- Current year	106,152	98,914
- Under-provision in respect of prior years	100	2,274
	106,252	101,188
Deferred income tax	(65,306)	12,752
	40,946	113,940

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesian statutory tax rate of 25% (2013: 25%) is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate.

11 Income Tax (cont'd)

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Indonesian statutory rate of income tax to profit before income tax due to the following factors:

	2014 US$'000	2013 US$'000
Profit before income tax	157,971	429,980
Adjustments for:		
Share of results of associated companies, net of tax	103	(810)
Share of results of joint ventures, net of tax	449	1,720
	158,523	430,890
Tax calculated at a tax rate of 25% (2013: 25%)	39,631	107,723
Effect of different tax rates in other countries	9,490	(11,177)
Non-deductible expenses, net	10,651	2,120
Permanent differences arising mainly from remeasurement	19,494	(19,477)
Recognition of previously unrecognised tax losses	(31,217)	-
Utilisation of previously unrecognised tax losses	(13,019)	(12,658)
Income tax at preferential rate	(3,788)	(3,624)
Unrecognised deferred tax assets	9,604	48,759
Under-provision in prior years' current income tax	100	2,274
	40,946	113,940

Taxes Payable

Details of taxes payable are as follows:

	2014 US$'000	2013 US$'000
Estimated income tax payable of subsidiaries	18,151	18,685
Income and other taxes:		
Article 21	1,361	1,608
Article 23	1,208	1,074
Article 25	5,987	10,139
Article 26	883	888
Value added tax	1,964	6,487
	29,554	38,881

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12 Earnings Per Share and Net Asset Value Per Share

(a) Basic Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit attributable to the owners of the Company by the weighted average number of ordinary shares outstanding during the year.

	2014	2013
Profit attributable to the owners of the Company (US$'000)	113,553	311,286
Weighted average number of ordinary shares ('000)	12,837,549	12,837,549
Basic earnings per share (US cents)	0.88	2.42

(b) Diluted Earnings Per Share

Diluted earnings per share are calculated by dividing net profit attributable to the owners of the Company by the weighted average number of ordinary shares during the year after adjustment for the effects of all dilutive potential ordinary shares.

There is no dilution as the potential ordinary shares that may be issued on the conversion of outstanding convertible bonds of 573,747,126 (2013: 566,005,216) are anti-dilutive for the financial years ended 31 December 2014 and 2013.

(c) Net Asset Value Per Share

Net asset value per share is calculated by dividing total equity attributable to the owners of the Company by the number of issued ordinary shares as at the end of the reporting period.

	2014	2013
Total equity attributable to the owners of the Company (US$'000)	8,728,503	8,720,555
Number of ordinary shares as at the end of the reporting period ('000)	12,837,549	12,837,549
Net asset value per share (US$)	0.68	0.68

13 Cash and Cash Equivalents

	2014 US$'000	2013 US$'000
Cash on hand	402	363
Cash in banks	284,995	314,052
Time deposits	44,163	13,071
Total cash and cash equivalents	329,560	327,486
Less: Cash in banks and time deposits pledged	(6,914)	(5,632)
Cash and cash equivalents in the consolidated statement of cash flows	322,646	321,854

The cash and cash equivalents are denominated in the following currencies:

	2014 US$'000	2013 US$'000
United States dollar	151,121	161,246
Chinese renminbi	73,792	116,734
Indonesian rupiah	67,770	47,320
Indian rupee	15,295	33
Malaysian ringgit	12,477	128
Euro	4,926	18
Singapore dollar	4,057	2,001
Others	122	6
	329,560	327,486

The above cash and cash equivalents include balances with related parties (Note 42a) of US$6,286,000 (2013: US$3,016,000).

The above time deposits have a maturity period of less than three months from the end of the financial year and earn interest at the following rates per annum:

	2014 %	2013 %
United States dollar	0.3 – 2.9	1.3 – 3.5
Chinese renminbi	3.3 – 3.4	2.9
Indonesian rupiah	4.3 – 9.5	4.3 – 8.0
Indian rupee	9.3 – 9.6	-
Malaysian ringgit	3.1	-

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14 Short-Term Investments

Short-term investments which represent debt and equity securities and time deposits with a maturity over three months but not more than one year are detailed as follows:

	2014 US$'000	2013 US$'000
Time deposits	72,008	53,052
Available-for-sale financial assets:		
Equity securities	39,339	39,870
Debt securities	-	73,430
	39,339	113,300
Financial assets at fair value through profit or loss held for trading:		
Equity securities	30,642	56,539
Debt securities	119,177	36,375
	149,819	92,914
	261,166	259,266

The short-term investments are denominated in the following currencies:

	2014 US$'000	2013 US$'000
United States dollar	188,562	132,231
Indian rupee	64,549	-
Chinese renminbi	7,395	53,052
Indonesian rupiah	660	553
Euro	-	73,430
	261,166	259,266

Time deposits amounting to US$71,336,000 (2013: US$7,434,000) have been pledged to banks as security for credit facilities (see Notes 29 and 34).

The above time deposits earn interest at the following rates per annum:

	2014 %	2013 %
Chinese renminbi	2.6	3.1 – 3.3
Indonesian rupiah	6.5	-
Indian rupee	7.8 – 9.3	-

15 Trade Receivables

	Note	2014 US$'000	2013 US$'000
Third parties		522,257	472,726
Related parties	42a	1,312	966
Associated companies		2,794	963
		526,363	474,655
Less: Allowance for impairment on trade receivables		(547)	(352)
		525,816	474,303

Trade receivables of the Group, including intra-group trade receivables which have been eliminated at consolidation, amounting to US$220,246,000 (2013: US$171,810,000) have been pledged as security for credit facilities (see Notes 29 and 34).

Movements in allowance for impairment on trade receivables are as follows:

	2014 US$'000	2013 US$'000
Balance at the beginning of the year	352	365
Allowance for impairment loss during the year, net	340	132
Receivables written off against allowance during the year	(129)	(147)
Translation adjustments	(16)	2
Balance at the end of the year	547	352

As at 31 December 2014, 21% (2013: 7%) and 3% (2013: 1%) of the Group's trade receivables are past due for less than 3 months and more than 3 months respectively. The above allowance for impairment on trade receivables is made for certain receivables that are past due for more than 3 months and the recovery of these amounts is remote.

The trade receivables are denominated in the following currencies:

	2014 US$'000	2013 US$'000
United States dollar	405,558	413,273
Indonesian rupiah	67,104	42,428
Euro	19,327	38
Malaysian ringgit	14,815	74
Chinese renminbi	12,535	18,490
Indian rupee	6,477	-
	525,816	474,303

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16 Other Current Assets

	Note	2014 US$'000	2013 US$'000
Receivable from third parties		71,702	39,465
Receivable from related parties	42a	32	35
Receivable from an associated company		-	8
Receivable from joint ventures		86,829	27,574
Staff advances		5,014	4,540
		163,577	71,622
Advances and deposits to suppliers		209,539	365,195
Advances for purchases of property, plant and equipment and others		161,389	130,861
Prepaid taxes, net		253,798	109,944
Prepaid expenses		28,685	25,034
Others		10,121	2,846
		827,109	705,502

The amounts receivable from related parties and an associated company are interest-free, unsecured and repayable on demand. The amounts receivable from joint ventures are unsecured, bears interest ranging from 2.2% to 2.5% (2013: 2.5%) per annum and expected to be repayable within the next twelve months.

The other current assets are denominated in the following currencies:

	2014 US$'000	2013 US$'000
Indonesian rupiah	580,366	403,175
United States dollar	172,812	161,694
Chinese renminbi	55,323	128,433
Indian rupee	12,983	-
Others	5,625	12,200
	827,109	705,502

The amounts receivable from third parties shown above are net of allowance for impairment. The allowance for impairment on other receivables mainly related to certain receivables that are past due and the recovery of these amounts is remote. Movements in allowance for impairment on other receivables are as follows:

	Note	2014 US$'000	2013 US$'000
Balance at the beginning of the year		597	577
Allowance for impairment loss during the year	9	100	27
Write-back of impairment loss during the year	9	-	(22)
Receivables written off against allowance during the year		(2)	(11)
Translation adjustments		(22)	26
Balance at the end of the year		673	597

17 Inventories

	2014 US$'000	2013 US$'000
Raw materials	408,953	416,605
Finished goods	271,961	214,300
Goods in transit	19,461	33,022
	700,375	663,927
Consumables:		
Fertilisers and general material	69,115	49,256
Fuel, chemical and packing supplies	48,845	39,743
Others	32,388	19,043
	850,723	771,969

The inventories shown above are net of allowance for impairment. Movements in allowance for impairment on inventories are as follows:

	2014 US$'000	2013 US$'000
Balance at the beginning of the year	1,634	12,141
Allowance for impairment loss during the year	1,481	1,332
Write-back of impairment loss during the year	(1,321)	(12,182)
Inventories written off against allowance during the year	-	(5)
Translation adjustments	(319)	348
Balance at the end of the year	1,475	1,634

During the current financial year, the Group recognised an allowance for impairment loss of US$1,481,000 (2013: US$1,332,000) in cost of sales as the carrying amount of certain inventories was higher than the net realisable value. Allowance for impairment loss of US$1,321,000 (2013: US$12,182,000) has been reversed as a result of increase in net realisable value of certain inventories.

Inventories amounting to US$213,921,000 (2013: US$147,958,000) have been pledged to banks as security for credit facilities (see Notes 29 and 34).

18 Long-Term Receivables and Assets

	2014 US$'000	2013 US$'000
Loan receivable from joint ventures	94,231	16,110
Tax recoverable	101,572	260,637
Advances for projects	75,576	126,742
Land clearing	40,117	1,006
Advances for plasma plantations, net	21,621	17,019
Advances for investment in land	2,759	4,533
Others	24,717	21,626
	360,593	447,673

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18 Long-Term Receivables and Assets (cont'd)

The long-term receivables and assets are denominated in the following currencies:

	2014 US$'000	2013 US$'000
Indonesian rupiah	253,711	421,725
Euro	72,683	4,941
United States dollar	26,647	18,480
Malaysian ringgit	6,201	2,527
Indian rupee	1,351	-
	360,593	447,673

The unsecured receivable from joint ventures bears interest at 3.7% (2013: ranging from 3.7% to 3.8%) per annum with maturity dates ranging from 2016 to 2028.

In accordance with the policy of the Government of the Republic of Indonesia, certain land rights used to develop plantations are usually granted if a nucleus company agrees to develop areas for local small landholders (Plasma farmers) in addition to developing its own plantations. The nucleus company is also required to train and supervise the Plasma farmers and purchase the plantation production from the farmers at prices determined by the Government.

A Plasma Program plantation is funded by an investment credit facility by designated banks to the Plasma farmers.

Advances for Plasma plantations represent accumulated costs (including borrowing costs and indirect overhead costs) to develop Plasma areas, less the investment credit obtained from the bank. When a Plasma plantation is completed and ready to be transferred or turned-over to the Plasma farmers, the corresponding investment credit from the bank is also transferred to the Plasma farmers. Gain or loss resulting from the difference between the carrying amount of the Plasma plantation transferred and the related investment credit transferred is credited or charged to the income statement.

19 Long-Term Investments

	2014 US$'000	2013 US$'000
Available-for-sale financial assets:		
Equity securities	585,381	493,256
Financial assets at fair value through profit or loss:		
Debt securities designated at inception	182,660	182,000
Debt securities held for trading	36,277	-
	218,937	182,000
	804,318	675,256

The above debt securities include a secured 3% interest-bearing loan of US$182,000,000 extended by the Group to a third party with a maturity date in October 2017. On the maturity date, the Group is granted an option to either convert the loan into shares of the borrower or to settle in cash.

19 Long-Term Investments (cont'd)

The long-term investments are denominated in the following currencies:

	2014 US$'000	2013 US$'000
United States dollar	755,721	604,722
Euro	44,411	70,534
Japanese yen	4,186	-
	804,318	675,256

20 Investment in Associated Companies

	2014 US$'000	2013 US$'000
Unquoted equity shares, at cost	5,549	4,659
Share of post-acquisition profits, net of dividend received	2,911	3,014
Translation adjustment	(29)	-
	8,431	7,673

Particulars of the associated companies are disclosed in Note 45 to the consolidated financial statements. Summarised aggregated financial information in respect of the Group's associated companies, which is not adjusted for the percentage of ownership held by the Group, is as follows:

	2014 US$'000	2013 US$'000
Assets and liabilities		
Total assets	28,248	25,229
Total liabilities	(8,771)	(8,420)
Net assets	19,477	16,809
Results		
Revenue	46,334	44,728
Profit for the year	292	4,686

As at 31 December 2014 and 2013, there are no losses which are in excess of the Group's interests in the associated companies.

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21 Investment in Joint Ventures

	2014 US$'000	2013 US$'000
Unquoted equity shares, at cost	61,479	11,011
Share of post-acquisition comprehensive loss, net of dividend received	(4,292)	(2,791)
Translation adjustment	(1,020)	-
	56,167	8,220

Particulars of the joint ventures are disclosed in Note 45 to the consolidated financial statements. Summarised aggregated financial information in respect of the Group's joint ventures, which is not adjusted for the percentage of ownership held by the Group, is as follows:

	2014 US$'000	2013 US$'000
Assets and liabilities		
Total assets	394,935	70,957
Total liabilities	(313,722)	(56,026)
Net assets	81,213	14,931
Results		
Revenue	50,501	23,650
Loss for the year	(1,398)	(3,355)

As at 31 December 2014, the Group has not recognised its share of losses amounting to US$4,682,000 (2013: US$35,000) in certain joint venture companies.

22 Investment Properties

	Note	2014 US$'000	2013 US$'000
Cost			
Balance at the beginning of the year		1,773	1,692
Translation adjustments		(67)	81
Balance at the end of the year		1,706	1,773
Less: Accumulated depreciation			
Balance at the beginning of the year		422	288
Charge for the year	9	91	93
Translation adjustments		(34)	41
Balance at the end of the year		479	422
Net carrying amount		1,227	1,351

As at 31 December 2014, the fair value of the Group's investment properties is approximately US$5,574,000 (2013: US$4,733,000), determined based on management's value in use calculation using discounted cashflow method.

Investment properties are held mainly for use by tenants under operating leases. The rental income and direct operating expenses recognised in the Group's income statement in respect of these operating leases were US$185,000 (2013: US$168,000) and US$91,000 and (2013: US$93,000) respectively.

23 Property, Plant and Equipment

	Freehold land	Land rights	Storage tanks, land improvements and bridges	Buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Transportation equipment	Construction in progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost									
Balance at 1.1.2014	8,213	261,374	233,761	884,097	871,614	125,579	229,429	608,288	3,222,355
Translation adjustment	(366)	(1,321)	(133)	(7,866)	(6,879)	(329)	(368)	(264)	(17,526)
Additions	-	16,171	2,205	7,087	8,536	18,876	19,945	342,573	415,393
Disposals	-	-	(588)	(2,897)	(30,118)	(1,017)	(9,922)	-	(44,542)
Write off	-	(110)	(153)	(1,206)	(1,614)	(1,119)	(1,086)	(79)	(5,367)
Acquisition of subsidiaries (Note 40a)	122	1,693	1,595	12,944	14,549	290	896	665	32,754
Deconsolidation of subsidiaries (Note 40b)	-	-	(19)	-	(1)	(119)	(25)	(68,000)	(68,164)
Transfers from deferred charges (Note 26)	-	2,023	-	-	-	-	-	-	2,023
Reclassification	-	212	41,479	96,352	50,690	5,351	57,416	(251,500)	-
Balance at 31.12.2014	7,969	280,042	278,147	988,511	906,777	147,512	296,285	631,683	3,536,926
Accumulated depreciation									
Balance at 1.1.2014	-	21,815	45,998	207,557	351,251	95,106	149,677	-	871,404
Translation adjustment	-	(407)	-	(1,414)	(3,147)	(258)	(271)	-	(5,497)
Charge for the year	-	1,985	10,284	35,585	42,395	16,959	39,487	-	146,695
Disposals	-	-	(588)	(2,101)	(10,731)	(901)	(8,672)	-	(22,993)
Write off	-	-	(51)	(835)	(1,393)	(1,056)	(998)	-	(4,333)
Deconsolidation of subsidiaries (Note 40b)	-	-	-	-	-	(8)	(6)	-	(14)
Reclassification	-	(66)	(85)	68	(978)	1,064	(3)	-	-
Balance at 31.12.2014	-	23,327	55,558	238,860	377,397	110,906	179,214	-	985,262
Net book values									
Balance at 31.12.2014	7,969	256,715	222,589	749,651	529,380	36,606	117,071	631,683	2,551,664

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23 Property, Plant and Equipment (cont'd)

	Freehold land	Land rights	Storage tanks, land improvements and bridges	Buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Transportation equipment	Construction in progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost									
Balance at 1.1.2013	8,502	252,163	182,192	798,181	805,119	105,875	202,039	408,401	2,762,472
Translation adjustment	(289)	1,202	-	268	6,376	163	116	1,014	8,850
Additions	-	7,952	8,174	8,752	20,139	19,228	29,776	383,015	477,036
Disposals	-	-	-	(103)	(10,188)	(652)	(6,423)	-	(17,366)
Write off	-	-	(190)	(1,853)	(1,819)	(1,909)	(2,866)	-	(8,637)
Reclassification	-	57	43,585	78,852	51,987	2,874	6,787	(184,142)	-
Balance at 31.12.2013	8,213	261,374	233,761	884,097	871,614	125,579	229,429	608,288	3,222,355
Accumulated depreciation									
Balance at 1.1.2013	-	19,821	37,330	177,425	316,422	83,010	121,003	-	755,011
Translation adjustment	-	9	-	776	2,608	134	80	-	3,607
Charge for the year	-	1,985	8,853	30,407	39,584	13,993	37,080	-	131,902
Disposals	-	-	-	(73)	(5,526)	(632)	(5,881)	-	(12,112)
Write off	-	-	(190)	(978)	(1,526)	(1,703)	(2,607)	-	(7,004)
Reclassification	-	-	5	-	(311)	304	2	-	-
Balance at 31.12.2013	-	21,815	45,998	207,557	351,251	95,106	149,677	-	871,404
Net book values									
Balance at 31.12.2013	8,213	239,559	187,763	676,540	520,363	30,473	79,752	608,288	2,350,951

The Group holds land rights in Indonesia in the form of Hak Guna Usaha (HGU) which will be expired in 2015 to 2098 and the management believes that those land rights can be extended upon expiry.

As at 31 December 2014, the net carrying amount of property, plant and equipment which has been pledged as security for credit facilities (see Notes 29 and 34) amounted to US$399,406,000 (2013: US$384,143,000).

No borrowing costs were capitalised into construction in progress during the financial years 2014 and 2013.

24 Biological Assets

	2014 US$'000	2013 US$'000
Balance at the beginning of the year	7,988,140	7,898,575
Additions	42,325	41,864
Disposals	(2,142)	(1,391)
Transfers from land clearing	7,539	12,240
	8,035,862	7,951,288
Net (loss)/gain from changes in fair value	(133,757)	36,852
Balance at the end of the year	7,902,105	7,988,140

The Group's oil palm plantations are located in Indonesia. As at 31 December 2014, the Group's total planted area of mature and immature nucleus plantations is approximately 344,800 (2013: 338,500) hectares and 27,200 (2013: 32,600) hectares respectively.

During the current financial year, the Group harvested approximately 7,569,900 (2013: 6,997,200) tonnes of FFB from its nucleus plantations, which has a fair value less estimated point-of-sale costs of approximately US$1,472,270,000 (2013: US$1,457,729,000). The fair values of FFB were determined with reference to their market prices.

Matured oil palm trees produce FFB, which are used to produce CPO and Palm Kernel ("PK"). The fair values of biological assets are determined based on the present value of their expected net cash inflows of the underlying plantations. The expected net cash inflows of oil palm plantations are determined using the expected market price of CPO and PK which are largely dependent on the historical price trend of CPO. The fair value of biological assets is classified under level 2 of the fair value hierarchy (Note 39).

Significant assumptions made in determining the fair values of the oil palm plantations are as follows:

(a) No new planting or re-planting activities are assumed;
(b) Oil palm trees have an average life of 25 years, with the first three years as immature and remaining years as mature;
(c) Yield per hectare, based on average historical performance;
(d) Discount rate of 7.6% (2013: 8.5%) per annum; and
(e) Average market price of CPO of US$905 (2013: US$966) per tonne.

The fair values of biological assets would be affected by changes in the above assumptions, particularly the average CPO price used. If we assume the market CPO prices as at year end increased/decreased by 5% with all other variables including exchange rate being held constant, profit attributable to the owners of the Company and total equity attributable to the owners of the Company would have increased/decreased by approximately US$5 million (2013: US$6 million), as a result of higher/lower gain arising from changes in fair value of biological assets net of tax and non-controlling interests.

As at 31 December 2014, the fair value of biological assets which have been pledged as security for credit facilities (see Notes 29 and 34) amounted to US$2,599,821,000 (2013: US$2,922,808,000).

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25 Deferred Tax

	Accelerated tax depreciation US$'000	Deferred charges US$'000	Unutilised tax losses/capital allowances US$'000	Valuation allowances/ others US$'000	Total US$'000
Deferred tax assets/(liabilities)					
Balance at 1 January 2014	(117,808)	294	83,692	(1,847,444)	(1,881,266)
(Charged)/Credited to income statement	(1,259)	(8)	34,458	32,115	65,306
Acquisition of subsidiaries	(2,294)	-	-	1,574	(720)
Translation adjustment	4,096	1	(1,585)	(2,233)	279
Balance at 31 December 2014	(117,265)	287	116,565	(1,815,988)	(1,816,401)
Balance at 1 January 2013	(133,862)	294	83,694	(1,840,714)	(1,890,588)
Charged to income statement	(5,976)	-	-	(6,776)	(12,752)
Translation adjustment	22,030	-	(2)	46	22,074
Balance at 31 December 2013	(117,808)	294	83,692	(1,847,444)	(1,881,266)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on different entities which intend to settle on a net basis, or realise the assets and liabilities simultaneously in the future. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2014 US$'000	2013 US$'000
Deferred tax liabilities	(1,843,437)	(1,884,050)
Deferred tax assets	27,036	2,784
	(1,816,401)	(1,881,266)

Realisation of deferred tax assets is dependent on the generation of sufficient taxable income prior to expiration of the tax losses carry-forward. Although realisation is not assured, the directors of the Company believe it is more likely than not that the deferred tax assets, net of the valuation allowance, will be realised. The amount of the deferred tax assets considered realisable could be reduced or increased if estimates of future taxable income during the carry-forward period are reduced or increased.

As at 31 December 2014, a subsidiary, Golden Agri International Pte Ltd ("GAI") has not provided for deferred tax liabilities, after taking into consideration of relevant deductible expenses, amounting to approximately US$973,000 (2013: US$878,000) that would be payable upon remittance into Singapore of its offshore interest income, which amounted to approximately US$22,187,000 (2013: US$21,002,000) as it is the intention of the directors of GAI to permanently reinvest the unremitted interest income.

Deferred tax liabilities of US$69,514,000 (2013: US$65,843,000) have not been recognised for taxes that would be payable on the remittance to Mauritius of unremitted retained earnings of approximately US$2,317,141,000 (2013: US$2,194,777,000) of certain subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences are not expected to reverse in the foreseeable future.

25 Deferred Tax (cont'd)

At the end of the reporting period, certain subsidiaries have unutilised tax losses and capital allowances available for offsetting against future taxable profits amounted to US$431,550,000 (2013: US$541,290,000).

	2014 US$'000	2013 US$'000
Expiry dates		
31 December 2014	-	13,775
31 December 2015	35,015	50,908
31 December 2016	102,552	135,583
31 December 2017	108,555	161,354
31 December 2018	139,950	175,815
31 December 2019	44,533	-
No expiry dates and subject to terms and conditions	945	3,855
	431,550	541,290

The availability of the unutilised tax losses and capital allowances for set-off against future taxable profits is subject to the tax regulations of the respective countries in which the Group companies are incorporated. The deferred tax benefit arising from these unrecognised tax losses and unabsorbed capital allowances of US$69,044,000 (2013: US$99,344,000) has not been recognised in the consolidated financial statements.

26 Deferred Charges

	Note	2014 US$'000	2013 US$'000
Cost			
Balance at the beginning of the year		18,485	17,594
Additions		538	891
Acquisition of subsidiaries	40a	83	-
Transfer to property, plant and equipment	23	(2,023)	-
Deferred charges written off		(23)	-
Translation adjustment		(8)	-
Balance at the end of the year		17,052	18,485
Less: Accumulated amortisation			
Balance at the beginning of the year		7,073	5,357
Amortisation charged to selling expenses		16	14
Amortisation charged to general and administrative expenses		1,366	1,409
Amortisation charged to cost of sales		294	293
Deferred charges written off		(23)	-
Translation adjustment		(6)	-
Balance at the end of the year		8,720	7,073
Net carrying amount		8,332	11,412

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27 Brands and Trademarks

	Note	2014 US$'000	2013 US$'000
Cost			
Balance at the beginning of the year		6,924	6,924
Acquisition of subsidiaries	40a	405	-
Translation adjustment		(46)	-
Balance at the end of the year		7,283	6,924
Less: Accumulated amortisation			
Balance at the beginning of the year		6,604	6,284
Amortisation charged to general and administrative expenses		339	320
Translation adjustment		(13)	-
Balance at the end of the year		6,930	6,604
Net carrying amount		353	320

28 Goodwill

	Note	2014 US$'000	2013 US$'000
Balance at the beginning of the year		115,898	115,898
Acquisition of subsidiaries	40a	36,457	-
Translation adjustment		(334)	-
Balance at the end of the year		152,021	115,898

Goodwill is allocated to the individual cash-generating units ("CGU") which are also the reportable operating segments for impairment testing purposes.

The above goodwill is allocated to the palm and laurics segment. The recoverable amount of the goodwill was determined based on value in use calculations using a 10-year cash flows projection. A terminal value was estimated based on the 10th year's future cash flow using the terminal growth rates ranging from 0% to 5.0% (2013: 5.0%) and pre-tax discount rates ranging from 7.6% to 12.0% (2013: 8.5%).

No impairment loss is recognised for the financial years ended 31 December 2014 and 2013.

If the management estimates the growth rates at 4.5%, the recoverable amount of the goodwill will still exceed its carrying amount.

29 Short-Term Loans

	Note	2014 US$'000	2013 US$'000
Short-term bank loans, denominated in United States dollar		1,119,397	712,885
Current maturities of long-term borrowings	34	133,645	349,652
		1,253,042	1,062,537
Less: Unamortised loan charges	34	(1,961)	(2,883)
		1,251,081	1,059,654

Short-term bank loans of the Group, broken down by secured and unsecured are as follows:

	2014 US$'000	2013 US$'000
Secured bank loans	875,919	554,025
Unsecured bank loans	243,478	158,860
	1,119,397	712,885

As at the end of the financial year, there is no breach of loan covenants.

The above short-term bank loans have a maturity period of less than 12 months from the end of the financial year and bear interest at rates ranging from 0.7% to 3.8% (2013: 1.0% to 3.8%) per annum.

Certain time deposits, short-term investments, trade receivables, inventories, property, plant and equipment and biological assets have been pledged to banks to obtain the Group's short-term secured bank loans (as disclosed in Notes 13, 14, 15, 17, 23 and 24).

30 Trade Payables

	Note	2014 US$'000	2013 US$'000
Trust receipts payable		243,802	208,311
Trade payables to:			
Third parties		287,970	332,048
Associated companies		114	27
Related parties	42a	11,311	15,755
		543,197	556,141

The above trust receipts payable, which represent amounts due to certain banks, bear interest ranging from 1.4% to 2.0% (2013: 1.4% to 1.7%) per annum. The trust receipts payable and trade payables are denominated in the following currencies:

	2014 US$'000	2013 US$'000
United States dollar	353,731	334,234
Indonesian rupiah	163,047	129,876
Chinese renminbi	17,917	91,526
Indian rupee	6,924	16
Others	1,578	489
	543,197	556,141

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31 Other Payables

	Note	2014 US$'000	2013 US$'000
Payable to third parties		80,597	75,343
Derivative payable		63,069	40,704
Interim dividends payable	37	39,650	-
Interest payable		14,249	9,087
Payable to related parties	42a	2,226	497
		199,791	125,631
Advances from customers		40,086	48,461
Accrued expenses		46,843	55,327
		286,720	229,419

The amounts payable to related parties are unsecured and repayable on demand. As at 31 December 2014, included in the amounts payable to third parties are US$3,164,000 (2013: US$5,760,000) which bear interest at 2.2% (2013: ranging from 2.2% to 2.3%) per annum.

The other payables are denominated in the following currencies:

	2014 US$'000	2013 US$'000
United States dollar	107,518	81,045
Indonesian rupiah	78,584	78,325
Chinese renminbi	43,543	66,717
Singapore dollar	42,978	2,687
Indian rupee	12,559	31
Others	1,538	614
	286,720	229,419

The details of the contracts outstanding as at end of the reporting period are as follows:

	2014		2013	
	Notional amount US$'000	Liabilities US$'000	Notional amount US$'000	Liabilities US$'000
Cross currency swap ("CCS") contracts	222,337	37,012	106,034	35,362
Forward foreign currency contracts	2,916,390	26,057	142,831	5,342
		63,069		40,704

The Group classifies derivative payable at fair value through profit or loss with the resulting gain or loss recognised immediately in the income statement, except for certain derivatives designated as cash flow hedges, wherein hedge accounting has been applied.

31 Other Payables (cont'd)

The Group entered into CCS contracts to hedge certain Indonesian rupiah and Singapore dollar ("SGD") denominated borrowings. Cash flow hedge accounting has been applied to the CCS contracts for the hedging of our SGD denominated borrowings as these contracts met the criteria of highly effective hedging instruments. During the current financial year, the Group recognised a net gain from changes in fair value of CCS contracts of US$6,419,000 (2013: net loss of US$30,516,000) in the income statement as part of net foreign exchange loss and a net loss from changes in fair value of CCS contracts of US$632,000 in other comprehensive income (2013: US$Nil) inclusive of the above unrealised loss of US$37,012,000 (2013: US$35,362,000).

During the current financial year, the Group recognised a net gain from forward foreign currency contracts of US$25,237,000 (2013: net loss of US$21,891,000) in the income statement as part of net foreign exchange loss inclusive of the above unrealised loss of US$26,057,000 (2013: US$5,342,000).

32 Obligations under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2014	2013	2014	2013
	US$'000	US$'000	US$'000	US$'000
Finance leases payable:				
Within one year	205	17	132	15
In the second to fifth year	263	31	269	27
	468	48	401	42
Less: Future finance charges	(67)	(6)		
Present value of lease obligation	401	42		
Less: Amount due for settlement within 12 months			(132)	(15)
Amount due for settlement after 12 months			269	27
Net book value of assets under finance leases			347	16

The obligations under finance leases are denominated in the following currencies:

	2014	2013
	US$'000	US$'000
Indonesian rupiah	375	-
Singapore dollar	26	42
	401	42

The obligations under finance leases bear interest at the following rates per annum during the year:

	2014	2013
	%	%
Indonesian rupiah	5.5 – 6.5	-
Singapore dollar	2.2	2.2 – 2.9

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33 Bonds and Notes Payables

	2014 US$'000	2013 US$'000
Unsecured interest-bearing bonds (a)	80,385	82,040
Unsecured Islamic medium term notes (b)	846,456	728,716
Unsecured convertible bonds (c)	391,132	380,328
Unsecured multicurrency medium term notes (d)	113,550	-
	1,431,523	1,191,084
Less: Deferred bond charges	(1,554)	(3,318)
	1,429,969	1,187,766
Less: Current portion	(389,882)	-
Non-current portion	1,040,087	1,187,766

Movements in deferred bond charges are as follows:

	Note	2014 US$'000	2013 US$'000
Balance at the beginning of the year		3,318	5,074
Amortisation during the year	8	(1,764)	(1,756)
Balance at the end of the year		1,554	3,318
Less: Current portion		(1,250)	-
Non-current portion		304	3,318

(a) In June 2012, a subsidiary has established a fixed rate IDR Bond Program ("Bond Program") of up to IDR3 trillion. As at 31 December 2014 and 2013, the outstanding bonds amounted to IDR1 trillion (2014: equivalent to US$80,385,000, 2013: equivalent to US$82,040,000) which comprise A series bonds of IDR900 billion due in July 2017 and B series bonds of IDR100 billion due in July 2019. These bonds bear interest at rates ranging from 9% to 9.25% per annum and are listed on the Indonesia Stock Exchange.

(b) In November 2012, a subsidiary has established a Ringgit-denominated Islamic medium term note ("IMTN") programme of up to RM5 billion under the laws of Malaysia. As at 31 December 2014 and 2013, the outstanding IMTN comprises 4 tranches (2013: 3 tranches) and bears profit rates ranging from 4.08% to 5.35% (2013: 4.08% to 4.75%) per annum. The scheduled maturities of the outstanding IMTN as at 31 December 2014 and 2013 are as follows:

Year	2014 US$'000	2013 US$'000
2016	80,645	80,645
2017	491,481	491,481
2018	156,590	156,590
2019	117,740	-
	846,456	728,716

33 Bonds and Notes Payables (cont'd)

(c) On 4 October 2012, the Company issued US$400 million 2.5% convertible bonds due on 4 October 2017. The convertible bonds were listed and quoted on the SGX-ST on 5 October 2012. The Company will, at the option of the bondholders, redeem all or some of the convertible bonds on 4 October 2015 at the principal amount, plus interest accrued up to the date of redemption. These convertible bonds are convertible at the option of the bondholders at any time on and after 14 November 2012 up to 27 September 2017 into fully paid ordinary shares of the Company totaling 561,106,115 new ordinary shares at an initial conversion price of S$0.8896 (using a fixed exchange rate of S$1.2479 : US$1.00) for each new share; adjusted to S$0.8819 for each new share on 14 May 2013, and further adjusted to S$0.87 for each new share on 9 May 2014, pursuant to the terms and conditions of the convertible bonds. The adjusted number of new shares to be issued, assuming the conversion of all the issued convertible bonds, based on the adjusted conversion price of US$0.87 was 573,747,126 new shares.

On 27 February 2015, notice was given to bondholders on the potential further adjustment in the conversion price of the convertible bonds pursuant to condition 6.3.3 of the terms and conditions of the convertible bonds. For details of the potential further adjustment, please refer to page 59 of the Report of the Directors.

As at 31 December 2014 and 2013, there was no conversion of bonds into equity shares.

(d) In April 2014, a wholly-owned subsidiary, Golden Assets International Investment Pte. Ltd. ("GAII"), has established a multicurrency medium term note ("MMTN") programme of up to US$1.5 billion under the laws of Singapore. On 30 April 2014, GAII has issued the first tranche of MMTN amounting to S$150 million (equivalent to US$113,550,000) with a fixed coupon rate of 4.2% per annum and a tenor of 3 years due in April 2017.

34 Long-Term Borrowings

	Note	2014 US$'000	2013 US$'000
Long-term borrowings:			
United States dollar		431,873	584,082
Singapore dollar		70,311	73,424
Indonesian rupiah		13,666	27,074
Indian rupee		6,331	-
Total long-term borrowings		522,181	684,580
Less: Current maturities of long-term borrowings	29	(133,645)	(349,652)
		388,536	334,928
Less: Unamortised loan charges		(1,286)	(1,594)
Non-current portion		387,250	333,334

Movements in unamortised loan charges are as follows:

	Note	2014 US$'000	2013 US$'000
Balance at the beginning of the year		4,477	5,946
Additions		2,997	4,224
Amortisation during the year	8	(4,212)	(5,693)
Translation adjustment		(15)	-
Balance at the end of the year		3,247	4,477
Less: Current portion	29	(1,961)	(2,883)
Non-current portion		1,286	1,594

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34 Long-Term Borrowings (cont'd)

Long-term borrowings of the Group, broken down by secured and unsecured are as follows:

	2014 US$'000	2013 US$'000
Secured borrowings	494,181	654,580
Unsecured borrowings	28,000	30,000
	522,181	684,580

Certain time deposits, short-term investments, trade receivables, inventories, property, plant and equipment and biological assets have been pledged to banks to obtain the Group's total secured borrowings (as disclosed in Notes 13, 14, 15, 17, 23 and 24).

The long-term borrowings of the Group bear interest at the following rates per annum during the year:

	2014 %	2013 %
United States dollar	1.9 – 5.0	2.3 – 5.0
Indonesian rupiah	10.0	8.8 – 9.3
Singapore dollar	1.7 – 2.3	1.7 – 2.1
Indian rupee	9.5 – 13.7	-

The loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties. Any non-compliance with these covenants will result in these loans becoming repayable immediately upon service of a notice of default by the lenders. In addition, certain loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of the outstanding loan balances. As at end of the financial year, there is no breach of loan covenants.

The scheduled maturities of the Group's borrowings as at 31 December 2014 and 2013 are as follows:

As at 31 December 2014	Original loan currency				U.S. Dollar Equivalent
Year	US$'000	IDR'000	S$'000	INR'000	US$'000
Long-term borrowings:					
2015	117,204	170,000,000	-	173,467	133,645
2016	137,871	-	-	177,767	140,716
2017	148,146	-	-	44,466	148,857
2018	20,888	-	92,881	-	91,199
2019	888	-	-	-	888
Thereafter	6,876	-	-	-	6,876
Total	431,873	170,000,000	92,881	395,700	522,181
Current portion (Note 29)	(117,204)	(170,000,000)	-	(173,467)	(133,645)
Non-current portion	314,669	-	92,881	222,233	388,536

34 Long-Term Borrowings (cont'd)

As at 31 December 2013	Original loan currency				U.S. Dollar Equivalent
Year	US$'000	IDR'000	S$'000	INR'000	US$'000
Long-term borrowings:					
2014	336,525	160,000,000	-	-	349,652
2015	89,650	170,000,000	-	-	103,597
2016	96,900	-	-	-	96,900
2017	41,007	-	-	-	41,007
2018	20,000	-	92,881	-	93,424
Total	584,082	330,000,000	92,881	-	684,580
Current portion (Note 29)	(336,525)	(160,000,000)	-	-	(349,652)
Non-current portion	247,557	170,000,000	92,881	-	334,928

35 Long-Term Payables and Liabilities

	Note	2014 US$'000	2013 US$'000
Post employment benefits liability, denominated in Indonesian rupiah	38	70,383	54,706
Rental deposits, denominated in Singapore dollar		374	838
Deferred rental income, denominated in United States dollar		5,934	-
		76,691	55,544

36 Issued Capital

	2014 US$'000	2013 US$'000
Issued and fully paid:		
Balance at the beginning and the end of the year		
12,837,548,556 ordinary shares of US$0.025 each	320,939	320,939

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regards to the Company's residual assets.

37 Dividends

	2014 US$'000	2013 US$'000
Final dividend paid in respect of the previous year of S$0.00515 (2013: S$0.0059) per share	52,795	61,253
Interim dividend paid in respect of the current year of S$Nil (2013: S$0.00585) per share	-	60,346
	52,795	121,599

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37 Dividends (cont'd)

On 12 November 2014, an interim dividend (tax not applicable) of S$0.00408 per share amounting to a total of S$52,377,198.11 (equivalent to approximately US$39,650,000) was approved for payment on 15 January 2015. This has been accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ended 31 December 2014.

At the Annual Meeting to be held on 24 April 2015, a final dividend (tax not applicable) of S$0.00177 per share, amounting to S$22,722,460.94 (equivalent to approximately US$17,201,000) will be recommended. These consolidated financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2015.

38 Post Employment Benefits Liability and Share-Based Payment

Certain subsidiaries have defined contribution retirement plan covering substantially all of their eligible permanent employees.

On top of the benefits provided under the defined contribution retirement plan, the subsidiaries have also recorded additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to the qualified employees, as required under the Labor Law. The amounts for such additional provisions were determined based on actuarial computations valuations prepared by the independent actuary, PT Dayamandiri Dharmakonsilindo, using the projected unit credit method.

The principal actuarial assumptions used by the actuaries were as follows:

	2014	2013
Discount rate	8.50%	8.75%
Salary growth rate	8.0%	8.0%
Retirement age	55 years	55 years

The amounts of additional provision for post employment benefits recognised in the statement of financial position represent present value of unfunded employees retirement benefit obligations in addition to the defined contribution scheme (Note 35). The movements in the post employment benefits liability are as follows:

	Note	2014 US$'000	2013 US$'000
Balance at the beginning of the year		54,706	51,189
Post employment benefits expense during the year recognised in the income statement	10	11,553	19,060
Post employment benefits expense/(income) during the year recognised in other comprehensive income		4,027	(4,474)
Payments made during the year		(285)	(275)
Acquisition of subsidiaries		1,660	-
Translation adjustment		(1,278)	(10,794)
Balance at the end of the year		70,383	54,706

38 Post Employment Benefits Liability and Share-Based Payment (cont'd)

The components of the post employment benefits expense recognised in the income statement are as follows:

	2014 US$'000	2013 US$'000
Current service cost	6,771	8,158
Past service cost	192	7,363
Interest cost	4,590	3,539
Post employment benefits expense recognised in the income statement	11,553	19,060

The components of the post employment benefits (expense)/income recognised in other comprehensive income are as follows:

	2014 US$'000	2013 US$'000
Actuarial (loss)/gain arising from changes in financial assumptions	(4,090)	25,887
Actuarial gain/(loss) arising from experience adjustment	63	(93)
Unrecognised actuarial loss arising from previous years	-	(21,320)
Net post employment benefits (loss)/income recognised in other comprehensive income	(4,027)	4,474

Share-based Payment

The Company introduced the GAR Group Restricted Share Plan ("RSP") which was approved by shareholders at the special meeting of the Company held on 24 October 2008. The RSP is intended to align the interests of key management and executives of the Company and its subsidiaries with the interests of shareholders. It is also expected to enhance the Company's competitiveness in motivating and retaining talented key senior management and executives. The plan contemplates the award of fully paid shares of the Company upon meeting prescribed performance target(s) and/or service condition(s). Awards granted will vest upon the satisfactory achievement of pre-determined operational and financial performance target(s).

As at 31 December 2014, no awards have been granted by the Company under the RSP.

39 Financial Instruments

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, time deposits, short-term investments, trade and other receivables, trade and other payables, short-term loans, short-term bonds payables and obligations under finance leases are assumed to approximate their fair values due to their short-term maturities.

The fair values of long-term receivables and long-term interest-bearing borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the end of the reporting period. As at 31 December 2014 and 2013, the carrying amounts of the long-term receivables and long-term interest-bearing borrowings approximate their fair values.

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39 Financial Instruments (cont'd)

Fair Value Hierarchy

The following table presents financial assets and financial liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. derived from prices); and
(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2014	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through profit or loss	36,862	69,094	-	105,956
Derivative payable	-	(63,069)	-	(63,069)
	36,862	6,025	-	42,887
At 31 December 2013				
Financial assets at fair value through profit or loss	83,609	9,305	-	92,914
Derivative payable	-	(40,704)	-	(40,704)
	83,609	(31,399)	-	52,210

Methods and Assumptions Used to Determine Fair Values

The methods and assumptions used by management to determine fair values of assets and liabilities other than those whose carrying amounts reasonably approximate their fair values are as follows:

Unquoted non-equity instruments: The fair value is determined by reference to valuation provided by non-related fund managers.

Forward currency contracts: Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles as at the reporting date.

Cross currency swap contracts: Where available, quoted market prices are used as a measure of fair values for the outstanding contracts. Where the quoted market prices are not available, the fair values are determined by reference to valuation by non-related financial institutions by reference to the market prices of another contract that is substantially similar.

40 Business Combinations

(a) Acquisition of subsidiaries

(i) In April 2014, the Group through its wholly-owned subsidiary, acquired 100% shareholding in PT Sinarmas Distribusi Nusantara ("SDN") and its subsidiary, PT Kreasi Mas Indah.

From the date of acquisition, SDN has contributed revenue and profit before income tax of US$139,669,000 and US$6,271,000 respectively for the financial year ended 31 December 2014. If the acquisition has been completed on 1 January 2014, total Group's revenue and profit before income tax for the year would have been US$7,653,168,000 and US$159,023,000 respectively.

(ii) In April 2014, the Group through its wholly-owned subsidiary, acquired 100% shareholding in Integrated Investments Ltd ("Integrated") and Solid Growth Investments Ltd ("Solid"). Following the acquisition, Integrated and Solid together with their subsidiaries, Zhuhai Huafeng Film Co., Ltd and Zhuhai Huafeng Printing Co., Ltd became subsidiaries of the Group.

From the date of acquisition, Integrated and Solid contributed loss of US$13,000 for the financial year ended 31 December 2014. If the acquisition has been completed on 1 January 2014, management estimated there would have been no significant changes to the Group's revenue and profit before income tax.

(iii) In October 2014, the Group through its wholly-owned subsidiary, acquired 71.63% shareholding, comprising 5,372,251 equity shares in Gemini Edibles & Fats India Private Limited ("GEFI"). From the date of acquisition, GEFI contributed revenue and profit before income tax of US$53,192,000 and US$719,000 respectively for the financial year ended 31 December 2014. If the acquisition has been completed on 1 January 2014, total Group's revenue and profit before income tax for the year would have been US$7,832,806,000 and US$158,808,000 respectively.

Subsequent to the acquisition and pursuant to a preferential allotment by GEFI in December 2014, the Group further increased its equity interest in GEFI from 71.63% to 75.02%, with subscription of additional 1,019,341 shares in GEFI for a cash consideration of INR 324,843,590 (equivalent to US$5,197,000). The Group recognised a decrease in other reserves and an increase in non-controlling interest of US$936,000.

(iv) In December 2014, the Group through its wholly-owned subsidiary, acquired 100% shareholding in Victory Tropical Oil B.V. ("VTO"). Following the acquisition, VTO together with its subsidiary, Victory Tropical Oil USA, Inc. became subsidiaries of the Group.

From the date of acquisition, VTO does not contribute significantly to the Group's revenue and profit before income tax for the financial year ended 31 December 2014. If the acquisition has been completed on 1 January 2014, total Group's revenue and profit before income tax for the year would have been US$7,655,677,000 and US$156,338,000 respectively.

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40 Business Combinations (cont'd)

(a) Acquisition of subsidiaries (cont'd)

The following summarise the major classes of consideration transferred, and the recognised fair value of identifiable assets acquired and liabilities assumed, which reasonably approximated their carrying amount, at the acquisition dates.

	SDN US$'000	Integrated and Solid US$'000	GEFI US$'000	VTO US$'000	Total US$'000
Property, plant and equipment	7,742	4,532	20,445	35	32,754
Deferred charges	43	-	40	-	83
Brands and trademarks	405	-	-	-	405
Other non-current assets	149	-	1,351	-	1,500
Cash and cash equivalents	2,031	322	16,943	7,680	26,976
Short-term investment	-	-	35,011	-	35,011
Trade and other receivables	11,827	90	19,978	5,709	37,604
Inventories	4,153	-	25,102	20,622	49,877
Borrowings	(15,750)	-	(84,204)	-	(99,954)
Trade and other payables	(9,577)	-	(23,538)	(35,111)	(68,226)
Taxes payable	(1,267)	-	-	-	(1,267)
Deferred tax liabilities	(10)	-	(710)	-	(720)
Long-term payables and liabilities	(1,615)	-	(45)	-	(1,660)
Total identifiable net assets/(liabilities)	(1,869)	4,944	10,373	(1,065)	12,383
Less: Non-controlling interests' proportionate share of net assets	-	(544)	(2,943)	-	(3,487)
Net assets/(liabilities) acquired	(1,869)	4,400	7,430	(1,065)	8,896
Add: Goodwill (Note 28)	16,639	-	18,185	1,633	36,457
Consideration for acquisition	14,770	4,400	25,615	568	45,353
Less: Cash and cash equivalents acquired	(2,031)	(322)	(16,943)	(7,680)	(26,976)
Net cash outflow/ (inflow) on acquisition	12,739	4,078	8,672	(7,112)	18,377

40 Business Combinations (cont'd)

(b) Deconsolidation of subsidiaries

In September 2014, the Group disposed its 50% equity interest in Sinarmas Cepsa Pte. Ltd. (formerly known as "Sinarmas Oleo Pte. Ltd.") ("SCPL") for a cash consideration of US$5,700,000. Following the transaction, SCPL together with its group subsidiaries, became the Group's joint ventures and ceased as subsidiaries of the Group. The Group recognised a gain on deconsolidation of US$7,586,000 in the consolidated income statement for this transaction. An analysis of assets and liabilities of SCPL and its subsidiaries as at the date of deconsolidation were as follows:

	Fair Value US$'000
Property, plant and equipment	68,150
Other non-current assets	38
Cash and cash equivalents	14,724
Other receivables	2,491
Other payables	(87,257)
Taxes payable	(32)
Net liabilities derecognised	(1,886)
Gain on deconsolidation	7,586
Proceeds from disposal	5,700
Less: Cash and cash equivalents of deconsolidated subsidiaries	(14,724)
Cash flow effect arising from deconsolidation	(9,024)

(c) In November 2014, the Group through its subsidiary, acquired the remaining 51% equity interest in PT Dian Ciptamas Agung for a total cash consideration of IDR765,000,000 (equivalent to US$63,000). Following the transaction, PT Dian Ciptamas Agung became a wholly-owned subsidiary of the Group. The Group recognised a decrease in other reserves of US$148,000 and an increase in non-controlling interests of US$85,000.

(d) During the financial year 2013, the Group disposed its entire shareholding in PT Elang Nusantara Air for a consideration of IDR35,000,000,000 (equivalent to US$3,606,000). The Group recognised a gain on disposal of US$29,000 in the consolidated income statement for this transaction.

The identifiable assets and liabilities disposed were as follows:

	Carrying Amount US$'000
Cash and cash equivalents	345
Other receivables	3,380
Other payables	(148)
	3,577
Gain on disposal of subsidiary	29
Proceeds from disposal	3,606
Less: Cash of disposed subsidiary	(345)
Net cash inflow on disposal	3,261

(e) During the financial year 2013, the Group through its subsidiary, acquired the remaining 15.69% equity interest in Straits Investments Ltd ("Straits") for a total cash consideration of US$7,000,000. Following the transaction, Straits became a wholly-owned subsidiary of the Group. The Group recognised decreases in other reserves and non-controlling interests of US$980,000 and US$6,020,000 respectively.

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41 Operating Segment Information

For management purposes, the Group is organised into business units based on their products and has four reportable operating segments as follows:

Plantation and palm oil mills - comprises the products from upstream business;

Palm and laurics - comprises the processing and merchandising of palm based products, i.e. bulk and branded as well as oleochemicals;

Oilseeds - comprises the processing and merchandising of oilseeds based products, i.e. bulk and branded; and

Others - comprises the production and distribution of food and consumer products in China and Indonesia.

2014	Plantation and palm oil mills US$'000	Palm and laurics US$'000	Oilseeds US$'000	Others US$'000	Eliminations US$'000	Total US$'000
Revenue from external customers	112,491	6,461,564	845,365	199,889	-	7,619,309
Inter-segment sales	1,814,367	2,998	-	999	(1,818,364)	-
Total revenue	1,926,858	6,464,562	845,365	200,888	(1,818,364)	7,619,309
EBITDA	561,914	56,893	(59,915)	7,734	(183)	566,443
Other information						
Capital expenditures	214,330	237,053	5,665	670	-	457,718
Depreciation and amortisation	(87,735)	(45,667)	(10,440)	(4,959)	-	(148,801)
Net loss from changes in fair value of biological assets	(133,757)	-	-	-	-	(133,757)
Interest on borrowings	(49,887)	(57,225)	(11,874)	(146)	-	(119,132)
Share of results of associated companies, net of tax	(158)	55	-	-	-	(103)
Share of results of joint ventures, net of tax	(728)	621	(342)	-	-	(449)
Assets						
Segment assets	11,947,429	4,190,535	772,001	1,150,385	(3,458,327)	14,602,023
Investment in associated companies	2,701	5,730	-	-	-	8,431
Investment in joint ventures	2,885	52,804	478	-	-	56,167
Total assets						14,666,621
Liabilities						
Segment and total liabilities	(3,780,627)	(3,833,590)	(491,449)	(1,200,961)	3,458,327	(5,848,300)

41 Operating Segment Information (cont'd)

2013	Plantation and palm oil mills US$'000	Palm and laurics US$'000	Oilseeds US$'000	Others US$'000	Eliminations US$'000	Total US$'000
Revenue from external customers	120,128	5,147,508	1,133,451	183,875	-	6,584,962
Inter-segment sales	1,630,676	2,702	187	-	(1,633,565)	-
Total revenue	1,750,804	5,150,210	1,133,638	183,875	(1,633,565)	6,584,962
EBITDA	486,846	141,924	25,804	7,868	(173)	662,269
Other information						
Capital expenditures	248,182	258,662	11,271	785	-	518,900
Depreciation and amortisation	(81,025)	(37,130)	(11,479)	(4,397)	-	(134,031)
Net gain from changes in fair value of biological assets	36,852	-	-	-	-	36,852
Interest on borrowings	(41,228)	(45,342)	(15,101)	(7)	-	(101,678)
Share of results of associated companies, net of tax	(118)	928	-	-	-	810
Share of results of joint ventures, net of tax	(684)	(600)	(436)	-	-	(1,720)
Assets						
Segment assets	11,420,971	3,516,858	868,827	1,355,334	(3,029,679)	14,132,311
Investment in associated companies	1,998	5,675	-	-	-	7,673
Investment in joint ventures	3,094	4,448	678	-	-	8,220
Total assets						14,148,204
Liabilities						
Segment and total liabilities	(3,618,180)	(3,453,193)	(530,345)	(772,792)	3,029,679	(5,344,831)

A reconciliation of total EBITDA to total profit before income tax is as follows:

	2014 US$'000	2013 US$'000
EBITDA for reportable segments	566,626	662,442
Other EBITDA	(183)	(173)
Net (loss)/gain from changes in fair value of biological assets	(133,757)	36,852
Depreciation and amortisation	(148,801)	(134,031)
Foreign exchange loss, net	(13,816)	(32,522)
Interest on borrowings	(119,132)	(101,678)
Exceptional item	7,586	-
Share of results of associated companies, net of tax	(103)	810
Share of results of joint ventures, net of tax	(449)	(1,720)
Profit before income tax	157,971	429,980

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41 Operating Segment Information (cont'd)

Revenue based on geographical location of customers is as follows:

	2014 US$'000	2013 US$'000
China	1,706,676	2,216,258
Indonesia	830,301	657,796
India	766,098	460,893
Rest of Asia	2,751,163	2,189,671
Europe	1,227,592	910,906
Others	337,479	149,438
Consolidated revenue	7,619,309	6,584,962

The following is an analysis of the carrying amount of non-current non-financial assets, analysed by the geographical areas in which the assets are located:

	2014 US$'000	2013 US$'000
Indonesia	10,464,098	10,500,412
China	291,150	306,556
Singapore	125,322	101,035
India	39,843	12
Others	26,249	7,513
Total non-current non-financial assets	10,946,662	10,915,528

42 Related Party Transactions

(a) A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate or a joint venture. An entity is also considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity.

42 Related Party Transactions (cont'd)

(b) In addition to the related party information disclosed elsewhere in the consolidated financial statements, significant transactions with related parties, on terms agreed between parties, are as follows:

	2014 US$'000	2013 US$'000
(i) Sale of services		
Rental income from a related party	192	194
(ii) Purchase of goods and services		
Insurance premium to a related party	5,668	5,458
Purchase of agricultural products from associated companies	166	786
Purchase of non-palm oil products from related parties	25,779	55,673
Freight and bunker charges to a joint venture	224,414	100,969
Rental and service charge expense to related parties	8,119	6,468
Toll manufacturing expense to an associated company	214	913
Transport and port expense to related parties	1,721	1,946
Advisory fee to a related party	236	239
Acquisition of subsidiaries from a related party	4,400	-
(iii) Dividend income from a joint venture	1,000	-

(c) The key management personnel remuneration is as follows:

	2014 US$'000	2013 US$'000
Directors of the holding company	4,217	5,416
Other key management personnel	4,487	3,604

Included in the above remuneration are post employment benefits of US$35,522 for the financial year 2014 (2013: US$34,589).

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43 Financial Risk Management

(a) Capital Risk Management

The Group manages its capital to safeguard the Group's ability to continue as a going concern in order to maximise the return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged since 2013. Neither the Group nor the Company is subject to externally imposed capital requirements. The Group monitors capital using net debts-to-equity ratio and adjusted net debts-to-equity ratio.

Net debts-to-equity ratio equals net debts divided by total equity. Total equity comprises share capital, share premium, reserves, retained earnings and non-controlling interests. Net debts include total borrowings net of cash and cash equivalents.

	2014 US$'000	2013 US$'000
Total borrowings	3,068,701	2,580,796
Cash and cash equivalents	(329,560)	(327,486)
Net debts	2,739,141	2,253,310
Total equity	8,818,321	8,803,373
Net debts-to-equity ratio (times)	0.31	0.26

Adjusted net debts-to-equity ratio equals adjusted net debts divided by total equity attributable to owners of the Company. Adjusted net debts comprises net debts (as defined above) less liquid working capital. Liquid working capital includes short-term investments, trade receivables, advances and deposits to suppliers and inventories (excluding consumables) less trade payables and advances from customers.

	2014 US$'000	2013 US$'000
Net debts	2,739,141	2,253,310
Liquid working capital:		
Short-term investments	(261,166)	(259,266)
Trade receivables	(525,816)	(474,303)
Inventories (excluding consumables)	(700,375)	(663,927)
Advances and deposits to suppliers	(209,539)	(365,195)
Trade payables	543,197	556,141
Advances from customers	40,086	48,461
Adjusted net debts	1,625,528	1,095,221
Equity attributable to the owners of the Company	8,728,503	8,720,555
Adjusted net debts-to-equity ratio (times)	0.19	0.13

The directors of the Company review the capital structure on a semi-annual basis. As a part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Accordingly, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-back as well as the issue of new debt or the redemption of existing debt.

43 Financial Risk Management (cont'd)

(b) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk, price risk), credit risk, liquidity risk, and cash flow risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group may use relevant financial instruments to manage certain risks. Such financial instruments are not held for trade or speculative purposes.

(i) Interest Rate Risk

As the Group does not have significant exposure to interest rate risk on its financial assets at variable rate, its exposure to cash flow and fair value interest rate risk arises primarily on its existing interest-bearing borrowings. Cash flow interest rate risk is the risk that the future cash flow of borrowings at variable rate will fluctuate because of changes to market interest rates. Fair value interest rate risk is the risk that the fair values of borrowings at fixed rate will fluctuate because of changes to market interest rates. The interest rate that the Group will be able to obtain on debt financing will depend on market conditions at that time, and may differ from the rates the Group has secured currently.

At 31 December 2014, if interest rates on all borrowings at variable rate had been 0.5% higher/lower with all other variables held constant, profit before income tax and total equity for the year would have been approximately US$8,093,000 and US$6,415,000 (2013: US$6,816,000 and US$5,638,000) lower/higher respectively, mainly as a result of higher/lower interest expense on the variable rate borrowings. This analysis is prepared assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the interest rates and repayment terms are disclosed in the respective notes to the consolidated financial statements. The tables below set out the interest rate profile of the Group's interest-bearing financial instruments at carrying amount.

	2014 US$'000	2013 US$'000
Financial Assets		
Variable rate	514,697	445,965
Fixed rate	324,617	270,062
Non-interest bearing	1,339,354	1,108,016
	2,178,668	1,824,043
Financial Liabilities		
Variable rate	1,618,563	1,364,501
Fixed rate	1,697,104	1,430,366
Non-interest bearing	496,022	467,701
	3,811,689	3,262,568

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43 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk

The Group operates in several countries. Entities within the Group regularly transact in currencies other than their respective functional currency ("foreign currency") such as Indonesian rupiah ("IDR"), the Chinese renminbi ("RMB") and the United States dollar ("USD") which is also the Group's presentation currency.

Sales to domestic customers within Indonesia and China are denominated in their local currencies, while export sales for most of the Group's products and cost of certain key purchases are quoted in United States dollar. Purchases and operating expenses in Indonesia and China are mainly denominated in their local currencies. To the extent that the revenue and purchases of the Group are denominated in different currencies, and may not evenly match in terms of quantum and/or timing, the Group has exposure to foreign currency risk.

The Group seeks to manage its foreign currency exposure by constructing a natural hedge where it matches revenue and expenses in any single currency or through financial instruments, such as forward exchange contracts and cross currency swap contracts. The Group is also exposed to currency translation risk arising from its net investments in foreign operations. These net investments are not hedged as currency positions in these foreign operations are considered long-term in nature.

If the relevant foreign currencies strengthen/weaken against USD by 5% at the end of the reporting period, with all other variables, including interest rates remain constant, the Group's profit before income tax would all increase/(decrease) by the amounts shown as follows:

	2014 US$'000	2013 US$'000
IDR	22,886	20,819
RMB	6,121	8,170

(iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. As the Group's products are related to commodities, it is exposed to price risk in the commodities market. The Group monitors the market closely to ensure that the risk exposure to the volatility of the commodities is kept at minimum level. No sensitivity analysis is presented as management believes that price risk is not significant.

(iv) Significant Concentrations of Credit Risk

Concentrations of credit risk exists when changes in economic, industry or geographical factors similarly affect counter-parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counter-parties and customers.

43 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(v) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performs ongoing credit evaluation of its customers' financial conditions. Customers may be required to provide security in terms of cash deposits or letters of credit.

Cash and cash equivalents mainly comprise deposits with reputable banks with acceptable credit ratings.

The maximum exposure to credit risk in the event that the counter-parties fail to perform their obligations as at the end of the reporting period is the carrying amount of each class of assets in the statement of financial position, except as follows:

	2014 US$'000	2013 US$'000
Corporate guarantees provided to financial institutions on borrowings of entities owned by investees and joint ventures:		
- Total facilities	530,608	500,000
- Total outstanding	111,467	62,000

(vi) Liquidity Risk

To manage liquidity risk, the Group maintains a level of cash and cash equivalents and funding facilities deemed adequate by management to finance its operations. In assessing the adequacy of the facilities, management reviews its working capital requirements. The table below analyses the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows:

At 31 December 2014	Less than 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
Borrowings	1,723,230	1,513,948	7,216	3,244,394
Other financial liabilities	742,988	-	-	742,988
Financial guarantee contracts	2,891	9,540	99,036	111,467
Total Financial Liabilities	2,469,109	1,523,488	106,252	4,098,849
At 31 December 2013				
Borrowings	1,127,250	1,646,552	8,409	2,782,211
Other financial liabilities	681,772	-	-	681,772
Financial guarantee contracts	-	-	62,000	62,000
Total Financial Liabilities	1,809,022	1,646,552	70,409	3,525,983

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44 Significant Commitments

Operating lease commitments

At the end of the reporting period, the commitment in respect of non-cancellable operating leases for the rental of office premises and properties with a term of more than one year are as follows. The leases have varying terms, escalation clauses and renewal rights.

	2014 US$'000	2013 US$'000
Within one year	6,544	5,512
Between one year to five years	10,610	3,227
After five years	648	-
Minimum lease payments paid under operating leases	9,062	7,321

Capital expenditure commitment

At the end of the reporting period, the estimated significant expenditure committed but not provided for in the consolidated financial statements are as follows:

	2014 US$'000	2013 US$'000
Capital expenditure	37,650	181,888

45 Group Companies

The details of the subsidiaries are as follows:

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held by the Company				
Asia Integrated Agri Resources Limited	Investment holding	Bermuda	100.00	100.00
Asia Palm Oil Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Blue Sky Golden Energy Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Easton Capital Resources Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Agri Capital Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Agri International Finance Ltd (b1)	Treasury management	Mauritius	100.00	100.00
Golden Agri International Finance (2) Ltd (b2)	Treasury management	British Virgin Islands	100.00	100.00
Golden Agri International (Mauritius) Ltd (b1)	Provision of management and consultancy services	Mauritius	100.00	100.00
Golden Agri International Pte Ltd	Trading in crude palm oil and related products	Singapore	100.00	100.00
Golden Agri International Trading Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri Investment (S) Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Agri (Labuan) Ltd (b1)	Trading in crude palm oil and related products and treasury management	Malaysia	100.00	100.00
Golden Asset Capital Investment Pte. Ltd. *(formerly known as "Golden Bio Energy (S) Pte. Ltd.")*	Investment holding	Singapore	100.00	100.00
Golden Assets International Finance Limited	Treasury management	British Virgin Islands	100.00	100.00
Golden Assets International Investment Pte. Ltd.	Treasury management and business and management consultancy services	Singapore	100.00	100.00

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45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held by the Company (cont'd)				
Golden Capital Resources (S) Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Funds & Investment Management Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Funds & Investment Services Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Logistics International Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Golden Oleo Pte. Ltd. (c)	Investment holding	Singapore	100.00	-
Golden Pacific Resources Investment Limited (Note 40b),(b4)	Investment holding	Hong Kong	-	100.00
Madascar Investment Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Purimas Sasmita ("Purimas") (b1),(a)	Investment holding, building management services, business and management consultancy and trading	Indonesia	100.00	100.00
Sinarmas Food Pte. Ltd. *(formerly known as "Palma Agri Satu (GAR) Pte. Ltd.")* (b3)	Investment holding	Singapore	100.00	100.00
Subsidiaries held through subsidiaries				
PT Abadimas Investama (b1)	Investment holding and business and management consultancy services	Indonesia	100.00	100.00
Aerolink Investment Ltd	Investment holding	Singapore	100.00	100.00
AFP Agri-Resources Trading (M) Sdn. Bhd. (b1)	Investment holding	Malaysia	100.00	100.00
AFP International Trading (Shanghai) Co., Ltd (b9)	Trading in edible oils and its related products	People's Republic of China	100.00	100.00
PT Aditunggal Mahajaya (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrokarya Primalestari (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
PT Agrolestari Mandiri (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Sentosa (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agropalma Sejahtera (b1)	Investment holding	Indonesia	100.00	100.00
PT Aimer Sawitmas (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Alam Sumber Rahmat (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.48	97.48
Aurea Investment Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Aurorea Investment Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Aurea Resource Trading Company Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Bangun Nusa Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Belino Investments Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Berau Sarana Jaya (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Bhakti Manunggal Karya (b5)	Training services	Indonesia	100.00	100.00
PT Bina Kreasi Teknologi (b3)	Investment holding, trading and the provision of services in technology products	Indonesia	100.00	100.00
PT Binasawit Abadipratama (b8)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Blue Sky Golden FPS Ltd (b2)	Investment holding	British Virgin Islands	100.00	100.00
Blue Sky Golden Fulcrum Ltd (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Buana Adhitama (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Buana Artha Sejahtera (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Buana Indah Mandiri (b5)	Transportation service	Indonesia	100.00	100.00

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45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
PT Buana Wiralestari Mas (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumi Persada Sejahtera (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Bumi Sawit Permai (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumipalma Lestaripersada (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumipermai Lestari (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Cahayanusa Gemilang (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Citra Bhakti Mandiri (b8)	Investment holding	Indonesia	100.00	100.00
PT Dami Mas Sejahtera (b8)	Production and sale of oil palm seeds	Indonesia	100.00	100.00
PT Dian Ciptamas Agung (Note 40c),(b3)	Shipping and/or related business	Indonesia	100.00	49.00
PT Djuandasawit Lestari (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Dragon Capital Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Eco Investment Ltd (b2)	Investment holding	Malaysia	100.00	100.00
PT Energi Sejahtera Mas (Note 40b),(b8)	Oleochemical industries	Indonesia	-	100.00
Enterprise Capital Corporation (b2)	Investment holding	Malaysia	100.00	100.00
Florentina International Holdings Limited (b1)	Investment holding	Mauritius	100.00	100.00
PT Forestalestari Dwikarya (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
GAI Trading (HK) Limited (b4),(c)	Trading	Hong Kong	100.00	-

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
GAR Pakistan (Pvt.) Limited (b1)	Export, import, transportation, management and trading	Pakistan	100.00	100.00
Gemini Edibles & Fats India Private Limited (Note 40a),(b13)	Trading, manufacturing and marketing of edible oils and fats	India	75.02	-
PT Genta Mas Perkasa (b5)	Investment holding	Indonesia	100.00	100.00
PT Global Media Telekomindo (b3)	Telecommunication and multimedia services	Indonesia	100.00	100.00
Goederhand Finance B.V. (b2)	Treasury management	The Netherlands	100.00	100.00
Golden Adventure (GSW) Pte. Ltd.	Ownership of shipping vessel(s)	Singapore	70.00	70.00
Golden Agri International India Holding Pte. Ltd.	Investment holding and provision of management and consultancy services	Singapore	100.00	100.00
Golden Agri International (L) Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International (M) Ltd *(formerly known as "Golden Agri International (Cayman) Ltd")* (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International (M) Trading Sdn. Bhd. (b1)	Trading in palm oil and related products	Malaysia	100.00	100.00
Golden Agri International Trading (Cayman) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International Trading (Mauritius) Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Golden Agri Plaza Pte. Ltd.	Commercial and industrial real estate management	Singapore	100.00	100.00
Golden Agri Resources (India) Private Limited (b1)	Trading and refining of crude palm oil and related products	India	100.00	100.00
Golden Agri-Resources Nigeria Limited (b3)	Importing, marketing and distributing palm oil products	Federal Republic of Nigeria	100.00	100.00

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45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
Golden Agri Resources & Technology (M) Sdn. Bhd. (b1)	Owner and construction of bulking stations, export, import, transportation, management and trading	Malaysia	100.00	100.00
Golden Agri SEA (Labuan) Ltd (b1)	Trading in edible oils and its related products	Malaysia	100.00	100.00
Golden Agri Trading (L) Ltd (b1)	Trading in edible oils and its related products	Malaysia	100.00	100.00
Golden Airlines Limited (b4)	Ownership of aircraft(s)	Hong Kong	100.00	100.00
Golden Avenue (GSW) Pte. Ltd.	Ownership of shipping vessel(s)	Singapore	70.00	70.00
Golden Maritime Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Natural Resources (HK) Investment Co. Limited (b4)	Investment holding	Hong Kong	100.00	100.00
PT Golden Resources Investment (Note 40b),(b8)	Investment holding, business and management consultancy and trading	Indonesia	-	100.00
GP Pakistan (Mauritius) Limited (b1)	Investment holding	Mauritius	100.00	100.00
PT Griyagraha Sarimakmur (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
GSW 2 Pte. Ltd. (b3)	Dormant	Singapore	70.00	70.00
Harford Holdings Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
Huafeng Foodstuff (Fuxin) Co., Ltd (b9)	Manufacturing and sale of processed instant noodles, snack products and beverages	People's Republic of China	100.00	100.00
Huafeng Foodstuff (Xian Yang) Co., Ltd (b9)	Manufacturing and sale of processed instant noodles, snack products, beverages and seasoning	People's Republic of China	100.00	100.00
PT Indokarya Mas Sejahtera (b1)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
Integrated Investments Ltd (Note 40a),(b1)	Investment holding	Mauritius	100.00	-

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
PT Ivo Mas Tunggal (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Ivomas Oil & Fat (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Ivomas Tunggal Lestari (b1)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00
PT Kartika Prima Cipta (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kencana Graha Permai (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kreasi Mas Indah (Note 40a),(b1)	Producer of beverage products	Indonesia	100.00	-
PT Kresna Duta Agroindo (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Kurnia Cakra Sakti (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Langgeng Subur (b1)	Cultivation of ornamental plants	Indonesia	97.20	97.20
Madascar Capital Pte. Ltd.	Investment holding	Singapore	100.00	100.00
PT Mantap Andalan Unggul (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Maskapai Perkebunan Leidong West Indonesia (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Meganusa Intisawit (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Meganusa Karya Langgeng (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Mitra Ekasukses Abadi (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Mitrakarya Agroindo (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00

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45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
PT Nabati Energi Mas (b1)	Production of palm oil based bio-diesel and other renewable resources based bio-fuel	Indonesia	97.20	97.20
Ningbo Shining Gold Cereal Oil Port Co., Ltd	Port and storage facilities	People's Republic of China	81.73	81.73
Ningbo Shining Gold Cereal Oil Storage Co., Ltd	Provide services in port loading, storage, packaging and transportation	People's Republic of China	81.73	81.73
PT Nusantara Candra (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Oleokimia Sejahtera Mas (b8)	Refinery operation	Indonesia	100.00	100.00
PT Paramitra Agung Cemerlang (b1)	Provision of shipping and chartering services	Indonesia	100.00	100.00
PT Paramitra Internusa Pratama (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Pelangi Sungai Siak (b3)	Oil palm cultivation and palm oil producer	Indonesia	82.62	82.62
PT Persada Graha Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Perusahaan Perkebunan Panigoran (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Pratama Ronaperintis (b3)	Investment holding	Indonesia	68.04	68.04
PT Propertindo Prima (b1)	Transportation service	Indonesia	97.20	97.20
PT Putra Manunggal Abadi (b8)	Investment holding	Indonesia	100.00	100.00
PT Rama Flora Sejahtera (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Ramajaya Pramukti (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Rapid Growth Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Rawa Bangunyaman (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
PT Sangatta Andalan Utama (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Satrindo Jaya Agropalma (b5)	Transportation service	Indonesia	100.00	100.00
PT Satya Kisma Usaha (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Sawit Mas Sejahtera (b5)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sawitakarya Manunggul (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sejahtera Mas Investama (Note 40b),(b8)	Investment holding and business and management consultancy	Indonesia	-	100.00
Shining Gold Foodstuffs (Ningbo) Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	100.00	100.00
Shining Gold Oilseed Crushing (Ningbo) Co., Ltd	Manufacturing of crude vegetable oil	People's Republic of China	100.00	100.00
Silverand Holdings Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Sinar Kencana Inti Perkasa (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sinar Mas Agro Resources and Technology Tbk ("SMART") (b1)	Investment holding, oil palm cultivation and palm oil producer, refinery and producer of consumer cooking oil, shortening and margarine	Indonesia	97.20	97.20
PT Sinar Mas Digital Ventures (b3),(c)	Provision of investment, consultancy and management services in information technology	Indonesia	100.00	-
Sinar Mas Natural Resources (China) Investment Co., Ltd (b10)	Investment holding	People's Republic of China	100.00	100.00
PT Sinarmas Cakrawala Persada (b1),(c)	Investment holding	Indonesia	100.00	-
Sinarmas Corporate Management (Shanghai) Co., Ltd (b9),(c)	Provision of management and consultancy services	People's Republic of China	100.00	-

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45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
Sinarmas Digital Ventures (HK) Limited *(formerly known as "JES Venture (HK) Limited")* (b4),(c)	Investment holding	Hong Kong	100.00	-
Sinarmas Digital Ventures (SG) Pte. Ltd. *(formerly known as "JES Venture (S) Pte. Ltd.")* (c)	Investment holding	Singapore	100.00	-
PT Sinarmas Distribusi Nusantara (Note 40a),(b1)	Distributor of fast moving consumer products	Indonesia	100.00	-
Sinarmas Food (Hong Kong) Co., Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	100.00	100.00
PT Sinar Mas Super Air (b5)	Aerial manuring	Indonesia	99.02	99.02
Sinarkonex Korea Co., Ltd (b3)	Dormant	Korea	70.00	70.00
PT Soci Mas (b1)	Oleochemical industries	Indonesia	97.23	97.23
Solid Growth Investments Ltd (Note 40a),(b1)	Investment holding	Mauritius	100.00	-
Sterling International Investment Ltd (b3)	Investment holding	Malaysia	100.00	100.00
Straits Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Sumber Indahperkasa (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Swakarya Adhi Usaha (b5)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00
PT Tapian Nadenggan (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Tarunacipta Kencana (b1)	Ownership and operation of marine cargo	Indonesia	100.00	100.00
Tianjin Decoris Investment and Consultancy Co., Ltd (b11)	Investment holding and business consultancy services	People's Republic of China	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
Subsidiaries held through subsidiaries (cont'd)				
Tianjin Mundus Investment and Consultancy Co., Ltd (b11)	Investment holding and business consultancy services	People's Republic of China	100.00	100.00
PT Tradisi Mas Sejahtera (b3)	Investment holding	Indonesia	62.50	62.50
PT Tradisi Sawit Mandiri Utama (b3)	Oil palm cultivation and palm oil producer	Indonesia	85.00	85.00
PT Trans Indojaya Mas (b5)	Transportation services	Indonesia	99.03	99.03
PT Universal Transindo Mas (b5)	Transportation services	Indonesia	99.03	99.03
PT Usaha Malindo Jaya (b5)	Construction service	Indonesia	100.00	100.00
Victory Tropical Oil B.V. (Note 40a),(b2)	Investment holding and finance	The Netherlands	100.00	-
Victory Tropical Oil USA, Inc. (Note 40a),(b3)	Trading in tropical oils and their by-products	United States of America	100.00	-
Windflower Investments Limited (b2)	Investment holding and treasury management	British Virgin Islands	100.00	100.00
Wuhan Jin Ding Foodstuff Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00
Zhongshan Huifeng Investment Advisory Co., Ltd (b9)	Dormant	People's Republic of China	100.00	100.00
Zhuhai Huafeng Film Co., Ltd (Note 40a),(b9)	Dormant	People's Republic of China	85.00	-
Zhuhai Huafeng Printing Co., Ltd (Note 40a),(b9)	Dormant	People's Republic of China	85.00	-
Zhuhai Huafeng Food Industry (Group) Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00
Zhuhai Huafeng Foodstuff Co., Ltd (b9)	Manufacturing and sale of instant noodles	People's Republic of China	100.00	100.00
Zhuhai Shining Gold Oil and Fats Industry Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	85.00	85.00
The Group's associated companies are:				
PT Catur Paramita (b3)	Property owner for education purposes	Indonesia	36.21	36.21

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45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2014 %	2013 %
The Group's associated companies are: (cont'd)				
PT Duta Anugerah Indah (b16),(d)	Television broadcasting which focuses on education and in the humanitarian field	Indonesia	28.08	-
PT Hortimart Agrogemilang (b3)	Production and sale of seeds	Indonesia	38.01	38.01
PT Sinar Meadow International Indonesia (b5)	Production of special vegetable oil and fat	Indonesia	50.00	50.00
The Group's joint ventures are:				
Golden Stena Bulk IMOIIMAX I Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX III Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX VII Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX VIII Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX IX Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX X Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Weco Pte. Ltd.	Transportation services	Singapore	50.00	50.00
Jetlane Holdings Limited (b12)	Investment holding	British Virgin Islands	50.00	50.00
Nuova Energia S.r.l. (b17),(f)	Building and operation of wind power farms	Italy	50.00	-
Sinarmas LDA Maritime Pte. Ltd. *(formerly known as "Orchard Maritime Services Pte Ltd")* (b14),(e)	Shipping and logistics business	Singapore	50.00	-
Shining Sunrise 2013 Pte. Ltd.	Investment holding and ownership of vessel(s)	Singapore	50.00	50.00
Sinarmas Cepsa Pte. Ltd. *(formerly known as "Sinarmas Oleo Pte. Ltd.")* (Note 40b),(b15)	Investment holding	Singapore	50.00	-
PT Super Wahana Tehno (b1)	Production and distribution of bottled ionised mineral water	Indonesia	48.60	48.60

45 Group Companies (cont'd)

Notes:

(a) 86.04% of the share capital of Purimas is directly held by the Company and the remaining 13.96% of the share capital is held by Silverand Holdings Ltd.

(b) The above group companies are audited by Moore Stephens LLP, Singapore except for group companies that are indicated below:

(1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.

(2) Statutory audit not required by law in its country of incorporation.

(3) Statutory audit is not required as the subsidiary is newly incorporated/inactive.

(4) Audited by other firm of accountants, TCL & Company, Certified Public Accountants (Practising).

(5) Audited by other firm of accountants, Tanubrata Sutanto Fahmi & Rekan (BDO).

(6) Audited by other firm of accountants, Jiangsu Tianhua Dapeng CPA, PRC.

(7) Audited by other firm of accountants, PricewaterhouseCoopers Ltd.

(8) Audited by other firm of accountants, Purwantono, Suherman & Surja (Ernst & Young).

(9) Audited by other firm of accountants, Zhonghua Certified Public Accountants LLP, PRC.

(10) Audited by other firm of accountants, Beijing Dongshen Dingli International CPA, PRC.

(11) Audited by other firm of accountants, Tianjin Chengtai CPAs Ltd.

(12) Audited by other firm of accountants, KAP Drs. Ferdinand.

(13) Audited by other firm of accountants, Walker Chandiok & Co LLP.

(14) Audited by other firm of accountants, Paul Wan & Co.

(15) Audited by other firm of accountants, Ernst & Young LLP.

(16) Audited by other firm of accountants, KAP Handoko & Suparmun.

(17) Audited by other firm of accountants, PricewaterhouseCoopers SpA.

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45 Group Companies (cont'd)

Notes: (cont'd)

(c) During the current financial year, the following new companies have been incorporated:

Subsidiaries	Initial Issued and Paid-up Capital
GAI Trading (HK) Limited	1 ordinary share of US$1
Golden Oleo Pte. Ltd.	2 ordinary shares of US$1 each
Sinarmas Cepsa Pte. Ltd.	2 ordinary shares of US$1 each
Sinarmas Digital Ventures (HK) Limited	1 ordinary share of HK$1
Sinarmas Digital Ventures (SG) Pte. Ltd.	1 ordinary share of S$1
PT Sinarmas Cakrawala Persada	1,000 shares of IDR1,000,000 each
PT Sinar Mas Digital Ventures	10,000 shares of US$100 each
	Registered capital
Sinarmas Corporate Management (Shanghai) Co., Ltd	US$2,000,000

(d) During the current financial year, the Group through its wholly-owned subsidiary, has acquired 28.08% shareholding in PT Duta Anugerah Indah for a cash consideration of IDR10,250,000,000 (equivalent to US$890,000).

(e) The Group through its wholly-owned subsidiary, has formed a joint venture, Sinarmas LDA Maritime Pte. Ltd., to provide maritime and logistics services in the domestic transportation of the Group's cargoes in Indonesia. Total capital investment during the current financial year amounted to US$29,228,000.

(f) During the current financial year, the Group through its wholly-owned subsidiary, has acquired a joint venture interest, comprising 50% of the corporate capital in Nuova Energia S.r.l. for a consideration of EURO15,000,000 (equivalent to US$18,240,000). The consideration has been offset with amount due from the seller to the Group.

45 Group Companies (cont'd)

Notes: (cont'd)

(g) As at 31 December 2014, the accumulated non-controlling interests is US$89,818,000 (2013: US$82,818,000), of which US$73,811,000 (2013: US$69,528,000) is for 2.8% non-controlling interests in SMART and its subsidiaries ("SMART Group"). The non-controlling interests in respect of other subsidiaries are individually not material.

The following table summarises the financial information relating to SMART Group which has non-controlling interests that are material to the Group:

	SMART Group	
	2014	2013
	US$'000	US$'000
Non-current assets	3,479,409	3,336,033
Current assets	846,610	709,762
Non-current liabilities	(859,956)	(874,929)
Current liabilities	(779,172)	(644,814)
Revenue	2,730,242	2,299,895
Profit for the year	156,236	177,812
Total comprehensive income	155,313	181,396
Profit allocated to NCI	4,368	4,893
Dividends paid to NCI	34	9,354
Cash inflows from operating activities	144,275	242,949
Cash outflows from investing activities	(144,909)	(243,406)
Cash inflows/(outflows) from financing activities	97,063	(88,335)
Net increase/(decrease) in cash and cash equivalents	96,429	(88,792)

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Financial Statements

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2014

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Commentary of the Directors

The directors present their commentary, together with the audited financial statements of Golden Agri-Resources Ltd (the "Company") for the financial year ended 31 December 2014.

PRINCIPAL ACTIVITY

The Company was incorporated on 15 October 1996 and its principal activity is that of an investment holding company.

RESULTS AND DIVIDENDS

The Company's total comprehensive loss for the year ended 31 December 2014 was US$1,595,000 (2013: US$12,760,000).

On 12 November 2014, an interim dividend (tax not applicable) of S$0.00408 per share amounting to a total of S$52,377,198.11 (equivalent to approximately US$39,650,000) was approved for payment on 15 January 2015.

At the Annual Meeting to be held on 24 April 2015, a final dividend (tax not applicable) of S$0.00177 per share, amounting to S$22,722,460.94 (equivalent to approximately US$17,201,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2015.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS

The independent auditors, Moore Stephens, have expressed their willingness to continue in office and will be automatically reappointed under the Mauritian Companies Act 2001 at the next Annual Meeting.

Certificate from the Secretary

We certify, to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Golden Agri-Resources Ltd under the Mauritian Companies Act 2001 for the financial year ended 31 December 2014.

CORPORATE SECRETARY
Cim Corporate Services Ltd
Les Cascades Building,
Edith Cavell Street,
Port Louis,
MAURITIUS

Date: 18 March 2015

Independent Auditors' Report

To the members of Golden Agri-Resources Ltd (Incorporated in Mauritius)

This report is made solely to the members of **Golden Agri-Resources Ltd**, the **"Company"**, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of the Company, set out on pages 150 to 169, which comprise the statement of financial position at 31 December 2014 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements on pages 150 to 169 give a true and fair view of the financial position of the Company at 31 December 2014 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Moore Stephens
Chartered Accountants

Port Louis, Mauritius
Date: 18 March 2015

Statement of Comprehensive Income

For the year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
Administrative expenses		(3,786)	(4,246)
Financial income	6	13,436	13,061
Financial expenses	7	(22,508)	(21,955)
Foreign exchange (loss)/gain, net		(137)	380
Gain on disposal of a subsidiary	12(b)	11,400	-
Loss before income tax	8	(1,595)	(12,760)
Income tax	9	-	-
Loss for the year, representing total comprehensive loss for the year		(1,595)	(12,760)

The accompanying notes form an integral part of these financial statements.

Statement of Financial Position

As at 31 December 2014

	Note	2014 US$'000	2013 US$'000
Current assets			
Cash and cash equivalents	10	612	179
Other current assets	11	52	147
		664	326
Non-current assets			
Interest in subsidiaries	12	2,575,107	2,587,012
Long-term investments	13	332,500	363,400
		2,907,607	2,950,412
Total Assets		2,908,271	2,950,738
Current liabilities			
Accrued operating expenses		301	530
Other payables	14	42,162	2,505
Non-trade payable to a related party	15	63	294
Loans and advances from subsidiaries, unsecured	16	30,345	30,440
Bonds payable	17	389,882	-
		462,753	33,769
Non-current liabilities			
Bonds payable	17	-	377,411
Deferred tax liability	9	973	973
		973	378,384
Total Liabilities		463,726	412,153
Equity			
Issued capital	18	320,939	320,939
Share premium		1,850,965	1,850,965
Option reserve		31,469	31,469
Retained earnings		241,172	335,212
		2,444,545	2,538,585
Total Liabilities and Equity		2,908,271	2,950,738

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

The accompanying notes form an integral part of these financial statements.

Statement of Changes in Equity

For the year ended 31 December 2014

	Issued Capital US$'000	Share Premium US$'000	Option Reserve US$'000	Retained Earnings US$'000	Total US$'000
Balance at 1 January 2014	320,939	1,850,965	31,469	335,212	2,538,585
Dividends paid (Note 20)	-	-	-	(52,795)	(52,795)
Dividends payable (Note 20)	-	-	-	(39,650)	(39,650)
Total comprehensive loss for the year	-	-	-	(1,595)	(1,595)
Balance at 31 December 2014	320,939	1,850,965	31,469	241,172	2,444,545
Balance at 1 January 2013	320,939	1,850,965	31,469	469,571	2,672,944
Dividends (Note 20)	-	-	-	(121,599)	(121,599)
Total comprehensive loss for the year	-	-	-	(12,760)	(12,760)
Balance at 31 December 2013	320,939	1,850,965	31,469	335,212	2,538,585

The accompanying notes form an integral part of these financial statements.

Statement of Cash Flows

For the year ended 31 December 2014

	Note	2014 US$'000	2013 US$'000
Cash flows from operating activities			
Loss before income tax		(1,595)	(12,760)
Adjustments for:			
Amortisation of deferred bond charges	17	1,667	1,666
Interest expense		20,841	20,289
Interest income		(13,436)	(13,061)
Gain on disposal of a subsidiary	12(b)	(11,400)	-
Operating cash flow before working capital changes		(3,923)	(3,866)
Changes in operating assets and liabilities:			
Non-trade payable to a related party		(231)	118
Accrued operating expenses		(229)	185
Other payables		7	1
Other current assets		95	(104)
Cash used in operations		(4,281)	(3,666)
Interest paid		(10,000)	(10,000)
Net cash used in operating activities		(14,281)	(13,666)
Cash flows from investing activities			
Proceeds from disposal of a subsidiary		11,400	-
Repayment of loans and advances to subsidiaries, net		25,341	173,651
Proceeds from/(Investment in) long-term investments		30,900	(39,100)
Net cash generated from investing activities		67,641	134,551
Cash flows from financing activities			
(Repayment of)/Proceeds from loans and advances from subsidiaries, net		(132)	439
Payment of dividends		(52,795)	(121,599)
Net cash used in financing activities		(52,927)	(121,160)
Net increase/(decrease) in cash and cash equivalents		433	(275)
Cash and cash equivalents at the beginning of the year		179	454
Cash and cash equivalents at the end of the year	10	612	179

The accompanying notes form an integral part of these financial statements.

Notes to the Financial Statements

31 December 2014

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

Golden Agri-Resources Ltd ("GAR" or the "Company") was incorporated in Mauritius on 15 October 1996 under Section 19 of the Companies Act 1984 as a private company limited by shares and was granted an offshore certificate under Section 16(4) of the Mauritius Offshore Business Activities ("MOBA") Act 1992 on 16 October 1996. On 9 July 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Companies Act 1984 and the MOBA Act 1992 had been repealed and replaced by the Companies Act 2001 and the Financial Services ("FS") Act 2007 respectively. With effect from 1 December 2001, "offshore companies" are referred to as "Global Business Licence Category 1 ("GBL1") companies".

The registered office of the Company is c/o Cim Corporate Services Ltd, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The principal activity of the Company is that of an investment holding company.

The financial statements were authorised for issue by the Board of Directors on 18 March 2015.

2 Amendments to International Financial Reporting Standards ("IFRSs")

(a) Adoption of Amendments to IFRSs

The Company has adopted the following amendments to IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2014. The adoption of these amendments to IFRSs has had no material financial impact on the financial performance and financial position of the Company. They did however give rise to additional disclosures.

(i) Amendment to IAS 32, Offsetting of Financial Assets and Financial Liabilities

The amendment to IAS 32 clarifies that the right of set-off must not be contingent on a future event, and must be legally enforceable both in the normal course of business and in the event of default, insolvency or bankruptcy of the entity and its counterparties. The amendment further clarifies situations where settlement on a gross basis that does not occur simultaneously (e.g. settlement through central counterparties or clearing houses) may satisfy the offsetting criteria.

(ii) Amendment to IAS 36, Recoverable Amount Disclosure for Non-Financial Assets

The amendment to IAS 36 addresses the disclosure of information about the recoverable amount of impaired assets if that amount is based on fair value less costs of disposal.

2 Amendments to International Financial Reporting Standards ("IFRSs") (cont'd)

(b) New and Amendments to IFRSs issued but not yet effective

As at the date of these financial statements, the following new and amendments to the IFRSs that are relevant to the Company's operations have been issued but are not yet effective:

- *Amendment to IAS 27, Separate Financial Statements*
- *IFRS 9, Financial Instruments*
- *IFRS 15, Revenue from Contracts with Customers*
- *Improvements to IFRSs (2012 and 2013)*
  - *IFRS 13, Fair Value Measurement*
  - *IAS 24, Related Party Disclosures*

The directors expect the adoption of the new and amendments to IFRSs above will have no material financial impact on the financial statements in the period of initial application.

3 Summary of Accounting Policies

(a) Basis of Preparation

The financial statements, which are expressed in United States dollar, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of IFRSs.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement and complexity are disclosed in Note 5 to the financial statements.

(b) Functional and Presentation Currency

The functional and presentation currency of the Company is the United States dollar as the directors are of the opinion that the United States dollar provides information about the Company which is useful and reflects the primary economic environment in which the Company operates. All financial information presented in United States dollar have been rounded to the nearest thousand, unless otherwise stated.

(c) Foreign Currencies

Transactions in a currency other than the functional currency ("foreign currency") are translated into United States dollar at the rates of exchange prevailing at the time the transactions are entered into. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into United States dollar at exchange rates prevailing at such date. Exchange differences arising from the settlement of foreign currency transactions and from translation of foreign currency denominated monetary assets and liabilities are taken to the profit or loss.

Notes to the Financial Statements
31 December 2014

3 Summary of Accounting Policies (cont'd)

(c) Foreign Currencies (cont'd)

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Currency translation differences on monetary items are recognised as part of the fair value gain or loss in profit or loss, except for differences arising from translation of available-for-sale financial assets, which are recognised in other comprehensive income.

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised in the profit or loss as follows:

(i) Interest income from time deposits and other financial assets are recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

(ii) Dividend income from investments is recognised on the date the dividends are declared payable by the investees.

(e) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of each reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred income tax is also dealt with in equity. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Tax rates enacted or substantively enacted by the end of each reporting period are used to determine deferred tax.

(f) Cash and Cash Equivalents

Cash and cash equivalents classified under current assets comprise cash at banks and time deposits with maturities of three months or less which are highly liquid assets that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value.

3 Summary of Accounting Policies (cont'd)

(g) Investment in Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity if and only if it has power over the entity and when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect those returns. The Company will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investment in subsidiaries is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in profit or loss.

(h) Financial Instruments and Equity

The Company classifies its non-derivative financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. The Company's loans and receivables comprise non-trade receivables and cash and cash equivalents.

Receivables are measured at initial recognition at fair value which is normally the face value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs, and subsequently carried at fair value with gains and losses being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired at which time the previous gain or loss that has been recognised in other comprehensive income is reclassified from equity to the profit or loss. Available-for-sale financial assets that do not have a quoted market price in an active market and whose fair value cannot be reliably measured are measured at cost less any identified impairment losses at the end of each reporting period subsequent to initial recognition. Impairment losses recognised in the profit or loss for investments in equity instruments classified as available-for-sale are not subsequently reversed through the profit or loss.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include other payables and non-trade payable, loans and advances from subsidiaries and convertible bonds payable.

Non-trade payables and other payables are stated at face value which is the fair value of the debts. Where the effect of time value of money is material, the liabilities are the present values of the expenditures expected to be required to settle the obligation.

Notes to the Financial Statements
31 December 2014

3 Summary of Accounting Policies (cont'd)

(h) Financial Instruments and Equity (cont'd)

Compound financial instruments issued by the Company comprise convertible bonds that can be converted to share capital at the option of the holder, when the number of shares to be issued is fixed. The liability component of a compound financial instrument is recognised initially at the fair value of a similar liability that does not have an equity conversion option, net of direct issue costs. The equity component is recognised initially at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured subsequent to initial recognition. Interest related to the financial liability is recognised in profit or loss. On conversion, the financial liability is reclassified to equity.

Ordinary shares are classified as equity. Share capital is determined using the par value of shares that have been issued. Share premium includes any excess received on the issuance of shares over the par value, net of any direct issue costs. The share premium amount may be applied only for the purpose specified in the Companies Act 2001.

(i) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and/or its fair value less cost to sell.

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Borrowing Costs

Interest expense and similar charges are expensed in the profit or loss in the period in which they are incurred.

3 Summary of Accounting Policies (cont'd)

(k) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved for payment.

(l) Financial Guarantees

The Company has issued corporate guarantees to creditors for borrowings of its subsidiaries and entities owned by its investees and joint ventures. These guarantees are financial guarantee contracts as they require the Company to reimburse the creditors if the borrowers fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs. Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the creditors for an amount higher than the unamortised amount. In this case, the financial guarantee contracts shall be carried at the expected amount payable to the creditors.

4 Financial Risk Management

(a) Capital Risk Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy remains unchanged since 2013.

The capital structure of the Company consists of equity attributable to owners of the Company (comprising share capital, share premium, option reserve and retained earnings) and net debts (which includes loans and advances from subsidiaries and bonds payable, net of cash and cash equivalents).

The Company is not subjected to externally imposed capital requirements.

The debts-to-equity ratio as at 31 December 2014 and 2013 are as follows:

	2014 US$'000	2013 US$'000
Loans and advances from subsidiaries	30,345	30,440
Bonds payable	389,882	377,411
Less: Cash and cash equivalents	(612)	(179)
Net debts	419,615	407,672
Equity	2,444,545	2,538,585
Debts-to-equity ratio (times)	0.17	0.16

Notes to the Financial Statements
31 December 2014

4 Financial Risk Management (cont'd)

(b) Financial Risk Management

The Company's activities exposed it to a variety of financial risks, including the effects of changes in interest rate risk, foreign currency risk, credit risk and liquidity risk arising in the normal course of the Company's business. The Company's risk management strategy seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Interest Rate Risk

The Company's exposure to interest rate risk arises from its advances to and from subsidiaries and bonds payable. Cash flow interest rate risk is the risk that the future cash flow of borrowings at variable rate will fluctuate because of changes to market interest rates. Fair value interest rate risk is the risk that the fair values of borrowings at fixed rate will fluctuate because of changes to market interest rates. The Company constantly reviews its debt portfolio and monitors the changes in interest rate environment to ensure that interest receipts and payments are within acceptable level. Information relating to the interest rates and terms of repayment of interest-bearing financial assets and liabilities are disclosed in Notes 10, 12, 16 and 17 to the financial statements.

The table below set out the interest rate profile of interest-bearing financial assets and liabilities at carrying amount:

	2014 US$'000	2013 US$'000
Financial Assets at Variable Rates		
Cash and cash equivalents	612	179
Financial Assets at Fixed Rates		
Other financial assets	511,203	499,189
Financial Liabilities at Variable Rates		
Other financial liabilities	7,607	7,600
Financial Liabilities at Fixed Rates		
Bonds payable	389,882	377,411

(ii) Foreign Currency Risk

The Company's foreign currency exposure arises mainly from the exchange rate movements of the Singapore dollar and the United States dollar which is also the Company's functional currency.

As at the end of the reporting period, substantively all the Company's net monetary assets and liabilities are denominated in United States dollar, hence the Company does not have any significant exposure to foreign currency risk.

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(iii) Credit Risk

The Company's policy is to enter into transactions with creditworthy counterparties so as to mitigate any significant credit risk. Bank balances were placed in financial institutions which are regulated and are monitored closely by the Company on an on-going basis.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position, except as follows:

	2014 US$'000	2013 US$'000
Corporate guarantees provided to financial institutions on borrowings of subsidiaries:		
- Total facilities	1,859,537	1,482,510
- Total outstanding	1,209,244	903,819
Corporate guarantees provided to financial institutions on borrowings of entities owned by investees and joint ventures:		
- Total facilities	530,608	500,000
- Total outstanding	111,467	62,000

As at the end of the reporting period, the Company does not have any significant concentration of credit risk.

(iv) Liquidity Risk

To manage liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows. The Company relies on funds from subsidiaries as a significant source of liquidity.

The table below analyses the maturity profile of the Company's borrowings and financial guarantees provided to financial institutions on subsidiaries' borrowings that shows the remaining contractual maturities:

At 31 December 2014	Less than 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
Bonds payable	407,667	-	-	407,667
Financial guarantee contracts	849,572	372,103	99,036	1,320,711
At 31 December 2013				
Bonds payable	10,000	407,667	-	417,667
Financial guarantee contracts	800,395	103,424	62,000	965,819

Notes to the Financial Statements

31 December 2014

5 Critical Accounting Estimate and Assumption

Impairment of Assets

The Company reviews the carrying amounts of the assets as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount or value in use is estimated. Determining the value in use of long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Company's financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Company believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment charges.

As at 31 December 2014, there is no significant impairment loss recognised in the financial statements.

6 Financial Income

	2014 US$'000	2013 US$'000
Interest income from loans to subsidiaries	13,436	13,061

7 Financial Expenses

	2014 US$'000	2013 US$'000
Interest expenses on:		
- convertible bonds	20,804	20,244
- loans from subsidiaries	37	45
	20,841	20,289
Amortisation of deferred bond charges	1,667	1,666
	22,508	21,955

8 Loss before Income Tax

This is arrived at after charging:

	2014 US$'000	2013 US$'000
Audit fees paid/payable to auditors	189	191
Non-audit services paid/payable to auditors	-	20
Staff costs*	642	722

* This represents short-term employment benefits paid to key management personnel who are also directors.

8 Loss before Income Tax (cont'd)

Share-based Payment

The Company introduced the GAR Group Restricted Share Plan ("RSP") which was approved by shareholders at the special meeting of the Company held on 24 October 2008. The RSP is intended to align the interests of key management and executives of the Company and its subsidiaries with the interests of shareholders. It is also expected to enhance the Company's competitiveness in motivating and retaining talented key senior management and executives. The plan contemplates the award of fully paid shares of the Company upon meeting prescribed performance target(s) and/or service condition(s). Awards granted will vest upon the satisfactory achievement of pre-determined operational and financial performance target(s).

As at 31 December 2014, no awards have been granted by the Company under the RSP.

9 Income Tax

The reconciliation of the current year tax expense and the product of accounting profit multiplied by the Mauritius statutory tax rate is as follows:

	2014 US$'000	2013 US$'000
Loss before income tax	(1,595)	(12,760)
Tax calculated at tax rate of 15% (2013: 15%)	(239)	(1,914)
Expenses not deductible for tax purposes	2,216	2,160
Income not subject to tax	(1,715)	(58)
Utilisation of previously unrecognised deferred tax assets	(262)	(188)
	-	-

The Company, being a GBL1 company for the purpose of the FS Act 2007 (see Note 1), is taxed in Mauritius at a fixed rate of 15% (2013: 15%). It is, however, entitled to a tax credit equivalent to the higher of the foreign taxes paid and 80% (2013: 80%) of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3%. Interest income from any bank under the Banking Act 2004 is exempt from tax and there is no tax on capital gains in Mauritius.

Deferred Tax Liability

	2014 US$'000	2013 US$'000
Convertible bonds - charged directly to equity	973	973

At 31 December 2014, the Company had accumulated tax losses of US$5,146,000 (2013: US$6,892,000) and is therefore not liable to income tax. The deferred tax asset arising from these unutilised tax losses has not been recognised in the financial statements in accordance with the accounting policy in Note 3(e) to the financial statements.

The amount and expiry dates of unutilised tax losses for which no deferred tax asset is recognised is as follows:

	2014 US$'000	2013 US$'000
Expiry dates:		
31 December 2015	-	1,126
31 December 2016	1,098	1,718
31 December 2017	4,048	4,048
	5,146	6,892

Notes to the Financial Statements

31 December 2014

10 Cash and Cash Equivalents

	2014 US$'000	2013 US$'000
Cash at banks are denominated in:		
United States dollar	357	116
Singapore dollar	255	63
	612	179

11 Other Current Assets

	2014 US$'000	2013 US$'000
Prepaid expenses	52	47
Deposit	-	100
	52	147
Other current assets are denominated in:		
United States dollar	48	144
Singapore dollar	4	3
	52	147

12 Interest in Subsidiaries

	2014 US$'000	2013 US$'000
Investment in unquoted equity shares, at cost	826,575	826,575
Loans and advances to subsidiaries, unsecured	1,748,532	1,760,437
	2,575,107	2,587,012

The loans to subsidiaries included US$511,203,000 (2013: US$499,189,000) which bears interest ranging from 1.0% - 3.0% (2013: 1.0% - 3.0%) per annum and are not expected to be repaid in the near future. The fair value of loans and advances is not determinable as the timing of the future cash flows arising from this amount cannot be measured reliably, hence this amount is recognised at transaction price.

The loans and advances to subsidiaries are denominated in the following currencies:

	2014 US$'000	2013 US$'000
United States dollar	1,747,820	1,759,717
Singapore dollar	665	670
Malaysian ringgit	15	17
Chinese renminbi	32	33
	1,748,532	1,760,437

12 Interest in Subsidiaries (cont'd)

Details of the direct subsidiaries held by the Company are as follows:

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of equity held by the Company		Cost of investment	
		2014	2013	2014	2013
		%	%	US$'000	US$'000
Asia Integrated Agri Resources Limited (a)(i) Bermuda	Investment holding	100	100	98,000	98,000
Asia Palm Oil Investment Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Blue Sky Golden Energy Ltd Mauritius	Investment holding	100	100	-*	-*
Easton Capital Resources Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Agri Capital Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Agri International Finance Ltd Mauritius	Treasury management	100	100	-*	-*
Golden Agri International Finance (2) Ltd (a)(ii) British Virgin Islands	Treasury management	100	100	-*	-*
Golden Agri International (Mauritius) Ltd Mauritius	Provision of management and consultancy services	100	100	-*	-*
Golden Agri International Pte Ltd (a)(i) Singapore	Trading in crude palm oil and related products	100	100	14,614	14,614
Golden Agri International Trading Ltd (a)(i) Malaysia	Trading in crude palm oil and related products	100	100	-*	-*
Golden Agri Investment (S) Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Golden Agri (Labuan) Ltd (a)(i) Malaysia	Trading in crude palm oil and related products and treasury management	100	100	-*	-*
Golden Asset Capital Investment Pte. Ltd. (formerly known as "Golden Bio Energy (S) Pte. Ltd.") (a)(i) Singapore	Investment holding	100	100	-*	-*
Golden Assets International Finance Limited (a)(i) British Virgin Islands	Treasury management	100	100	1	1

Notes to the Financial Statements

31 December 2014

12 Interest in Subsidiaries (cont'd)

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of equity held by the Company 2014	2013	Cost of investment 2014	2013
		%	%	US$'000	US$'000
Golden Assets International Investment Pte. Ltd. (a)(i) Singapore	Treasury management and business and management consultancy services	100	100	-*	-*
Golden Capital Resources (S) Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Funds & Investment Management Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Funds & Investment Services Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Logistics International Limited (a)(iii) Hong Kong	Investment holding	100	100	-*	-*
Golden Oleo Pte. Ltd. ("GOPL") (a)(i) Singapore	Investment holding	100	-	-*	-
Golden Pacific Resources Investment Limited ("GPRIL") (a)(iii), (b) Hong Kong	Investment holding	-	100	-	-*
Madascar Investment Ltd Mauritius	Investment holding	100	100	67,600	67,600
PT Purimas Sasmita (a)(i) Indonesia	Investment holding, building management services, business and management consultancy and trading	100**	100**	646,360	646,360
Sinarmas Food Pte. Ltd. *(formerly known as "Palma Agri Satu (GAR) Pte. Ltd.")* (a)(iv) Singapore	Investment holding	100	100	-*	-*
				826,575	826,575

* Cost of investment is less than US$1,000.

** 86.04% of the share capital is directly held by the Company and the remaining 13.96% of the share capital is held by Silverand Holdings Ltd.

12 Interest in Subsidiaries (cont'd)

Notes:

(a) The above subsidiaries are audited by Moore Stephens, Mauritius except for subsidiaries that are indicated below:

(i) Audited by member firms of Moore Stephens International Limited of which Moore Stephens, Mauritius is a member.
(ii) No statutory audit required by law in its country of incorporation.
(iii) Audited by other firm of accountants, TCL & Company, Certified Public Accountants (Practising).
(iv) Statutory audit is not required as the subsidiary is newly incorporated/inactive.

(b) During the financial year 2014, the Company disposed its entire interest in the share capital of GPRIL for a total consideration of US$11,400,000. The Company recognised a gain on disposal of US$11,400,000 in the income statement for this transaction.

13 Long-Term Investments

	2014 US$'000	2013 US$'000
Available-for-sale financial asset:		
- Unquoted fund, denominated in United States dollars	332,500	363,400

14 Other Payables

	2014 US$'000	2013 US$'000
Interim dividend payable (Note 20)	39,650	-
Payable to third parties	12	5
Total other payables denominated in Singapore dollar	39,662	5
Interest payable on convertible bonds, denominated in United States dollar	2,500	2,500
	42,162	2,505

15 Non-Trade Payable to a Related Party

The amount of non-trade payable to a related party is denominated in Singapore dollar, unsecured, interest-free and repayable on demand.

As at 31 December 2014 and 2013, the carrying amount of this payable approximates its fair value due to the relatively short-term maturity of this balance.

16 Loans and Advances from Subsidiaries, Unsecured

The unsecured loans and advances from subsidiaries, denominated in United States dollar, included US$7,607,000 (2013: US$7,600,000) which bears interest at rate ranging from 0.4% to 0.5% (2013: 0.4% to 1.2%) per annum and are repayable on demand. The carrying amounts of these loans approximate their fair values due to the relatively short-term maturity of these balances.

Notes to the Financial Statements

31 December 2014

17 Bonds Payable

	2014 US$'000	2013 US$'000
Fair value of convertible bonds due 2017	400,000	400,000
Liability component on initial recognition	(367,558)	(367,558)
Equity component	32,442	32,442
Liability component on initial recognition	367,558	367,558
Add: Accumulated amortisation of interest expense	23,574	12,770
Less: Deferred bond charges	(1,250)	(2,917)
	389,882	377,411
Less: Current portion	(389,882)	-
Non-current portion	-	377,411

Movements in deferred bond charges are as follows:

	2014 US$'000	2013 US$'000
Balance at the beginning of the year	2,917	4,583
Amortisation during the year	(1,667)	(1,666)
Balance at the end of the year	1,250	2,917

On 4 October 2012, the Company issued US$400 million 2.5% convertible bonds due on 4 October 2017. The convertible bonds were listed and quoted on the SGX-ST on 5 October 2012. The Company will, at the option of the bondholders, redeem all or some of the convertible bonds on 4 October 2015 at the principal amount, plus interest accrued up to the date of redemption. These convertible bonds are convertible at the option of the bondholders at any time on and after 14 November 2012 up to 27 September 2017 into fully paid ordinary shares of the Company totaling 561,106,115 new ordinary shares at an initial conversion price of S$0.8896 (using a fixed exchange rate of S$1.2479 : US$1.00) for each new share; adjusted to S$0.8819 for each new share on 14 May 2013, and further adjusted to S$0.87 for each new share on 9 May 2014, pursuant to the terms and conditions of the convertible bonds. The adjusted number of new shares to be issued, assuming the conversion of all the issued convertible bonds, based on the adjusted conversion price of S$0.87 was 573,747,126 new shares.

On 27 February 2015, notice was given to bondholders on the potential further adjustment in the conversion price of the convertible bonds pursuant to condition 6.3.3 of the terms and conditions of the convertible bonds. Subject to shareholders' approval at the forthcoming Annual Meeting of the Company on 24 April 2015 ("AM") of the proposed final dividend of S$0.00177 per share for the financial year ended 31 December 2014 ("Proposed Final Dividend"), the adjusted conversion price of the convertible bonds will be further adjusted to S$0.86 for each new share and the adjusted number of new shares to be issued, based on the further adjusted conversion price and assuming the conversion of all the issued convertible bonds, will be 580,418,605 new shares.

If shareholders' approval for the Proposed Final Dividend is obtained at the AM, the further adjusted conversion price will become effective on 8 May 2015 or when the Proposed Final Dividend is paid.

As at 31 December 2014, there was no conversion of bonds into equity shares.

18 Issued Capital

	2014 US$'000	2013 US$'000
Issued and fully paid:		
Balance at the beginning and the end of the year		
12,837,548,556 ordinary shares of US$0.025 each	320,939	320,939

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at shareholders' meetings. All shares rank equally with regards to the Company's residual assets.

19 Related Party Transactions

(a) A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate or a joint venture. An entity is also considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity.

(b) In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related party, on terms agreed between parties, are as follows:

	2014 US$'000	2013 US$'000
Advisory fee to a related party	236	239

20 Dividends

	2014 US$'000	2013 US$'000
Final dividend paid in respect of the previous year of S$0.00515 (2013: S$0.0059) per share	52,795	61,253
Interim dividend paid in respect of the current year of S$Nil (2013: S$0.00585) per share	-	60,346
	52,795	121,599

On 12 November 2014, an interim dividend (tax not applicable) of S$0.00408 per share amounting to a total of S$52,377,198.11 (equivalent to approximately US$39,650,000) was approved for payment on 15 January 2015. This has been accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ended 31 December 2014.

At the AM to be held on 24 April 2015, a final dividend (tax not applicable) of S$0.00177 per share, amounting to S$22,722,460.94 (equivalent to approximately US$17,201,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2015.

Shareholding Statistics

As at 9 March 2015

STATED CAPITAL	:	US$2,171,904,127.83
CLASS OF SHARES	:	Ordinary shares of US$0.025 each with equal voting rights

There are no treasury shares held in the capital of the Company.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	508	1.15	22,967	0.00
100 – 1,000	3,837	8.69	2,101,501	0.02
1,001 – 10,000	17,818	40.34	110,209,273	0.86
10,001 – 1,000,000	21,881	49.54	1,202,928,763	9.37
1,000,001 & ABOVE	122	0.28	11,522,286,052	89.75
Total	**44,166**	**100.00**	**12,837,548,556**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
RAFFLES NOMINEES (PTE) LTD	2,043,552,300	15.92
DBS NOMINEES PTE LTD	1,956,262,616	15.24
MASSINGHAM INTERNATIONAL LTD	1,788,937,305	13.94
UOB KAY HIAN PTE LTD	1,494,629,924	11.64
HSBC (SINGAPORE) NOMINEES PTE LTD	1,178,515,891	9.18
CITIBANK NOMINEES S'PORE PTE LTD	1,031,154,938	8.03
GOLDEN MOMENT LIMITED	475,000,000	3.70
FLAMBO INTERNATIONAL LIMITED	324,850,982	2.53
UNITED OVERSEAS BANK NOMINEES PTE LTD	324,095,632	2.52
DBSN SERVICES PTE LTD	278,196,700	2.17
DB NOMINEES (S) PTE LTD	75,148,467	0.59
BNP PARIBAS SECURITIES SERVICES SINGAPORE	53,219,913	0.41
OCBC SECURITIES PRIVATE LTD	41,427,493	0.32
DBS VICKERS SECURITIES (S) PTE LTD	40,271,766	0.31
BANK OF S'PORE NOMINEES PTE LTD	35,699,211	0.28
CIMB SECURITIES (S'PORE) PTE LTD	26,771,010	0.21
PHILLIP SECURITIES PTE LTD	22,026,740	0.17
BNP PARIBAS NOMINEES S'PORE PTE LTD	20,780,901	0.16
RHB SECURITIES SINGAPORE PTE LTD	16,654,870	0.13
MORGAN STANLEY ASIA (S'PORE) SECURITIES PTE LTD	15,626,457	0.12
Total	11,242,823,116	87.57

SUBSTANTIAL SHAREHOLDERS

	No. of Shares in which they have an Interest				
Name	Direct Interest	Percentage (%)	Deemed Interest	Percentage (%)	Total Percentage (Direct and Deemed Interest) (%)
MASSINGHAM INTERNATIONAL LTD ("MIL")	4,686,067,235	36.50	–	–	36.50
GOLDEN MOMENT LIMITED ("Golden Moment")	930,000,000	7.25	–	–	7.25
FLAMBO INTERNATIONAL LIMITED ("Flambo")[1]	796,130,662	6.20	5,616,067,235	43.75	49.95
THE WIDJAJA FAMILY MASTER TRUST(2) ("WFMT(2)")[2]	–	–	6,412,197,897	49.95	49.95
SILCHESTER INTERNATIONAL INVESTORS LLP ("SII")[3]	–	–	1,159,406,700	9.03	9.03

Notes:

1 The deemed interest of Flambo arises from its interest in 4,686,067,235 Shares and 930,000,000 Shares held by its wholly-owned subsidiaries, MIL and Golden Moment respectively in the Company.

2 The deemed interest of WFMT(2) arises from its interest in 4,686,067,235 Shares held by MIL, 930,000,000 Shares held by Golden Moment and 796,130,662 Shares held by Flambo in the Company.

3 The deemed interest of SII, based on the last notification to the Company on 27 February 2015, arises from its acting as the fully discretionary investment manager for a number of commingled funds.

Based on the information available to the Company as at 9 March 2015, approximately 40.99% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Notice of Annual Meeting

NOTICE IS HEREBY GIVEN that an Annual Meeting of Golden Agri-Resources Ltd (the **"Company"**) will be held on **Friday, 24 April 2015 at 11.00 a.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2014 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To declare a final dividend of S$0.00177 per ordinary share for the year ended 31 December 2014. **(Resolution 2)**

3. To approve Directors' Fees of S$333,926 for the year ended 31 December 2014. (FY2014: S$317,807) **(Resolution 3)**

4. To re-elect the following Directors retiring by rotation pursuant to Article 90 of the Constitution of the Company:
   a) Mr Muktar Widjaja *{please see note 1}* **(Resolution 4)**
   b) Mr Simon Lim *{please see note 2}* **(Resolution 5)**
   c) Mr Kaneyalall Hawabhay *{please see note 3}* **(Resolution 6)**

5. To re-appoint Mr Hong Pian Tee retiring pursuant to Section 138 (6) of The Companies Act 2001 of Mauritius. *{please see note 4}* **(Resolution 7)**

6. To re-appoint Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 8)**

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

Renewal of Share Issue Mandate

7A. "That pursuant to The Companies Act 2001 of Mauritius and the Listing Rules of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to allot and issue (including the allotment and issue of shares and convertible securities pursuant to offers, agreements or options made or granted by the Company while this authority remains in force) or otherwise dispose of shares in the Company (including making and granting offers, agreements and options which would or which might require shares and convertible securities to be allotted, issued or otherwise disposed of) at any time, whether during the continuance of such authority or thereafter, to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit without first offering such shares and convertible securities to the members of the Company provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the issued share capital of the Company (excluding treasury shares) at the date of this Resolution, and provided further that where members of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the shares and convertible securities to be issued under such circumstances shall not exceed twenty percent (20%) of the issued share capital of the Company (excluding treasury shares) at the date of this Resolution." *{please see note 5}* **(Resolution 9)**

Notice of Annual Meeting

Renewal of Share Purchase Mandate

7B. "(a) That for the purposes of The Companies Act 2001 of Mauritius, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (**"Shares"**) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a **"Market Purchase"**) on the Singapore Exchange Securities Trading Limited (**"SGX-ST"**); and/or

(ii) off-market purchases (each an **"Off-Market Purchase"**) effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act, Chapter 50 of Singapore,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Purchase Mandate"**);

(b) That unless varied or revoked by the Company in members meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual Meeting of the Company is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares, pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority in the Share Purchase Mandate is varied or revoked;

(c) That in this Resolution:

"Prescribed Limit" means ten percent (10%) of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price

(ii) in the case of an Off-Market Purchase: 120% of the Highest Last Dealt Price

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." *{please see note 6}* **(Resolution 10)**

Renewal of Interested Person Transactions Mandate

7C. "(a) That pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company, its subsidiaries and associated companies that are not listed on the Singapore Exchange Securities Trading Limited or an approved exchange, provided that the Company and its subsidiaries (the **"Group"**), or the Group and its interested person(s), has control over the associated companies, or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in Appendix 2 to this Notice of Annual Meeting *{please see note 7}*, with any party who is of the class of Interested Persons described in the said Appendix 2, provided that such transactions are carried out in the ordinary course of business and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the said Appendix 2 (the **"IPT Mandate"**);

(b) That the IPT Mandate shall, unless revoked or varied by the Company in members meeting, continue in force until the next Annual Meeting of the Company; and

(c) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." *{please see note 7A}* **(Resolution 11)**

By Order of the Board

Rafael Buhay Concepcion, Jr.
Director
2 April 2015
Singapore

Notes:

A member entitled to attend and vote at the Annual Meeting is entitled to appoint no more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the mailing address of the Company at 108 Pasir Panjang Road #06-00, Golden Agri Plaza, Singapore 118535 not later than 48 hours before the Annual Meeting.

Notice of Annual Meeting

Additional information relating to the Notice of Annual Meeting:

1. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2014 for further information on Mr Muktar Widjaja.

2. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2014 for further information on Mr Simon Lim.

3. Mr Kaneyalall Hawabhay if re-elected, will continue to serve as a member of the Audit Committee. Mr Hawabhay is considered to be independent. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2014 for further information on Mr Hawabhay.

4. Mr Hong Pian Tee if re-appointed, will continue to serve as Chairman of the Audit Committee. Mr Hong is considered to be independent. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2014 for further information on Mr Hong.

5. The Ordinary Resolution 9 proposed in item 7A above, if passed, is to empower the Directors to issue shares and convertible securities in the capital of the Company not exceeding fifty percent (50%) of the issued capital of the Company (excluding treasury shares) at the time this Resolution is passed. For issue of shares and convertible securities other than on a pro-rata basis to shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty percent (20%) of the issued capital of the Company (excluding treasury shares).

   The percentage of issued capital is based on the Company's issued capital (excluding treasury shares) after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or any employee share options on issue or vesting of share awards outstanding or subsisting at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

6. The Ordinary Resolution 10 proposed in item 7B above, if passed, is to renew for another year, up to the next Annual Meeting of the Company, the mandate for share purchase as described in Appendix 1 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next Annual Meeting.

7. The mandate for transactions with Interested Persons as described in Appendix 2 to this Notice of Annual Meeting includes the placement of deposits by the Company with financial institutions in which Interested Persons have an interest.

7A. The Ordinary Resolution 11 proposed in item 7C above, if passed, is to renew for another year, up to the next Annual Meeting of the Company, the mandate for transactions with Interested Persons as described in Appendix 2 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next Annual Meeting.

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in the Republic of Mauritius)

IMPORTANT

1. For investors who have used their CPF monies to buy shares of Golden Agri-Resources Ltd, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
ANNUAL MEETING

I/We, _____ (Name)

_____ (NRIC/Passport/Company Registration Number)

of _____ (Address)

being a member/members of Golden Agri-Resources Ltd (the **"Company**") hereby appoint:

Name	Address	NRIC / Passport / Company Registration Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate):

or failing him/her, the Chairman of the Annual Meeting of the Company (the "**AM**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the AM to be held on **Friday, 24 April 2015 at 11.00 a.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution as set out in the Notice of AM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AM.

Note: The Chairman of the AM will be exercising his right under Article 60(a) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the AM and at any adjournment thereof. Accordingly, each resolution at the AM will be voted on by way of poll.

No.	Resolutions	*No. of votes "For"	*No. of votes "Against"
	ORDINARY BUSINESS		
1	Adoption of Reports and Audited Financial Statements		
2	Declaration of Final Dividend		
3	Approval of Directors' Fees for the year ended 31 December 2014		
4	Re-election of Mr Muktar Widjaja		
5	Re-election of Mr Simon Lim		
6	Re-election of Mr Kaneyalall Hawabhay		
7	Re-appointment of Mr Hong Pian Tee		
8	Re-appointment of Auditors		
	SPECIAL BUSINESS		
9	Renewal of Share Issue Mandate		
10	Renewal of Share Purchase Mandate		
11	Renewal of Interested Person Transactions Mandate		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate "X" within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of votes as appropriate in the boxes provided.

Dated this _____ day of _____ 2015.

Total Number of Shares Held

_____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Fold along this line. Glue and seal firmly.

Fold along this line. Glue and seal firmly.

Fold along this line. Glue and seal firmly.

ANNUAL MEETING
PROXY FORM

Affix
Stamp
Here

The Company Secretary
GOLDEN AGRI-RESOURCES LTD
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

Fold along this line

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in the Constitution of the Company), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's mailing address at 108 Pasir Panjang Road #06-00, Golden Agri Plaza, Singapore 118535 not less than 48 hours before the time set for the AM.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

Fold along this line

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AM.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the AM, as certified by The Central Depository (Pte) Limited to the Company.

Golden Agri-Resources Ltd

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