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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 2012**

	1st Half 2012 US\$'000	1st Half 2011 US\$'000	Change %	2nd Qtr 2012 US\$'000	2nd Qtr 2011 US\$'000	Change %
Revenue	2,860,673	3,063,540	(6.6)	1,341,545	1,600,514	(16.2)
Cost of sales	<u>(2,008,785)</u>	<u>(2,034,978)</u>	(1.3)	<u>(943,478)</u>	<u>(1,097,317)</u>	(14.0)
Gross Profit	<u>851,888</u>	<u>1,028,562</u>	(17.2)	<u>398,067</u>	<u>503,197</u>	(20.9)
Operating expenses						
Selling expenses	(367,200)	(449,230)	(18.3)	(180,796)	(236,348)	(23.5)
General and administrative expenses	<u>(98,729)</u>	<u>(87,909)</u>	12.3	<u>(50,341)</u>	<u>(50,136)</u>	0.4
Total operating expenses	<u>(465,929)</u>	<u>(537,139)</u>	(13.3)	<u>(231,137)</u>	<u>(286,484)</u>	(19.3)
Operating profit	<u>385,959</u>	<u>491,423</u>	(21.5)	<u>166,930</u>	<u>216,713</u>	(23.0)
Other income/(expenses)						
Financial income	6,058	5,557	9.0	3,195	2,777	15.1
Financial expenses	(34,471)	(31,066)	11.0	(18,496)	(16,578)	11.6
Share of results of associated companies, net of tax	(46)	14	n.m.	(53)	-	n.m.
Foreign exchange (loss)/gain, net	(7,306)	38,067	n.m.	(7,967)	22,674	n.m.
Other operating income, net	<u>8,045</u>	<u>20,233</u>	(60.2)	<u>4,102</u>	<u>12,503</u>	(67.2)
	<u>(27,720)</u>	<u>32,805</u>	n.m.	<u>(19,219)</u>	<u>21,376</u>	n.m.
Exceptional item						
Gain on equity interest	<u>-</u>	<u>9,591</u>	(100.0)	<u>-</u>	<u>-</u>	-
Profit before tax	358,239	533,819	(32.9)	147,711	238,089	(38.0)
Tax	<u>(84,064)</u>	<u>(114,113)</u>	(26.3)	<u>(37,808)</u>	<u>(53,312)</u>	(29.1)
Profit for the period	<u>274,175</u>	<u>419,706</u>	(34.7)	<u>109,903</u>	<u>184,777</u>	(40.5)
Attributable to:						
Owners of the Company	270,106	410,554	(34.2)	108,062	179,855	(39.9)
Non-controlling interests	<u>4,069</u>	<u>9,152</u>	(55.5)	<u>1,841</u>	<u>4,922</u>	(62.6)
	<u>274,175</u>	<u>419,706</u>	(34.7)	<u>109,903</u>	<u>184,777</u>	(40.5)

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2012**

	1st Half 2012 <u>US\$'000</u>	1st Half 2011 <u>US\$'000</u>	2nd Qtr 2012 <u>US\$'000</u>	2nd Qtr 2011 <u>US\$'000</u>
Profit for the period	274,175	419,706	109,903	184,777
Other comprehensive (loss)/income:				
Foreign currency translation differences on consolidation	(943)	5,534	(2,236)	3,470
Changes in fair value of cash flow hedges	(10,087)	(682)	-	-
Changes in fair value of cash flow hedges transferred to income statement	10,087	682	10,087	682
Other comprehensive (loss)/income, net of tax	(943)	5,534	7,851	4,152
Total comprehensive income for the period	<u>273,232</u>	<u>425,240</u>	<u>117,754</u>	<u>188,929</u>
Total comprehensive income attributable to:				
Owners of the Company	269,255	415,917	116,001	183,890
Non-controlling interests	3,977	9,323	1,753	5,039
	<u>273,232</u>	<u>425,240</u>	<u>117,754</u>	<u>188,929</u>

ADDITIONAL INFORMATION

(A) Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange (loss)/gain, exceptional item and share of results of associated companies ("EBITDA")

	1st Half 2012 <u>US\$'000</u>	1st Half 2011 <u>US\$'000</u>	Change %	2nd Qtr 2012 <u>US\$'000</u>	2nd Qtr 2011 <u>US\$'000</u>	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange (loss)/gain, exceptional item and share of results of associated companies ("EBITDA")	452,863	560,842	(19.3)	200,431	254,466	(21.2)
Interest on borrowings	(33,337)	(30,353)	9.8	(17,882)	(16,221)	10.2
Depreciation and amortisation	(53,935)	(44,342)	21.6	(26,818)	(22,830)	17.5
Foreign exchange (loss)/gain, net	(7,306)	38,067	n.m.	(7,967)	22,674	n.m.
Exceptional item	-	9,591	(100.0)	-	-	-
Share of results of associated companies, net of tax	(46)	14	n.m.	(53)	-	n.m.
Profit before tax	<u>358,239</u>	<u>533,819</u>	(32.9)	<u>147,711</u>	<u>238,089</u>	(38.0)

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	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	313,898	277,014	136	200
Short-term investments	20,395	92,839	-	-
Trade receivables	287,197	233,856	-	-
Other current assets (note (a))	615,298	526,929	26	86
Inventories	890,313	751,163	-	-
	2,127,101	1,881,801	162	286
Non-Current Assets				
Long-term receivables and assets (note (b))	249,279	163,631	-	-
Long-term investments	148,431	90,723	40,000	17,000
Subsidiary companies	-	-	2,400,650	2,604,154
Associated companies	5,575	4,422	-	-
Investment properties	1,421	1,479	-	-
Property, plant and equipment	1,867,730	1,758,850	-	-
Biological assets	7,818,037	7,804,466	-	-
Deferred tax assets	4,577	4,715	-	-
Deferred charges	14,445	10,432	-	-
Brands and trademarks	800	960	-	-
Goodwill	115,898	115,898	-	-
	10,226,193	9,955,576	2,440,650	2,621,154
Total Assets	12,353,294	11,837,377	2,440,812	2,621,440

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at		As at	
	30/6/2012 <u>US\$'000</u>	31/12/2011 <u>US\$'000</u>	30/6/2012 <u>US\$'000</u>	31/12/2011 <u>US\$'000</u>
Liabilities and Equity				
Current Liabilities				
Short-term loans	810,325	421,631	-	-
Trade payables	615,061	490,852	-	-
Other payables (note(c))	170,207	156,291	29,909	31,672
Taxes payable	40,023	74,527	-	-
Obligations under finance leases	22	21	-	-
	1,635,638	1,143,322	29,909	31,672
Non-Current Liabilities				
Obligations under finance leases	52	62	-	-
Long-term borrowings	595,483	664,148	-	-
Deferred tax liabilities	1,876,502	1,876,427	-	-
Long-term payables	39,380	40,952	-	-
	2,511,417	2,581,589	-	-
Total Liabilities	4,147,055	3,724,911	29,909	31,672
Equity Attributable to Owners of the Company				
Issued capital	303,467	303,467	303,467	303,467
Share premium	934,297	934,297	1,569,167	1,569,167
Other paid-in capital	184,318	184,318	-	-
Other reserve	(48)	(48)	-	-
Currency translation reserve	14,226	15,077	-	-
PRC statutory reserve	2,116	2,116	-	-
Retained earnings	6,676,457	6,585,810	538,269	717,134
	8,114,833	8,025,037	2,410,903	2,589,768
Non-Controlling Interests	91,406	87,429	-	-
Total Equity	8,206,239	8,112,466	2,410,903	2,589,768
Total Liabilities and Equity	12,353,294	11,837,377	2,440,812	2,621,440

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	45,312	26,101	26	86
Prepaid taxes, net	114,484	113,874	-	-
Deposits and advances to suppliers	397,107	355,348	-	-
Others	58,392	30,371	-	-
	<u>615,295</u>	<u>525,694</u>	<u>26</u>	<u>86</u>
Related parties	3	1,235	-	-
	<u>615,298</u>	<u>526,929</u>	<u>26</u>	<u>86</u>

(b) Long-Term Receivables and Assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Associated company	2,374	3,033	-	-
Loan receivable	6,200	6,645	-	-
Tax recoverable	117,806	75,912	-	-
Advances for project plasma plantations	27,023	24,793	-	-
Advances for project and purchase of fixed assets	77,197	39,235	-	-
Land clearing	5,587	1,882	-	-
Advances for investments in land	4,379	4,234	-	-
Others	8,713	7,897	-	-
	<u>249,279</u>	<u>163,631</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances from customers	58,806	43,211	-	-
Accrued expenses	43,573	42,776	224	515
Others	67,506	70,000	2	2
	<u>169,885</u>	<u>155,987</u>	<u>226</u>	<u>517</u>
Related parties	322	304	29,683	31,155
	<u>170,207</u>	<u>156,291</u>	<u>29,909</u>	<u>31,672</u>

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

	As at 30/6/2012			As at 31/12/2011		
	US\$'000			US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	795,347	15,000	810,347	406,652	15,000	421,652
Amount repayable after one year	595,535	-	595,535	664,210	-	664,210
Total	1,390,882	15,000	1,405,882	1,070,862	15,000	1,085,862

Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, short-term investments, inventories, trade receivables, investment properties, 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 2012

	1st Half 2012 US\$'000	1st Half 2011 US\$'000	2nd Qtr 2012 US\$'000	2nd Qtr 2011 US\$'000
Cash flows from operating activities				
Profit before tax	358,239	533,819	147,711	238,089
Adjustments for:				
Depreciation	53,371	43,830	26,536	22,574
Amortisation	564	512	282	256
Unrealised foreign exchange (gain)/loss on short-term loans, long-term borrowings and receivables, net	(7,987)	11,411	(5,956)	4,548
Share of results of associated companies, net of tax	46	(14)	53	-
(Gain)/Loss on disposal of property, plant and equipment	(131)	(708)	138	(160)
Property, plant and equipment written off	1,578	408	447	257
Allowance for impairment loss on inventories	996	6,804	1,601	1,166
Trade payables written back	-	(423)	-	(423)
Changes in fair value of financial assets at fair value through profit or loss	4,418	221	2,919	(475)
Gain on equity interest	-	(9,591)	-	-
Interest income	(6,058)	(5,557)	(3,195)	(2,777)
Interest expense	33,337	30,353	17,882	16,221
Operating cash flow before working capital changes	438,373	611,065	188,418	279,276
Changes in operating assets and liabilities:				
Trade receivables	(53,328)	(72,870)	90,099	(80,074)
Other receivables	(90,664)	(229,305)	34,936	(104,953)
Inventories	(140,135)	(104,337)	(225,185)	(54,708)
Trade payables	124,209	181,804	86,789	131,554
Other payables	13,815	(25,726)	(527)	(64,188)
Cash generated from operations	292,270	360,631	174,530	106,907
Interest received	5,773	5,645	2,936	3,059
Interest paid	(30,373)	(27,777)	(16,592)	(14,759)
Tax paid	(156,353)	(67,236)	(126,555)	(62,749)
Net cash generated from operating activities	111,317	271,263	34,319	32,458

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2012 (cont'd)

	1st Half 2012 <u>US\$'000</u>	1st Half 2011 <u>US\$'000</u>	2nd Qtr 2012 <u>US\$'000</u>	2nd Qtr 2011 <u>US\$'000</u>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	908	1,012	433	390
Proceeds from sale of biological assets	2,510	1,437	108	480
Capital expenditure on property, plant and equipment	(165,286)	(159,779)	(81,440)	(87,372)
Capital expenditure on biological assets	(16,004)	(23,587)	(9,544)	(12,649)
Proceeds from/(Investments in) short-term investments, net	58,835	(18,968)	22,339	44,284
Investments in long-term investments, net	(48,186)	(7,745)	(13,710)	(6,002)
Dividend received from an associated company	-	3,604	-	-
(Investments in)/Proceeds from Plasma/KKPA Program plantations, net	(2,230)	(3,613)	5,619	1,072
Acquisition of a subsidiary, net of cash acquired	-	(5,421)	-	-
Payment for deferred expenditure	(4,415)	(400)	(4,179)	(386)
Net increase in long-term receivables and assets	(41,853)	(8,017)	(25,961)	(8,640)
Net cash used in investing activities	<u>(215,721)</u>	<u>(221,477)</u>	<u>(106,335)</u>	<u>(68,823)</u>
Cash flows from financing activities				
Proceeds from short-term loans	574,988	607,459	383,379	312,573
Proceeds from long-term borrowings	5,000	105,345	5,000	75,000
Payment of dividends	(179,459)	(75,869)	(179,459)	(75,869)
Payments of short-term loans	(202,715)	(519,228)	(61,831)	(271,676)
Payments of long-term borrowings	(55,264)	(41,503)	(25,695)	(20,035)
Payments of obligations under finance leases	(9)	(13)	(6)	(7)
Deferred loan charges and long-term bank loan administration costs	(1,253)	(2,951)	(1,176)	(2,781)
Increase in time deposits pledged	(62,922)	(4,280)	(66,766)	(616)
Net cash generated from financing activities	<u>78,366</u>	<u>68,960</u>	<u>53,446</u>	<u>16,589</u>
Net (decrease)/increase in cash and cash equivalents	<u>(26,038)</u>	<u>118,746</u>	<u>(18,570)</u>	<u>(19,776)</u>
Cash and cash equivalents at beginning of the period	<u>232,263</u>	<u>161,906</u>	<u>224,795</u>	<u>300,428</u>
Cash and cash equivalents at end of the period (See Note below)	<u>206,225</u>	<u>280,652</u>	<u>206,225</u>	<u>280,652</u>

Note:

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

	30/6/2012 <u>US\$'000</u>	30/6/2011 <u>US\$'000</u>
Time deposits, cash and bank balances	313,898	341,305
Less: Time deposits pledged	(107,673)	(60,653)
	<u>206,225</u>	<u>280,652</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	Hedging Reserve	Currency Translation Reserve	PRC Statutory Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Balance as at 1 Jan 2012	303,467	934,297	184,318	(48)	-	15,077	2,116	6,585,810	8,025,037	87,429	8,112,466
Total comprehensive (loss)/income for the period	-	-	-	-	(10,087)	1,297	-	162,044	153,254	2,224	155,478
Balance as at 31 Mar 2012	303,467	934,297	184,318	(48)	(10,087)	16,374	2,116	6,747,854	8,178,291	89,653	8,267,944
Dividend paid for 2011	-	-	-	-	-	-	-	(179,459)	(179,459)	-	(179,459)
Total comprehensive income/(loss) for the period	-	-	-	-	10,087	(2,148)	-	108,062	116,001	1,753	117,754
Balance as at 30 Jun 2012	303,467	934,297	184,318	(48)	-	14,226	2,116	6,676,457	8,114,833	91,406	8,206,239
Balance as at 1 Jan 2011	303,467	934,297	184,318	1,136	-	6,817	2,116	5,393,709	6,825,860	119,283	6,945,143
Total comprehensive (loss)/income for the period	-	-	-	-	(682)	2,010	-	230,699	232,027	4,284	236,311
Balance as at 31 Mar 2011	303,467	934,297	184,318	1,136	(682)	8,827	2,116	5,624,408	7,057,887	123,567	7,181,454
Dividend paid for 2010	-	-	-	-	-	-	-	(75,869)	(75,869)	-	(75,869)
Total comprehensive income for the period	-	-	-	-	682	3,353	-	179,855	183,890	5,039	188,929
Balance as at 30 Jun 2011	303,467	934,297	184,318	1,136	-	12,180	2,116	5,728,394	7,165,908	128,606	7,294,514

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

<u>The Company</u>	Issued Capital	Share Premium	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2012	303,467	1,569,167	717,134	2,589,768
Loss for the period, representing total comprehensive loss for the period	-	-	(433)	(433)
Balance as at 31 Mar 2012	303,467	1,569,167	716,701	2,589,335
Dividend paid for 2011	-	-	(179,459)	(179,459)
Profit for the period, representing total comprehensive income for the period	-	-	1,027	1,027
Balance as at 30 Jun 2012	<u>303,467</u>	<u>1,569,167</u>	<u>538,269</u>	<u>2,410,903</u>
Balance as at 1 Jan 2011	303,467	1,569,167	794,100	2,666,734
Loss for the period, representing total comprehensive loss for the period	-	-	(640)	(640)
Balance as at 31 Mar 2011	303,467	1,569,167	793,460	2,666,094
Dividend paid for 2010	-	-	(75,869)	(75,869)
Profit for the period, representing total comprehensive income for the period	-	-	846	846
Balance as at 30 Jun 2011	<u>303,467</u>	<u>1,569,167</u>	<u>718,437</u>	<u>2,591,071</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 2012 and 2011.

As at 30 June 2012, the outstanding number of warrants was 705,493,728. Each warrant carries the right to subscribe for 1 new ordinary share at an exercise price of S\$0.54. On the exercise date, 23 July 2012, a total of 698,871,614 warrants were exercised, while the remaining 6,622,114 warrants which have not been exercised have lapsed. Pursuant to the exercise of the warrants, 698,871,614 new ordinary shares of par value US\$0.025 in the capital of the Company were allotted and issued on 26 July 2012. Following the allotment, number of issued shares of the Company increased from 12,138,676,942 ordinary shares to 12,837,548,556 ordinary shares.

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 2012 and 31 December 2011 was 12,138,676,942 ordinary shares of US\$0.025 each.

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

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 2011.

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 period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends

	The Group			
	1st Half 2012	1st Half 2011	2nd Qtr 2012	2nd Qtr 2011
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	USD2.23cents	USD3.38cents	USD0.89cents	USD1.48cents
- Weighted average numbers of shares	12,138,676,942	12,138,676,942	12,138,676,942	12,138,676,942
(ii) On a fully diluted basis	USD2.19cents	USD3.34cents	USD0.88cents	USD1.46cents
- Weighted average numbers of shares	12,313,871,932	12,296,174,966	12,293,799,949	12,287,283,354

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

	The Group		The Company	
	As at 30 Jun 2012	As at 31 Dec 2011	As at 30 Jun 2012	As at 31 Dec 2011
Net asset value per ordinary share based on existing issued share capital of 12,138,676,942 shares	US\$0.67	US\$0.66	US\$0.20	US\$0.21

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

(in US\$'000)	AGRI-BUSINESS		
For half year ended	Indonesia	China ⁽²⁾	Total
Revenue			
30 June 2012	2,313,231	547,442	2,860,673
30 June 2011	2,519,353	544,187	3,063,540
Increase/(Decrease)	(206,122)	3,255	(202,867)
Increase/(Decrease) %	(8.2)	0.6	(6.6)
Gross Profit			
30 June 2012	817,580	34,308	851,888
30 June 2011	993,523	35,039	1,028,562
Increase/(Decrease) in profit	(175,943)	(731)	(176,674)
Increase/(Decrease) %	(17.7)	(2.1)	(17.2)
EBITDA (see note (1))			
30 June 2012	437,902	14,961	452,863
30 June 2011	542,621	18,221	560,842
Increase/(Decrease) in profit	(104,719)	(3,260)	(107,979)
Increase/(Decrease) %	(19.3)	(17.9)	(19.3)
Interest on borrowings			
30 June 2012	30,278	3,059	33,337
30 June 2011	27,243	3,110	30,353
Increase/(Decrease)	3,035	(51)	2,984
Increase/(Decrease) %	11.1	(1.6)	9.8
Depreciation and amortisation			
30 June 2012	46,907	7,028	53,935
30 June 2011	37,936	6,406	44,342
Increase/(Decrease)	8,971	622	9,593
Increase/(Decrease) %	23.6	9.7	21.6
Foreign exchange (loss)/gain			
30 June 2012	(4,549)	(2,757)	(7,306)
30 June 2011	33,429	4,638	38,067
Increase in profit/(loss)	(37,978)	(7,395)	(45,373)
Increase/(Decrease) %	n.m.	n.m.	n.m.
Exceptional gain			
30 June 2012	-	-	-
30 June 2011	9,591	-	9,591
Decrease in gain	(9,591)	-	(9,591)
Increase/(Decrease) %	(100.0)	-	(100.0)
Share of associates' (loss)/profit, net of tax			
30 June 2012	(46)	-	(46)
30 June 2011	14	-	14
Decrease in profit	(60)	-	(60)
Increase/(Decrease) %	n.m.	-	n.m.
Profit before tax			
30 June 2012	356,122	2,117	358,239
30 June 2011	520,476	13,343	533,819
Increase/(Decrease) in profit	(164,354)	(11,226)	(175,580)
Increase/(Decrease) %	(31.6)	(84.1)	(32.9)
Net profit attributable to owners of the Company			
30 June 2012	269,473	633	270,106
30 June 2011	399,533	11,021	410,554
Increase/(Decrease) in profit	(130,060)	(10,388)	(140,448)
Increase/(Decrease) %	(32.6)	(94.3)	(34.2)

Notes: (1) This refers to earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange (loss)/gain, exceptional item and share of results from associated companies, net of tax.

(2) The China Agri-business represents the results of Asia Integrated Agri Resources Ltd (AIAR) group of companies, including FIH group of companies.

(3) n.m. - not meaningful.

REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2012

The Group achieved a revenue of US\$2,860.7 million and EBITDA of US\$452.9 million for the half year ended 30 June 2012 ("1H2012").

REVENUE

Indonesia

Revenue from the Indonesia Agri-business declined by 8.2% or US\$206.1 million to US\$2,313.2 million in 1H2012, as compared to US\$2,519.4 million in the same period in 2011 ("1H2011"). This was primarily due to the lower average crude palm oil ("CPO") price during the period. The average international CPO (CIF Rotterdam) price was US\$1,097 per tonne for 1H2012, which was 8.2% lower than the average of US\$1,195 in 1H2011.

Our fresh fruit bunch ("FFB") production and total palm production in 1H2012 was 4,199,000 tonnes and 1,260,000 tonnes, respectively as compared to 4,022,000 tonnes and 1,252,000 tonnes, respectively in 1H2011.

China

Revenue from the China Agri-business increased marginally by 0.6% to US\$547.4 million (1H2011: US\$544.2 million), mainly attributable to higher contribution from sales of snack noodles of US\$96.4 million (1H2011: US\$91 million), offset by lower revenue from edible oil business of US\$449 million (1H2011: US\$451.7 million) due to lower market prices during the current period.

COST OF SALES

In line with lower revenue, cost of sales decreased by 1.3% from US\$2,035.0 million in 1H2011 to US\$2,008.8 million in 1H2012.

Indonesia

Cost of sales from the Indonesia Agri-business comprised mainly labour, plantation maintenance, fertiliser and harvesting costs, FFB purchases and CPO purchases for our downstream business. Cost of sales declined from US\$1,525.8 million in 1H2011 to US\$1,495.7 million in 1H2012, mainly due to lower FFB and CPO purchase costs in line with the lower market prices. This decrease was partially offset by increased fertiliser application during the period, as well as higher salaries expenses.

China

Cost of sales in the China Agri-business of US\$513.1 million, comprised mainly purchase cost of soybean and palm oil products for our edible oil operations, as well as purchase cost of raw materials for our noodle operations. The increase in cost of sales by 0.8% to US\$513.1 million in 1H2012 was mainly attributable to higher raw material costs for refined edible oil products in line with larger sales volume.

GROSS PROFIT

Gross profit decreased by US\$176.7 million or 17.2% to US\$851.9 million in 1H2012, with gross profit margin declining from 33.6% to 29.8% mainly due to lower gross profit margin from the Indonesia Agri-business.

Gross profit margin in the Indonesia Agri-business declined from 39.4% to 35.3% in 1H2012 mainly as a result of lower international CPO prices, coupled with higher fertiliser application, salaries and maintenance expenses.

OPERATING EXPENSES

- ***Selling expenses***

Selling expenses of US\$367.2 million comprised mainly export tax, transportation and freight, advertising and promotion, and salaries. The reduction in selling expenses of US\$82 million mainly resulted from lower export tax incurred during the period.

- ***General and administrative expenses***

General and administrative expenses of US\$98.7 million comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The 12.3% increase in general and administrative expenses was mainly due to higher salaries and related expenses resulting from additional headcount, and higher travelling expenses.

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 11.4% to US\$28.4 million in 1H2012 in line with higher average borrowings in the current period.

FOREIGN EXCHANGE (LOSS)/GAIN, NET

The Group recorded foreign exchange loss of US\$7.3 million in 1H2012 as compared to foreign exchange gain of US\$38.1 million in the same period last year. The current period's loss was mainly relating to translation loss on net Indonesian Rupiah ("IDR") monetary assets in the Indonesia Agri-business due to weakening of IDR against US Dollar ("USD"), as well as translation loss on USD denominated borrowings in the China Agri-business as USD strengthened against Chinese Renminbi ("RMB") during the period.

Foreign exchange gain in 1H2011 was primarily attributable to realised foreign exchange gain recorded in Indonesia Agri-business, coupled with translation gain on net IDR monetary assets in the Indonesia Agri-business and USD denominated liabilities in China Agri-business as USD weakened against IDR and RMB in 1H2011.

OTHER OPERATING INCOME, NET

Net other operating income comprised mainly income from shipping and trucking services, income from sales of seedlings, rental and commission income. The net other operating income decreased by US\$12.2 million in 1H2012 mainly attributable to absence of commission income.

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.

Income tax expense was lower by 26.3% at US\$84.1 million in 1H2012 in line with lower taxable profit reported in the Indonesia Agri-business.

NON-CONTROLLING INTERESTS

Non-controlling shareholders' share of profit decreased from US\$9.2 million to US\$4.1 million in 1H2012. This decrease was mainly attributable to lower non-controlling interests in PT Sinar Mas Agro Resources and Technology Tbk resulting from the acquisition of additional 2% shareholdings in July 2011.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2012

ASSETS

Total assets of the Group was higher at US\$12,353.3 million as at 30 June 2012 compared to US\$11,837.4 million as at end December 2011.

Current Assets

Short-term investments decreased by US\$72.4 million to US\$20.4 million mainly attributable to decrease in time deposits placed for a period over three months but not more than one year in the China Agri-business and reclassification of certain investment from short-term investments to long-term investments.

Trade receivables increased by US\$53.3 million mainly due to higher revenue in Indonesia Agri-business which are due for settlement subsequent to 30 June 2012.

Other current assets were higher by US\$88.4 million primarily due to higher prepaid expenses coupled with higher deposits and advance payments for soybean and CPO purchases during the period.

Inventories were higher by US\$139.2 million mainly attributable to the higher inventory levels in both China and Indonesia Agri-business.

Non-Current Assets

Higher long-term receivables and assets of US\$85.6 million were mainly due to higher tax recoverable and additional deposits and advance payments for capital expenditure in Indonesia Agri-business.

Higher long-term investments at US\$148.4 million were mainly due to additional investment in unquoted funds and reclassification of certain investment from short-term investments to long-term investments.

Increase in property, plant and equipment of US\$108.9 million primarily related to construction of plantation facilities, refinery facilities and other ancillary plantation facilities.

LIABILITIES

Total liabilities of the Group increased by US\$422.1 million to US\$4,147.1 million as at 30 June 2012 mainly due to increases in total borrowings and trade payables.

Total borrowings increased from US\$1,085.9 million to US\$1,405.9 million as at 30 June 2012, mainly attributable to additional borrowings for working capital purposes.

Trade payables increased by US\$124.2 million to US\$615.1 million mainly resulting from higher raw material purchases for the Indonesia Agri-business.

REVIEW OF CONSOLIDATED CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2012

Net cash flow generated from operating activities (after payment of taxes and interest expenses) for 1H2012 was lower at US\$111.3 million as compared to US\$271.3 million in 1H2011. The lower cash inflows recorded in the current period mainly resulted from the lower operating results in line with the lower commodities prices, and higher tax payment during the period.

Net cash used in investing activities of US\$215.7 million was mainly related to capital expenditure for construction of plantation and refinery facilities, and other supporting facilities in the Indonesia Agri-business, as well as additional investments in long-term unquoted funds.

Net cash generated from financing activities of US\$78.4 million was primarily attributable to proceeds from loans drawn (net of repayment) for working capital purposes, net of dividend payment made during the period.

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 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 demand growth for palm oil remains positive, supported by continued strong core demand from the edible oil and oleo-chemical markets, particularly from the growing middle class in emerging countries, combined with the increasing demand from the renewable energy sector. With our favourable plantation age profile, we are well positioned to seize opportunities in the industry. We will also continue to increase our production of sustainable palm oil, as well as to further improve operational efficiency and plantation management techniques.

The operating environment of the China Agri-business remains challenging given the intense competition. We will continue to focus on managing our costs and targeting our growth in the sale of various palm-based products through our extended distribution channels.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

Any 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 second quarter ended 30 June 2012.

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)
	2Q2012	2Q2012
	US\$	US\$
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	376,361
PT Asuransi Sinar Mas	Nil	1,252,396
PT Bank Sinarmas	Nil	1,095,223 *
PT Cakrawala Mega Indah	Nil	2,566,136
PT Rolimex Kimia Nusamas	Nil	28,979,183
PT Royal Oriental	Nil	217,096
PT Sinarmas Sekuritas	Nil	209,000
PT Sinar Jati Mitra	Nil	921,752
Sinarmas Land Limited	Nil	376,650
Total	Nil	35,993,797

Note:

* Principal amount as at 30 June 2012 is US\$1.0 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 2012 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim
Director

Rafael Buhay Concepcion, Jr.
Director

BY ORDER OF THE BOARD

Simon Lim
Director
10 August 2012

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 10 Aug 2012 to the SGX