

GOLDEN AGRI-RESOURCES LTD

Half Year Financial Statement And Dividend Announcement

PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS
1(a) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year
**UNAUDITED CONSOLIDATED INCOME STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2014**

	1st Half 2014 US\$'000	1st Half 2013 US\$'000	Change %	2nd Qtr 2014 US\$'000	2nd Qtr 2013 US\$'000	Change %
Revenue	3,953,006	3,112,381	27.0	2,038,824	1,682,263	21.2
Cost of sales	<u>(3,223,291)</u>	<u>(2,451,568)</u>	31.5	<u>(1,698,657)</u>	<u>(1,378,626)</u>	23.2
Gross profit	<u>729,715</u>	<u>660,813</u>	10.4	<u>340,167</u>	<u>303,637</u>	12.0
Operating expenses						
Selling expenses	(359,101)	(269,670)	33.2	(189,523)	(141,360)	34.1
General and administrative expenses	<u>(134,376)</u>	<u>(116,405)</u>	15.4	<u>(70,922)</u>	<u>(60,135)</u>	17.9
Total operating expenses	<u>(493,477)</u>	<u>(386,075)</u>	27.8	<u>(260,445)</u>	<u>(201,495)</u>	29.3
Operating profit	<u>236,238</u>	<u>274,738</u>	(14.0)	<u>79,722</u>	<u>102,142</u>	(21.9)
Other income/(expenses)						
Financial income	11,132	7,153	55.6	6,130	3,840	59.6
Financial expenses	(59,578)	(48,291)	23.4	(30,844)	(24,559)	25.6
Share of results of associated companies, net of tax	(27)	(11)	145.5	(43)	(10)	330.0
Share of results of joint ventures, net of tax	(475)	(688)	(31.0)	107	(557)	n.m.
Foreign exchange loss, net	(18,517)	(8,834)	109.6	(21,700)	(13,969)	55.3
Other operating income, net	<u>13,080</u>	<u>6,488</u>	101.6	<u>8,916</u>	<u>2,356</u>	278.4
	<u>(54,385)</u>	<u>(44,183)</u>	23.1	<u>(37,434)</u>	<u>(32,899)</u>	13.8
Profit before tax	181,853	230,555	(21.1)	42,288	69,243	(38.9)
Tax	<u>(48,504)</u>	<u>(70,661)</u>	(31.4)	<u>(13,035)</u>	<u>(23,318)</u>	(44.1)
Profit for the period	<u>133,349</u>	<u>159,894</u>	(16.6)	<u>29,253</u>	<u>45,925</u>	(36.3)
Attributable to:						
Owners of the Company	131,120	158,092	(17.1)	27,254	45,254	(39.8)
Non-controlling interests	<u>2,229</u>	<u>1,802</u>	23.7	<u>1,999</u>	<u>671</u>	197.9
	<u>133,349</u>	<u>159,894</u>	(16.6)	<u>29,253</u>	<u>45,925</u>	(36.3)

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2014**

	1st Half 2014 <u>US\$'000</u>	1st Half 2013 <u>US\$'000</u>	2nd Qtr 2014 <u>US\$'000</u>	2nd Qtr 2013 <u>US\$'000</u>
Profit for the period	133,349	159,894	29,253	45,925
Other comprehensive (loss)/income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation differences on consolidation	(3,586)	692	(30)	1,054
Total comprehensive income for the period, net of tax	<u>129,763</u>	<u>160,586</u>	<u>29,223</u>	<u>46,979</u>
Total comprehensive income attributable to:				
Owners of the Company	127,764	158,648	27,185	46,195
Non-controlling interests	<u>1,999</u>	<u>1,938</u>	<u>2,038</u>	<u>784</u>
	<u>129,763</u>	<u>160,586</u>	<u>29,223</u>	<u>46,979</u>

ADDITIONAL INFORMATION

(A) Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange loss, and share of results of associated companies and joint ventures, net of tax ("EBITDA")

	1st Half 2014 <u>US\$'000</u>	1st Half 2013 <u>US\$'000</u>	Change %	2nd Qtr 2014 <u>US\$'000</u>	2nd Qtr 2013 <u>US\$'000</u>	Change %
Earnings before tax, non- controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange loss, and share of results of associated companies and joint ventures ("EBITDA")	331,030	350,873	(5.7)	130,718	140,177	(6.7)
Interest on borrowings	(57,746)	(46,815)	23.3	(30,075)	(23,559)	27.7
Depreciation and amortisation	(72,412)	(63,970)	13.2	(36,719)	(32,839)	11.8
Foreign exchange loss, net	(18,517)	(8,834)	109.6	(21,700)	(13,969)	55.3
Share of results of associated companies, net of tax	(27)	(11)	145.5	(43)	(10)	330.0
Share of results of joint ventures, net of tax	<u>(475)</u>	<u>(688)</u>	(31.0)	<u>107</u>	<u>(557)</u>	n.m.
Profit before tax	<u>181,853</u>	<u>230,555</u>	(21.1)	<u>42,288</u>	<u>69,243</u>	(38.9)

Note: n.m. – not meaningful.

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at		As at	
	30/6/2014 <u>US\$'000</u>	31/12/2013 <u>US\$'000</u>	30/6/2014 <u>US\$'000</u>	31/12/2013 <u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	349,358	327,486	219	179
Short-term investments	233,287	259,266	-	-
Trade receivables	608,745	474,303	-	-
Other current assets (note (a))	749,477	705,502	124	147
Inventories	828,478	771,969	-	-
	2,769,345	2,538,526	343	326
Non-Current Assets				
Long-term receivables and assets (note (b))	388,196	447,673	-	-
Long-term investments	822,808	675,256	363,400	363,400
Subsidiary companies	-	-	2,545,186	2,587,012
Associated companies	7,646	7,673	-	-
Joint ventures	9,745	8,220	-	-
Investment properties	1,272	1,351	-	-
Property, plant and equipment	2,468,698	2,350,951	-	-
Biological assets	8,000,636	7,988,140	-	-
Deferred tax assets	18,658	2,784	-	-
Deferred charges	10,507	11,412	-	-
Brands and trademarks	540	320	-	-
Goodwill	130,922	115,898	-	-
	11,859,628	11,609,678	2,908,586	2,950,412
Total Assets	14,628,973	14,148,204	2,908,929	2,950,738

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at		As at	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	US\$'000	US\$'000	US\$'000	US\$'000
Liabilities and Equity				
Current Liabilities				
Short-term loans	1,248,469	1,059,654	-	-
Trade payables	679,228	556,141	-	-
Other payables (note(c))	232,864	229,419	33,753	33,769
Taxes payable	45,622	38,881	-	-
Obligations under finance leases	54	15	-	-
	2,206,237	1,884,110	33,753	33,769
Non-Current Liabilities				
Obligations under finance leases	35	27	-	-
Bonds and notes payables	1,315,677	1,187,766	383,574	377,411
Long-term borrowings	290,234	333,334	-	-
Deferred tax liabilities	1,879,419	1,884,050	973	973
Long-term payables	56,442	55,544	-	-
	3,541,807	3,460,721	384,547	378,384
Total Liabilities	5,748,044	5,344,831	418,300	412,153
Equity Attributable to Owners of the Company				
Issued capital	320,939	320,939	320,939	320,939
Share premium	1,216,095	1,216,095	1,850,965	1,850,965
Other paid-in capital	184,318	184,318	-	-
Other reserve	3,329	3,329	-	-
Option reserve	31,469	31,469	31,469	31,469
Currency translation reserve	16,327	19,683	-	-
PRC statutory reserve	2,116	2,116	-	-
Retained earnings	7,020,931	6,942,606	287,256	335,212
	8,795,524	8,720,555	2,490,629	2,538,585
Non-Controlling Interests	85,405	82,818	-	-
Total Equity	8,880,929	8,803,373	2,490,629	2,538,585
Total Liabilities and Equity	14,628,973	14,148,204	2,908,929	2,950,738

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	Group		Company	
	As at		As at	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	70,489	25,034	24	47
Prepaid taxes, net	130,381	109,944	-	-
Deposits and advances to suppliers	468,747	496,056	100	100
Others	65,161	46,851	-	-
	<u>734,778</u>	<u>677,885</u>	<u>124</u>	<u>147</u>
Related parties	14,699	27,617	-	-
	<u>749,477</u>	<u>705,502</u>	<u>124</u>	<u>147</u>

(b) Long-Term Receivables and Assets

	Group		Company	
	As at		As at	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Loan to joint ventures	18,169	16,110	-	-
Tax recoverable	208,443	260,637	-	-
Advances for project plasma plantations	20,306	17,019	-	-
Advances for projects	107,978	126,742	-	-
Land clearing	5,813	1,006	-	-
Advances for investments in land	4,461	4,533	-	-
Others	23,026	21,626	-	-
	<u>388,196</u>	<u>447,673</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	Group		Company	
	As at		As at	
	30/6/2014	31/12/2013	30/6/2014	31/12/2013
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances from customers	33,465	48,461	-	-
Accrued expenses	59,874	55,327	142	530
Payable to third parties	113,175	99,143	2,500	2,500
Others	19,441	20,198	5	5
	<u>225,955</u>	<u>223,129</u>	<u>2,647</u>	<u>3,035</u>
Related parties	6,909	6,290	31,106	30,734
	<u>232,864</u>	<u>229,419</u>	<u>33,753</u>	<u>33,769</u>

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

	As at 30/6/2014			As at 31/12/2013		
	US\$'000			US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	939,300	309,223	1,248,523	900,809	158,860	1,059,669
Amount repayable after one year	266,269	1,339,677	1,605,946	303,361	1,217,766	1,521,127
Total	1,205,569	1,648,900	2,854,469	1,204,170	1,376,626	2,580,796

Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, short-term investments, inventories, trade receivables, biological assets and property, plant and equipment.

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2014

	1st Half 2014	1st Half 2013	2nd Qtr 2014	2nd Qtr 2013
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before tax	181,853	230,555	42,288	69,243
Adjustments for:				
Depreciation	71,365	62,974	36,220	32,311
Amortisation	1,047	996	499	528
Unrealised foreign exchange (gain)/loss, net	(3,196)	(6,352)	4,818	(5,378)
Share of results of associated companies, net of tax	27	11	43	10
Share of results of joint ventures, net of tax	475	688	(107)	557
Loss/(Gain) on disposal of property, plant and equipment	54	(146)	171	(107)
Property, plant and equipment written off	395	1,237	159	638
Allowance for/(Write-back of) impairment loss on:				
Inventories, net	929	(7,404)	1,683	(8,063)
Trade receivables, net	91	144	91	154
Other receivables, net	(2)	-	(2)	-
Changes in fair value of financial assets at fair value through profit or loss	(2,141)	9,772	(1,602)	8,520
Interest income	(11,132)	(7,153)	(6,130)	(3,840)
Interest expense	57,746	46,815	30,075	23,559
Operating cash flow before working capital changes	297,511	332,137	108,206	118,132
Changes in operating assets and liabilities:				
Trade receivables	(124,701)	(74,270)	(91,148)	(87,487)
Other current assets	(36,532)	(64,798)	(14,898)	(53,263)
Inventories	(52,963)	219,065	(148,947)	92,324
Trade payables	115,200	(24,484)	157,288	39,273
Other payables	2,555	18,666	3,992	15,941
Cash generated from operations	201,070	406,316	14,493	124,920
Interest received	4,336	6,161	3,509	3,378
Interest paid	(45,222)	(34,557)	(28,853)	(25,026)
Tax paid	(5,489)	(116,543)	(8,915)	(66,014)
Net cash generated from/(used in) operating activities	154,695	261,377	(19,766)	37,258

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2014 (cont'd)**

	1st Half 2014 <u>US\$'000</u>	1st Half 2013 <u>US\$'000</u>	2nd Qtr 2014 <u>US\$'000</u>	2nd Qtr 2013 <u>US\$'000</u>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	5,396	738	5,087	468
Proceeds from sale of biological assets	1,070	642	705	239
Capital expenditure on property, plant and equipment	(188,631)	(228,360)	(109,639)	(131,514)
Capital expenditure on biological assets	(13,426)	(14,289)	(7,615)	(8,090)
Proceeds from short-term investments, net	26,351	20,236	91,774	44,836
Investments in long-term investments, net	(140,842)	(166,826)	(99,903)	(73,735)
Additional investments in joint ventures	(2,000)	(1,503)	(1,000)	(1,003)
(Investments in)/Proceeds from Plasma/KKPA Program plantations, net	(2,974)	(2,745)	11	10,092
Acquisition of subsidiaries, net of cash acquired	(16,817)	-	(16,817)	-
Payments for deferred expenditure	(462)	(402)	(452)	(247)
Net decrease/(increase) in long-term receivables and assets	5,965	(47,437)	163	(17,702)
Net cash used in investing activities	<u>(326,370)</u>	<u>(439,946)</u>	<u>(137,686)</u>	<u>(176,656)</u>
Cash flows from financing activities				
Proceeds from short-term loans	1,576,255	779,100	926,179	582,100
Proceeds from long-term borrowings	-	105,000	-	105,000
Proceeds from notes issue	119,427	80,646	119,427	-
Payment of dividends	(52,795)	(61,340)	(52,795)	(61,340)
Payments of short-term loans	(1,247,560)	(703,109)	(670,700)	(432,499)
Payments of long-term borrowings	(201,117)	(64,788)	(128,023)	(31,912)
Payments of obligations under finance leases	(28)	(14)	(24)	(7)
Capital subscribed by non-controlling shareholders	44	-	44	-
Payments of deferred loan charges and bank loan administration costs	(679)	(2,197)	(424)	(1,847)
Increase in cash in banks and time deposits pledged	(5,008)	(63,173)	(10,039)	(44,201)
Net cash generated from financing activities	<u>188,539</u>	<u>70,125</u>	<u>183,645</u>	<u>115,294</u>
Net increase/(decrease) in cash and cash equivalents	16,864	(108,444)	26,193	(24,104)
Cash and cash equivalents at the beginning of the period	<u>321,854</u>	<u>543,582</u>	<u>312,525</u>	<u>459,242</u>
Cash and cash equivalents at the end of the period (See Note below)	<u>338,718</u>	<u>435,138</u>	<u>338,718</u>	<u>435,138</u>

Note:

Cash and cash equivalents included in consolidated statement of cash flows consist of the following:

	30/6/2014 <u>US\$'000</u>	30/6/2013 <u>US\$'000</u>
Time deposits, cash and bank balances	349,358	514,267
Less: Cash in banks and time deposits pledged	(10,640)	(79,129)
	<u>338,718</u>	<u>435,138</u>

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

The Group	← Attributable to Owners of the Company →										
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Option Reserve	Currency Translation 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
Balance as at 1 Jan 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 period	-	-	-	-	-	-	-	103,866	103,866	230	104,096
Other comprehensive loss	-	-	-	-	-	(3,287)	-	-	(3,287)	(269)	(3,556)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(3,287)	-	103,866	100,579	(39)	100,540
Balance as at 31 Mar 2014	320,939	1,216,095	184,318	3,329	31,469	16,396	2,116	7,046,472	8,821,134	82,779	8,903,913
Profit for the period	-	-	-	-	-	-	-	27,254	27,254	1,999	29,253
Other comprehensive (loss)/income	-	-	-	-	-	(69)	-	-	(69)	39	(30)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(69)	-	27,254	27,185	2,038	29,223
Dividends paid for 2013	-	-	-	-	-	-	-	(52,795)	(52,795)	-	(52,795)
Acquisition of subsidiaries	-	-	-	-	-	-	-	-	-	544	544
Capital subscription by non-controlling shareholders	-	-	-	-	-	-	-	-	-	44	44
Balance as at 30 Jun 2014	320,939	1,216,095	184,318	3,329	31,469	16,327	2,116	7,020,931	8,795,524	85,405	8,880,929

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

The Group	← Attributable to Owners of the Company →										
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Option Reserve	Currency Translation 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
Balance as at 1 Jan 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 period	-	-	-	-	-	-	-	112,838	112,838	1,131	113,969
Other comprehensive (loss)/income	-	-	-	-	-	(385)	-	-	(385)	23	(362)
Total comprehensive (loss)/income for the period	-	-	-	-	-	(385)	-	112,838	112,453	1,154	113,607
Balance as at 31 Mar 2013	320,939	1,216,095	184,318	(48)	31,469	18,436	2,116	6,865,757	8,639,082	92,729	8,731,811
Profit for the period	-	-	-	-	-	-	-	45,254	45,254	671	45,925
Other comprehensive income	-	-	-	-	-	941	-	-	941	113	1,054
Total comprehensive income for the period	-	-	-	-	-	941	-	45,254	46,195	784	46,979
Dividends paid for 2012	-	-	-	-	-	-	-	(61,253)	(61,253)	-	(61,253)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	-	-	(87)	(87)
Balance as at 30 Jun 2013	320,939	1,216,095	184,318	(48)	31,469	19,377	2,116	6,849,758	8,624,024	93,426	8,717,450

The Company	Issued Capital	Share Premium	Option Reserve	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2014	320,939	1,850,965	31,469	335,212	2,538,585
Loss for the period, representing total comprehensive loss for the period	-	-	-	(2,876)	(2,876)
Balance as at 31 Mar 2014	320,939	1,850,965	31,469	332,336	2,535,709
Dividends paid for 2013	-	-	-	(52,795)	(52,795)
Profit for the period, representing total comprehensive income for the period	-	-	-	7,715	7,715
Balance as at 30 Jun 2014	<u>320,939</u>	<u>1,850,965</u>	<u>31,469</u>	<u>287,256</u>	<u>2,490,629</u>
Balance as at 1 Jan 2013	320,939	1,850,965	31,469	469,571	2,672,944
Loss for the period, representing total comprehensive loss for the period	-	-	-	(6,003)	(6,003)
Balance as at 31 Mar 2013	320,939	1,850,965	31,469	463,568	2,666,941
Dividends paid for 2012	-	-	-	(61,253)	(61,253)
Profit for the period, representing total comprehensive income for the period	-	-	-	220	220
Balance as at 30 Jun 2013	<u>320,939</u>	<u>1,850,965</u>	<u>31,469</u>	<u>402,535</u>	<u>2,605,908</u>

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

The Company did not have treasury shares as at 30 June 2014 and 2013. There have been no changes to the number of issued ordinary shares of the Company since 31 December 2013.

	As at	
	30 Jun 2014	30 Jun 2013
Number of issued shares	12,837,548,556	12,837,548,556
Number of new shares that may be issued on the conversion of outstanding convertible bonds based on conversion price of S\$0.87 (30 June 2013: S\$0.8819) per share	573,747,126	566,005,216

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

The total number of issued shares excluding treasury shares as at 30 June 2014 and 31 December 2013 was 12,837,548,556 ordinary shares of US\$0.025.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

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

These figures have not been audited, or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied

Since 2009, the Group has adopted the practice of determining the fair value of the Group's biological assets on an annual basis, by reference to independent professional valuation based on the present value of expected net cash inflows from the plantations. Accordingly, no changes in fair value of biological assets are recognised on quarterly basis.

Except for the above, the Group has adopted accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2013.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Same as disclosed in Note 4 above.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group			
	1st Half 2014	1st Half 2013	2nd Qtr 2014	2nd Qtr 2013
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	USD1.02cents	USD1.23cents	USD0.21cents	USD0.35cents
- Weighted average numbers of shares	12,837,548,556	12,837,548,556	12,837,548,556	12,837,548,556
(ii) On a fully diluted basis	Not applicable	Not applicable	Not applicable	Not applicable
- Weighted average numbers of shares	Not applicable	Not applicable	Not applicable	Not applicable

The outstanding convertible bonds have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current period.

7. Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year

	The Group		The Company	
	As at 30 Jun 2014	As at 31 Dec 2013	As at 30 Jun 2014	As at 31 Dec 2013
Net asset value per ordinary share based on existing issued share capital of 12,837,548,556 shares	US\$0.69	US\$0.68	US\$0.19	US\$0.20

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

	1st Half 2014	1st Half 2013	Change
	<u>US\$'000</u>	<u>US\$'000</u>	<u>%</u>
Revenue by segment			
Plantation and palm oil mills	1,018,652	801,830	27.0
Palm and laurics	3,379,691	2,397,959	40.9
Oilseeds	424,554	579,997	(26.8)
Others	95,424	99,350	(4.0)
Inter-segment eliminations	(965,315)	(766,755)	25.9
Total Revenue	<u>3,953,006</u>	<u>3,112,381</u>	27.0
EBITDA by segment			
Plantation and palm oil mills	331,443	232,926	42.3
Palm and laurics	40,035	104,317	(61.6)
Oilseeds	(43,374)	6,886	n.m.
Others	2,096	4,795	(56.3)
Inter-segment eliminations	830	1,949	(57.4)
Total EBITDA	<u>331,030</u>	<u>350,873</u>	(5.7)

Notes:

- (1) EBITDA refers to earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange loss, and share of results of associated companies and joint ventures, net of tax.
- (2) n.m. - not meaningful.
- (3) Plantation and palm oil mills segment refers to products from upstream business.
- (4) Palm and laurics segment refers to processing and merchandising of palm based products, i.e. bulk and branded as well as oleochemicals.
- (5) Oilseeds segment refers to processing and merchandising of oilseed based products, i.e. bulk and branded.
- (6) Others refer to production and distribution of food & consumer products in China and Indonesia.

REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2014

The Group recorded a revenue of US\$3,953.0 million for the half year ended 30 June 2014 ("1H2014"), a 27.0% increase as compared to the corresponding period last year ("1H2013"), with a 5.7% decline in EBITDA to US\$331.0 million mainly affected by the compressed margins in palm and laurics segment and challenging industry environment in the oilseeds segment.

REVENUE

Higher revenue in the current period was mainly due to higher production and sales volume, as well as improved international crude palm oil ("CPO") prices. The average international CPO (FOB Belawan) price increased from US\$795 per tonne to US\$853 per tonne in 1H2014.

Plantation and palm oil mills – Revenue from plantation and palm oil mills segment increased by 27.0% to US\$1,018.7 million primarily attributable to improved productions yield, as well as higher CPO prices in line with the higher market prices during the current period. Our fresh fruit bunch ("FFB") production improved by 15.0% from 4,116,000 tonnes to 4,734,000 tonnes mainly due to trees recovery.

Palm and laurics – Revenue from palm and laurics segment grew by 40.9% to US\$3,379.7 million in 1H2014 due to higher sales volume achieved as a result of our expanded downstream activities.

Oilseeds – Revenue from oilseeds segment decreased by 26.8% to US\$424.6 million in 1H2014. The decline was mainly due to lower average selling prices and sales volume in view of the challenging industry environment in China.

GROSS PROFIT

The Group's gross profit increased by 10.4% to US\$729.7 million in 1H2014 mainly attributable to the improved production and higher average selling prices from our plantation and palm oil mills segment.

Despite the higher sales volume achieved, gross profit margin was lower at 18.5% in 1H2014 mainly affected by the challenging industry environment in China and the lower refining margin due to higher costs in external sourcing of CPO.

OPERATING EXPENSES

- ***Selling expenses***

Selling expenses comprised mainly export tax, transportation and freight, advertising and promotion, and salaries. The increase in selling expenses to US\$359.1 million was mainly due to increases in freight costs and export tax incurred in line with higher CPO prices and sales volume for the current period.

- ***General and administrative expenses***

General and administrative expenses comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. Increase in general and administrative expenses to US\$134.4 million was mainly due to higher salaries and related expenses.

EBITDA

Despite higher sales volume, EBITDA of the Group was lower at US\$331.0 million impacted by lower contribution from our downstream businesses.

Plantation and palm oil mills – EBITDA from plantation and palm oil mills segment increased by 42.3% to US\$331.4 million mainly attributable to increased productions and higher average selling prices during the current period.

Palm and laurics – EBITDA from palm and laurics segment was lower at US\$40.0 million mainly attributable to lower refining margin in view of the higher costs in external sourcing of CPO.

Oilseeds – Oilseeds segment continues to experience challenging operating environment in China during the current period. The challenging industry environment resulted in a negative EBITDA of US\$43.4 million in 1H2014 as compared to a positive EBITDA of US\$6.9 million in 1H2013.

FINANCIAL EXPENSES, NET

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. Net financial expenses increased by 17.8% to US\$48.4 million in 1H2014 in line with higher average borrowings.

FOREIGN EXCHANGE LOSS, NET

Net foreign exchange loss was US\$18.5 million in 1H2014 as compared to US\$8.8 million in 1H2013. Higher foreign exchange loss was mainly attributable to translation loss on USD denominated payables in our subsidiaries in China following the strengthening of USD against Chinese Renminbi ("RMB") in 1H2014. A similar translation resulted in a foreign exchange gain in 1H2013 as USD weakened against RMB.

OTHER OPERATING INCOME, NET

Net other operating income of US\$13.1 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 period was mainly due to net gain from changes in fair value of financial assets in line with higher market prices.

TAX

Income tax comprised provision for current and deferred income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

Tax expense decreased by 31.4% to US\$48.5 million in 1H2014 in line with lower profits recorded.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2014

ASSETS

Total assets of the Group increased by US\$480.8 million to US\$14,629 million as at 30 June 2014. The increase was mainly contributed by increases in trade receivables, inventories, property, plant and equipment and long-term investments.

Trade receivables increased by US\$134.4 million to US\$608.7 million in line with higher revenue from our downstream businesses.

Inventories increased by US\$56.5 million to US\$828.5 million due to higher inventory level in our downstream businesses.

Property, plant and equipment increased by US\$117.7 million primarily due to construction of plantation facilities, refinery and oleochemical facilities in Indonesia.

The increase in long-term investments of US\$147.6 million was due to additional investments in plantation development and infrastructures.

LIABILITIES

The increase in total liabilities of US\$403.2 million was mainly due to additional borrowings and medium-term notes issued for working capital and general corporate purposes, coupled with higher trade payables.

REVIEW OF CONSOLIDATED CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2014

During the current period, the Group generated US\$154.7 million from its operating activities and US\$188.5 million from its financing activities. These funds were mainly used to finance the capital expenditures incurred and additional long-term investments.

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

Not applicable.

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

The short-term outlook for the palm oil industry is expected to be volatile but remain positive in the longer term given its strong fundamentals, supported by robust primary demand growth for both food and non-food usage which include biodiesel and oleochemicals, while supply growth is expected to slow down.

Nonetheless, the Group's operating performance will be affected by the sustainability of the global economic recovery, climatic conditions, as well as developments in Indonesia and China. Meanwhile, we will continue to increase our production of sustainable palm oil and enhance our integrated operations by broadening our product portfolio with higher value-added products, as well as extending our distribution and logistics capabilities to reach out to more destination markets.

The operating environment in oilseed business remains challenging.

11. Dividend

(a) Current Financial Period Reported On

Any ordinary dividend declared for the current financial period reported on? No.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any ordinary dividend declared for the corresponding period of the immediately preceding financial year? No.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the quarter ended 30 June 2014.

13. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	2Q2014	2Q2014
	US\$	US\$
Eka Tjipta Widjaja	239,400	Nil
Ningbo Asia Pulp & Paper Co., Ltd	Nil	103,345
PT Asuransi Sinar Mas	Nil	2,087,575
PT Bank Sinarmas	Nil	6,172,983 *
PT Cakrawala Mega Indah	Nil	2,198,925
PT Rolimex Kimia Nusamas	Nil	11,933,532
PT Royal Oriental	Nil	9,013,833
PT Sinar Jati Mitra	Nil	309,916
Sinarmas Land Limited	4,400,000	Nil
Total	4,639,400	31,820,109

Note:

* Principal amount as at 30 June 2014 is approximately US\$6.5 million.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

Not applicable.

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

Not applicable.

16. A breakdown of sales

Not applicable.

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

18. Confirmation pursuant to the Rule 705(5) of the listing manual

We, Simon Lim and Rafael Buhay Concepcion, Jr., being two directors of Golden Agri-Resources Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the second quarter and half year ended 30 June 2014 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim
Director

Rafael Buhay Concepcion, Jr.
Director

14 August 2014

BY ORDER OF THE BOARD

Rafael Buhay Concepcion, Jr.
Director
14 August 2014

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 14 August 2014 to the SGX