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Half Year Financial Statement And Dividend Announcement

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FINANCIAL HIGHLIGHTS

	1st Half 2018 US\$'000	1st Half 2017 US\$'000	Change %	2nd Qtr 2018 US\$'000	2nd Qtr 2017 US\$'000	Change %
Revenue	3,676,231	3,802,960	(3.3)	1,860,059	1,756,514	5.9
Gross Profit	468,029	546,533	(14.4)	219,909	255,596	(14.0)
EBITDA ¹	237,936	328,268	(27.5)	116,802	145,488	(19.7)
Underlying profit ²	41,380	137,054	(69.8)	16,592	53,456	(69.0)
Underlying profit per share (USD cents)	0.32	1.08	(69.8)	0.13	0.42	(69.0)
Net (loss)/profit attributable to owners of the Company	(27,171)	59,427	n.m.	(39,022)	21,875	n.m.

Notes:

- (1) Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net (loss)/gain from changes in fair value of biological assets and foreign exchange (loss)/gain.
- (2) Net (loss)/profit attributable to owners of the Company excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants and other non-operating items (foreign exchange gain or loss, net tax impact from tax-based asset revaluations, and other deferred tax income or expense).
- (3) n.m. – not meaningful.

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 2018**

	1st Half 2018 US\$'000	1st Half 2017 US\$'000	Change %	2nd Qtr 2018 US\$'000	2nd Qtr 2017 US\$'000	Change %
Revenue	3,676,231	3,802,960	(3.3)	1,860,059	1,756,514	5.9
Cost of sales	<u>(3,208,202)</u>	<u>(3,256,427)</u>	(1.5)	<u>(1,640,150)</u>	<u>(1,500,918)</u>	9.3
Gross Profit	<u>468,029</u>	<u>546,533</u>	(14.4)	<u>219,909</u>	<u>255,596</u>	(14.0)
Operating expenses						
Selling expenses	(258,671)	(274,243)	(5.7)	(127,391)	(132,735)	(4.0)
General and administrative expenses	<u>(149,392)</u>	<u>(152,075)</u>	(1.8)	<u>(73,380)</u>	<u>(78,709)</u>	(6.8)
Total operating expenses	<u>(408,063)</u>	<u>(426,318)</u>	(4.3)	<u>(200,771)</u>	<u>(211,444)</u>	(5.0)
Operating profit	<u>59,966</u>	<u>120,215</u>	(50.1)	<u>19,138</u>	<u>44,152</u>	(56.7)
Other income/(expenses)						
Financial income	18,758	14,276	31.4	9,520	7,592	25.4
Financial expenses	(77,329)	(71,291)	8.5	(40,111)	(35,822)	12.0
Share of results of associated companies, net of tax	420	1,031	(59.3)	532	451	18.0
Share of results of joint ventures, net of tax	(9,110)	2,839	n.m.	(6,099)	1,230	n.m.
Foreign exchange (loss)/gain	(17,140)	3,705	n.m.	(22,213)	4,860	n.m.
Other operating income	<u>10,693</u>	<u>11,880</u>	(10.0)	<u>8,059</u>	<u>6,391</u>	26.1
	<u>(73,708)</u>	<u>(37,560)</u>	96.2	<u>(50,312)</u>	<u>(15,298)</u>	228.9
(Loss)/Profit before tax	(13,742)	82,655	n.m.	(31,174)	28,854	n.m.
Tax	<u>(10,581)</u>	<u>(22,121)</u>	(52.2)	<u>(6,579)</u>	<u>(6,576)</u>	-
(Loss)/Profit for the period	<u>(24,323)</u>	<u>60,534</u>	n.m.	<u>(37,753)</u>	<u>22,278</u>	n.m.
Attributable to:						
Owners of the Company	(27,171)	59,427	n.m.	(39,022)	21,875	n.m.
Non-controlling interests	<u>2,848</u>	<u>1,107</u>	157.3	<u>1,269</u>	<u>403</u>	214.9
	<u>(24,323)</u>	<u>60,534</u>	n.m.	<u>(37,753)</u>	<u>22,278</u>	n.m.

Note:

(1) n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2018**

	1st Half 2018 US\$'000	1st Half 2017 US\$'000	2nd Qtr 2018 US\$'000	2nd Qtr 2017 US\$'000
(Loss)/Profit for the period	<u>(24,323)</u>	<u>60,534</u>	<u>(37,753)</u>	<u>22,278</u>
Other comprehensive (loss)/income:				
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation differences on consolidation	(16,315)	6,940	(18,422)	4,201
Share of other comprehensive (loss)/income of a joint venture	(2,056)	457	(1,460)	4
Changes in fair value of cash flow hedges	-	(146)	-	(77)
Changes in fair value of cash flow hedges transferred to income statement	-	(222)	-	(222)
Changes in fair value of available-for-sale financial assets	98	(8,172)	1,567	1,402
	<u>(18,273)</u>	<u>(1,143)</u>	<u>(18,315)</u>	<u>5,308</u>
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Actuarial gain/(loss) on post-employment benefits	6,000	(7,619)	6,000	(7,619)
Share of other comprehensive income of a joint venture	-	-	44	-
Other comprehensive loss, net of tax	<u>(12,273)</u>	<u>(8,762)</u>	<u>(12,271)</u>	<u>(2,311)</u>
Total comprehensive (loss)/income for the period, net of tax	<u>(36,596)</u>	<u>51,772</u>	<u>(50,024)</u>	<u>19,967</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(38,410)	50,580	(50,708)	19,544
Non-controlling interests	1,814	1,192	684	423
	<u>(36,596)</u>	<u>51,772</u>	<u>(50,024)</u>	<u>19,967</u>

ADDITIONAL INFORMATION

Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net (loss)/gain from changes in fair value of biological assets and foreign exchange (loss)/gain ("EBITDA")

	1st Half 2018 US\$'000	1st Half 2017 US\$'000	Change %	2nd Qtr 2018 US\$'000	2nd Qtr 2017 US\$'000	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net (loss)/gain from changes in fair value of biological assets and foreign exchange (loss)/gain ("EBITDA")	237,936	328,268	(27.5)	116,802	145,488	(19.7)
Interest on borrowings	(76,086)	(70,589)	7.8	(39,553)	(35,425)	11.7
Depreciation and amortisation	(142,524)	(178,859)	(20.3)	(71,093)	(87,086)	(18.4)
Net (loss)/gain from changes in fair value of biological assets	(15,928)	130	n.m.	(15,117)	1,017	n.m.
Foreign exchange (loss)/gain	(17,140)	3,705	n.m.	(22,213)	4,860	n.m.
(Loss)/Profit before tax	<u>(13,742)</u>	<u>82,655</u>	n.m.	<u>(31,174)</u>	<u>28,854</u>	n.m.

Note:

(1) 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 30/06/2018 <u>US\$'000</u>	As at 31/12/2017 <u>US\$'000</u>	As at 30/06/2018 <u>US\$'000</u>	As at 31/12/2017 <u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	208,105	159,189	111	43
Short-term investments	220,291	234,370	-	-
Trade receivables	587,962	486,045	-	-
Other current assets (note (a))	979,415	812,739	462	487
Inventories	1,154,277	992,418	-	-
Assets of disposal group held for sale	-	189,914	-	-
	<u>3,150,050</u>	<u>2,874,675</u>	<u>573</u>	<u>530</u>
Non-Current Assets				
Long-term receivables and assets (note (b))	212,859	260,745	-	-
Long-term investments	856,743	756,725	157,925	156,925
Subsidiary companies	-	-	2,072,688	2,092,902
Associated companies	13,105	12,352	-	-
Joint ventures	63,958	69,595	-	-
Investment properties	119	124	-	-
Property, plant and equipment	2,593,538	2,590,159	-	-
Bearer plants	1,121,257	1,101,513	-	-
Deferred tax assets	294,173	299,134	-	-
Intangible assets	181,051	172,758	-	-
	<u>5,336,803</u>	<u>5,263,105</u>	<u>2,230,613</u>	<u>2,249,827</u>
Total Assets	<u>8,486,853</u>	<u>8,137,780</u>	<u>2,231,186</u>	<u>2,250,357</u>

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at 30/06/2018 <u>US\$'000</u>	As at 31/12/2017 <u>US\$'000</u>	As at 30/06/2018 <u>US\$'000</u>	As at 31/12/2017 <u>US\$'000</u>
Liabilities and Equity				
Current Liabilities				
Short-term borrowings	1,527,099	1,435,561	-	-
Bonds and notes payable	156,590	306,224	-	-
Trade payables	738,945	544,432	-	-
Other payables (note(c))	258,589	240,910	23,049	30,505
Taxes payable	18,546	32,888	-	-
Liabilities directly associated with disposal group held for sale	-	37,779	-	-
	<u>2,699,769</u>	<u>2,597,794</u>	<u>23,049</u>	<u>30,505</u>
Non-Current Liabilities				
Bonds and notes payables	234,643	125,106	-	-
Long-term borrowings	1,317,536	1,125,248	-	-
Deferred tax liabilities	78,671	78,243	-	-
Long-term payables and liabilities	96,984	102,836	-	-
	<u>1,727,834</u>	<u>1,431,433</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,427,603</u>	<u>4,029,227</u>	<u>23,049</u>	<u>30,505</u>
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
Treasury shares	(31,726)	(31,726)	(31,726)	(31,726)
Other paid-in capital	184,318	184,318	-	-
Other reserves				
Option reserve	31,471	31,471	31,471	31,471
Currency translation reserve	(11,766)	2,866	-	-
Reserve of disposal group held for sale	-	2,502	-	-
Fair value reserve	(2,651)	3,121	-	-
PRC statutory reserve	3,820	3,820	-	-
Other reserve	18,942	13,145	-	-
	39,816	56,925	31,471	31,471
Retained earnings	2,226,767	2,260,432	36,488	48,203
	<u>3,956,209</u>	<u>4,006,983</u>	<u>2,208,137</u>	<u>2,219,852</u>
Non-Controlling Interests	103,041	101,570	-	-
Total Equity	<u>4,059,250</u>	<u>4,108,553</u>	<u>2,208,137</u>	<u>2,219,852</u>
Total Liabilities and Equity	<u>8,486,853</u>	<u>8,137,780</u>	<u>2,231,186</u>	<u>2,250,357</u>

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	Group		Company	
	As at 30/06/2018 US\$'000	As at 31/12/2017 US\$'000	As at 30/06/2018 US\$'000	As at 31/12/2017 US\$'000
Prepaid expenses	76,548	21,979	40	65
Prepaid taxes, net	168,816	162,323	421	421
Deposits and advances to suppliers	303,988	189,046	-	-
Biological assets	67,990	83,918	-	-
Derivative receivable	9,040	6,622	-	-
Others	161,862	146,053	1	1
	<u>788,244</u>	<u>609,941</u>	<u>462</u>	<u>487</u>
Receivable from joint ventures	156,875	166,290	-	-
Receivable from related parties	34,296	36,508	-	-
	<u>979,415</u>	<u>812,739</u>	<u>462</u>	<u>487</u>

(b) Long-Term Receivables and Assets

	Group		Company	
	As at 30/06/2018 US\$'000	As at 31/12/2017 US\$'000	As at 30/06/2018 US\$'000	As at 31/12/2017 US\$'000
Loans receivable to joint ventures	24,053	24,150	-	-
Tax recoverable	151,998	169,012	-	-
Advances for project plasma plantations	5,280	4,971	-	-
Advances for projects	10,422	39,775	-	-
Land clearing	2,057	1,765	-	-
Advances for investments in land	1,495	1,495	-	-
Others	17,554	19,577	-	-
	<u>212,859</u>	<u>260,745</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	Group		Company	
	As at 30/06/2018 US\$'000	As at 31/12/2017 US\$'000	As at 30/06/2018 US\$'000	As at 31/12/2017 US\$'000
Advances and deposits	63,232	40,276	-	-
Accrued expenses	49,181	56,352	89	284
Payable to third parties	96,913	107,839	-	-
Others	45,601	32,704	6	6
	<u>254,927</u>	<u>237,171</u>	<u>95</u>	<u>290</u>
Payable to related parties	3,662	3,739	22,954	30,215
	<u>258,589</u>	<u>240,910</u>	<u>23,049</u>	<u>30,505</u>

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

	As at 30/06/2018			As at 31/12/2017		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	1,063,643	620,046	1,683,689	890,646	851,139	1,741,785
Amount repayable after one year	1,199,785	352,394	1,552,179	1,051,018	199,336	1,250,354
Total	2,263,428	972,440	3,235,868	1,941,664	1,050,475	2,992,139

Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, short-term investments, inventories, trade receivables, bearer plants, 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 2018

	1st Half 2018 US\$'000	1st Half 2017 US\$'000	2nd Qtr 2018 US\$'000	2nd Qtr 2017 US\$'000
Cash flows from operating activities				
(Loss)/Profit before tax	(13,742)	82,655	(31,174)	28,854
Adjustments for:				
Depreciation	140,951	177,636	70,220	86,464
Amortisation	1,573	1,223	873	622
Net loss/(gain) from changes in fair value of biological assets	15,928	(130)	15,117	(1,017)
Unrealised foreign exchange loss/(gain)	5,603	(6,787)	11,257	(12,879)
Share of results of associated companies, net of tax	(420)	(1,031)	(532)	(451)
Share of results of joint ventures, net of tax	9,110	(2,839)	6,099	(1,230)
Loss/(Gain) on disposal of property, plant and equipment	417	-	(56)	(75)
Property, plant and equipment written off	499	286	278	166
Bearer plants written off	-	411	-	10
Inventories written off	450	-	450	-
(Write-back of)/Allowance for impairment loss on:				
Inventories, net	(3,645)	3,612	564	2,187
Trade receivables, net	21	(335)	6	(335)
Changes in fair value of financial assets at fair value through profit or loss	(2,646)	996	(5,487)	533
Loss on disposal of a joint venture	-	1,309	-	1,309
Interest income	(18,758)	(14,276)	(9,520)	(7,592)
Interest expense	76,086	70,589	39,553	35,425
Operating cash flow before working capital changes	211,427	313,319	97,648	131,991
Changes in operating assets and liabilities:				
Trade receivables	(103,167)	124,549	(61,702)	127,831
Other current assets	(184,907)	(50,827)	(33,718)	45,889
Inventories	(158,560)	(22,129)	(75,041)	42,876
Net assets for disposal group held for sale	76,412	-	-	-
Trade payables	194,513	(92,017)	91,968	(205,828)
Other payables	24,009	58,040	14,577	(8,907)
Cash generated from operations	59,727	330,935	33,732	133,852
Interest received	14,089	6,393	6,185	3,000
Interest paid	(71,100)	(67,026)	(34,090)	(35,619)
Tax (paid)/refund	(40,696)	47,363	(30,613)	(15,885)
Net cash (used in)/generated from operating activities	(37,980)	317,665	(24,786)	85,348

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2018 (cont'd)

	1st Half 2018 US\$'000	1st Half 2017 US\$'000	2nd Qtr 2018 US\$'000	2nd Qtr 2017 US\$'000
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	4,712	5,935	222	5,787
Proceeds from disposal of bearer plants	604	669	324	328
Capital expenditure on property, plant and equipment	(101,513)	(72,108)	(61,759)	(37,683)
Capital expenditure on bearer plants	(18,127)	(17,290)	(13,399)	(14,345)
(Investments in)/Proceeds from financial assets, net	(122,369)	(7,906)	(20,994)	2,922
Investment in an associated company	(1,164)	-	-	-
Proceeds from disposal of a joint venture	-	1,076	-	1,076
Cash inflow from non-controlling interest for incorporation of a subsidiary	121	23	121	23
(Investments in)/Proceeds from Plasma/KKPA Program plantations, net	(641)	(1,213)	177	(582)
Net cash inflow from disposal of a subsidiary	70,761	-	70,761	-
Dividends received from joint ventures	6,743	785	2,000	785
Payments for intangible assets	(11,902)	(2,207)	(10,431)	(766)
Net decrease/(increase) in long-term receivables and assets	19,993	(2,540)	18,620	10,287
Net cash used in investing activities	(152,782)	(94,776)	(14,358)	(32,168)
Cash flows from financing activities				
Proceeds from short-term borrowings	2,427,603	1,884,625	1,069,956	1,352,815
Proceeds from long-term borrowings	385,547	269,966	224,047	109,966
Payments of dividends	(11,537)	(57,416)	(11,537)	(57,416)
Payments of short-term borrowings	(2,279,382)	(2,014,592)	(919,467)	(1,220,187)
Payments of long-term borrowings	(240,451)	(75,194)	(92,854)	(46,971)
Payments of obligations under finance lease	-	(68)	-	(35)
Proceeds from notes issue	112,613	-	-	-
Payments of bonds and notes payable	(152,672)	(183,238)	(152,672)	(183,238)
Payments of deferred loan charges and bank loan administration costs	(3,305)	(2,954)	(2,232)	(1,050)
(Increase)/Decrease in cash in banks and time deposits pledged	(18,586)	14,391	(39,427)	(8,996)
Net cash generated from/(used in) financing activities	219,830	(164,480)	75,814	(55,112)
Net increase/(decrease) in cash and cash equivalents	29,068	58,409	36,670	(1,932)
Cash and cash equivalents at the beginning of the period	127,198	122,690	119,596	183,031
Cash and cash equivalents at the end of the period (See Note below)	156,266	181,099	156,266	181,099

Note:

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

	30/06/2018 US\$'000	30/06/2017 US\$'000
Time deposits, cash and bank balances	208,105	197,025
Less: Cash in banks and time deposits pledged	(51,839)	(15,926)
	<u>156,266</u>	<u>181,099</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 ----->						Total	Non-Controlling Interests	Total Equity
	Issued Capital	Share Premium	Treasury Shares	Other Paid-in Capital	Other Reserves	Retained Earnings			
	<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 at 31 Dec 2017	320,939	1,216,095	(31,726)	184,318	56,925	2,260,432	4,006,983	101,570	4,108,553
Effect of adoption of IFRS 9	-	-	-	-	(5,870)	4,579	(1,291)	-	(1,291)
Balance at 1 Jan 2018	320,939	1,216,095	(31,726)	184,318	51,055	2,265,011	4,005,692	101,570	4,107,262
Profit for the period	-	-	-	-	-	11,851	11,851	1,579	13,430
Other comprehensive income/(loss)	-	-	-	-	447	-	447	(449)	(2)
Total comprehensive income for the period	-	-	-	-	447	11,851	12,298	1,130	13,428
Balance at 31 Mar 2018	320,939	1,216,095	(31,726)	184,318	51,502	2,276,862	4,017,990	102,700	4,120,690
(Loss)/Profit for the period	-	-	-	-	-	(39,022)	(39,022)	1,269	(37,753)
Other comprehensive loss	-	-	-	-	(11,686)	-	(11,686)	(585)	(12,271)
Total comprehensive (loss)/income for the period	-	-	-	-	(11,686)	(39,022)	(50,708)	684	(50,024)
Dividends paid for 2017	-	-	-	-	-	(11,073)	(11,073)	-	(11,073)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	(464)	(464)
Non-controlling interest for incorporation of a subsidiary	-	-	-	-	-	-	-	121	121
Balance at 30 Jun 2018	320,939	1,216,095	(31,726)	184,318	39,816	2,226,767	3,956,209	103,041	4,059,250

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 ----->						Total	Non-Controlling Interests	Total Equity
	Issued Capital	Share Premium	Treasury Shares	Other Paid-in Capital	Other Reserves	Retained Earnings			
	<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 at 1 Jan 2017	320,939	1,216,095	(31,726)	184,318	55,225	2,308,899	4,053,750	42,201	4,095,951
Profit for the period	-	-	-	-	-	37,552	37,552	704	38,256
Other comprehensive (loss)/income	-	-	-	-	(6,516)	-	(6,516)	65	(6,451)
Total comprehensive (loss)/income for the period	-	-	-	-	(6,516)	37,552	31,036	769	31,805
Balance at 31 Mar 2017	320,939	1,216,095	(31,726)	184,318	48,709	2,346,451	4,084,786	42,970	4,127,756
Profit for the period	-	-	-	-	-	21,875	21,875	403	22,278
Other comprehensive (loss)/income	-	-	-	-	(2,331)	-	(2,331)	20	(2,311)
Total comprehensive (loss)/income for the period	-	-	-	-	(2,331)	21,875	19,544	423	19,967
Dividends paid for 2016	-	-	-	-	-	(57,416)	(57,416)	-	(57,416)
Change in interest in a subsidiary	-	-	-	-	(10,763)	-	(10,763)	53,349	42,586
Non-controlling interest for incorporation of subsidiaries	-	-	-	-	-	-	-	23	23
Balance at 30 Jun 2017	320,939	1,216,095	(31,726)	184,318	35,615	2,310,910	4,036,151	96,765	4,132,916

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	Treasury Shares	Option Reserve	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2018	320,939	1,850,965	(31,726)	31,471	48,203	2,219,852
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(126)	(126)
Balance as at 31 Mar 2018	320,939	1,850,965	(31,726)	31,471	48,077	2,219,726
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(516)	(516)
Dividends paid for 2017	-	-	-	-	(11,073)	(11,073)
Balance as at 30 Jun 2018	320,939	1,850,965	(31,726)	31,471	36,488	2,208,137
Balance as at 1 Jan 2017	320,939	1,850,965	(31,726)	31,471	171,302	2,342,951
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(8)	(8)
Balance as at 31 Mar 2017	320,939	1,850,965	(31,726)	31,471	171,294	2,342,943
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(161)	(161)
Dividends paid for 2016	-	-	-	-	(57,416)	(57,416)
Balance as at 30 Jun 2017	320,939	1,850,965	(31,726)	31,471	113,717	2,285,366

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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

Details of the Company's issued and paid-up capital were as follows:

	As at	
	30 June 2018	30 June 2017
Number/Percentage of treasury shares	102,792,400 / 0.8%	102,792,400 / 0.8%
Number of issued shares (excluding treasury shares)	12,734,756,156	12,734,756,156

There were no movements in the Company's issued share capital (excluding treasury shares) since 31 December 2017.

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 2018 and 31 December 2017 was 12,734,756,156 ordinary shares.

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.

There were no changes in the number of ordinary shares held as treasury shares by the Company since 31 December 2017.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2017.

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

The Group adopted various new and revised IFRSs that are relevant to its operations and effective for period beginning 1 January 2018. Except as disclosed below, the adoption of the new and revised IFRSs has had no material financial impact on the Group's financial statements.

IFRS 9, *Financial Instruments* contains new requirements for classification and measurement of financial instruments, a new expected credit loss model for calculating impairment of financial assets, and new general hedge accounting requirements.

Prior to adoption of IFRS 9, the Groups classifies its non-derivative financial assets as 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. Upon adoption of IFRS 9, the Group's investments in equity instruments that are currently classified as available-for-sale and satisfy certain conditions will be classified as at fair value through other comprehensive income ("FVOCI"). All other financial assets will be held at fair value through profit or loss ("FVTPL"). Fair value reserve relating to the fair value changes of unit trusts and funds will be reclassified to retained earnings as these investments are classified as FVTPL. Also, impairment of financial assets measured at amortised cost or FVOCI (except for investments in equity instruments) is now based on the expected credit loss model instead of the previous "incurred loss" model used previously. The Group does not restate the comparative information for the effect of adopting IFRS 9 due to the exemptions allowed under the transition provision of IFRS 9 but has instead recognised the effect in retained earnings and other reserves as at 1 January 2018.

The following reconciliations summaries the impacts on initial application of IFRS 9 on the Group's financial statements.

Consolidated statement of financial position as at 31 December 2017 and 1 January 2018

	At 31 Dec 2017 <u>US\$'000</u>	Effect of IFRS 9 <u>US\$'000</u>	At 1 Jan 2018 <u>US\$'000</u>
Trade receivables	486,045	(1,291)	484,754
Fair value reserve	3,121	(5,870)	(2,749)
Retained earnings	2,260,432	4,579	2,265,011

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 2018	1st Half 2017	2nd Qtr 2018	2nd Qtr 2017
Earnings/(Loss) per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	(USD0.21cents)	USD0.47cents	(USD0.31cents)	USD0.17cents
- Weighted average numbers of shares	12,734,756,156	12,734,756,156	12,734,756,156	12,734,756,156
(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

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 June 2018	As at 31 Dec 2017	As at 30 June 2018	As at 31 Dec 2017
Net asset value per ordinary share based on existing issued share capital of 12,734,756,156 shares	US\$0.31	US\$0.31	US\$0.17	US\$0.17

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 2018 <u>US\$'000</u>	1st Half 2017 <u>US\$'000</u>	Change %
Revenue by segment			
Plantations and palm oil mills	684,232	843,495	(18.9)
Palm and laurics	3,307,223	3,386,271	(2.3)
Oilseeds	242,547	354,155	(31.5)
Others	99,470	97,629	1.9
Inter-segment eliminations	(657,241)	(878,590)	n.m.
Total Revenue	<u>3,676,231</u>	<u>3,802,960</u>	(3.3)
EBITDA by segment			
Plantations and palm oil mills	197,225	243,797	(19.1)
Palm and laurics	45,273	78,831	(42.6)
Oilseeds	(4,565)	4,464	n.m.
Others	281	1,145	(75.5)
Inter-segment eliminations	(278)	31	n.m.
Total EBITDA	<u>237,936</u>	<u>328,268</u>	(27.5)

Notes:

- (1) EBITDA refers to earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net (loss)/gain from changes in fair value of biological assets and foreign exchange (loss)/gain.
- (2) Plantations and palm oil mills segment refers to products from upstream business.
- (3) Palm and laurics segment refers to processing and merchandising of palm based products, i.e. bulk and branded as well as oleochemicals and other vegetable oils.
- (4) Oilseeds segment refers to processing and merchandising of oilseed based products, i.e. bulk and branded.
- (5) Others refer to production and distribution of food & consumer products in China and Indonesia.

REVIEW OF PERFORMANCE FOR THE HALF YEAR ENDED 30 JUNE 2018

The Group's total revenue was marginally lower at US\$3,676.2 million for half year ended 30 June 2018 ("1H2018") with EBITDA and core profit lower at US\$237.9 million and US\$41.4 million respectively. The operating performance of the Group was affected by lower production output and softer crude palm oil ("CPO") prices during the current period.

PLANTATIONS AND PALM OIL MILLS

Revenue from our plantation and palm oil mills segment lowered by 18.9% at US\$684.2 million in 1H2018, mainly attributable to decreases in production yield and CPO prices, as well as higher inventory level during the current period. Our fresh fruit bunch ("FFB") yield per hectare continued to improve on quarter-to-quarter basis. However, total FFB and palm product output for 1H2018 were lower at 4,598,000 tonnes and 1,318,000 tonnes respectively as compared to 4,695,000 tonnes and 1,335,000 tonnes respectively in the previous corresponding period ("1H2017"), mainly affected by the biological slowdown ("tree stress") after the high production in 2017 following the recovery from El Nino weather condition.

The average international CPO (FOB Belawan) price for the current period was lower at US\$632 per tonne as compared to US\$702 per tonne in 1H2017. Consequently, EBITDA from our plantations and palm oil mills segment decreased by 19.1% to US\$197.2 million in the current period.

PALM AND LAURICS

Revenue from our palm and laurics segment was marginally lower at US\$3,307.2 million in 1H2018 mainly attributable to lower average net realised prices. EBITDA decreased by 42.6% to US\$45.3 million in the current period with lower EBITDA margin as CPO market prices were affected by the recent governments' intervention in commodity markets, such as in India and Malaysia, as well as the changes in US-China trade tariffs, coupled with untimely purchase of feedstocks for the festive season stock building.

OILSEEDS

Revenue from our oilseeds segment decreased by 31.5% to US\$242.5 million mainly due to lower sales and crushing volume during the current period. Oilseeds segment recorded a negative EBITDA of US\$4.6 million for the current period largely affected by lower volume and higher input prices mainly driven by the uncertainty of the changes in trade policies between US and China.

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 from US\$57.0 million in 1H2017 to US\$58.6 million in the current period mainly in line with higher average total borrowings in the current period.

SHARE OF RESULTS OF JOINT VENTURES, NET

The Group recorded share of loss in joint ventures of US\$9.1 million in the current period as compared to share of profit of US\$2.8 million in 1H2017 primarily due to loss in a joint venture that started commercial operations in the last quarter of 2017 and is currently in the market development phase.

FOREIGN EXCHANGE (LOSS)/GAIN, NET

The Group recorded a net foreign exchange loss of US\$17.1 million in 1H2018 as compared to net gain of US\$3.7 million in 1H2017. This was mainly attributable to translation loss on IDR denominated monetary assets as IDR weakened against USD during the current period as compared to IDR strengthened against USD in 1H2017.

OTHER OPERATING INCOME

Net other operating income comprised mainly changes in fair value of biological assets (agricultural produce) and financial assets, income from sales of seedlings and other materials, as well as rental income. The Group recorded lower net other operating income of US\$10.7 million in 1H2018 as compared to US\$11.9 million in 1H2017. This was mainly attributable to loss from changes in fair value of biological assets of US\$15.9 million in 1H2018 as compared to a gain of US\$0.1 million in 1H2017 in line with lower prices, partially offset by investment income received.

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.

The Group recorded a lower net tax expense of US\$10.6 million in 1H2018 in line with the lower taxable profit recorded during the current period.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2018

ASSETS

The Group's total assets increased from US\$8,137.8 million as at 31 December 2017 to US\$8,486.9 million as at 30 June 2018. This increase was mainly due to higher inventories, trade receivables and other current assets, as well as additional long-term investments.

Inventories increased by US\$161.9 million to US\$1,154.3 million mainly attributable to higher inventories level for both upstream and downstream operations.

Trade receivables increased by US\$101.9 million to US\$588.0 million mainly due to the higher revenue recorded in June 2018.

Other current assets increased by US\$166.7 million to US\$979.4 million mainly attributable to higher deposits and advances for CPO purchases and higher prepaid expenses.

Long-term investments increased by US\$100.0 million mainly due to additional investments in technology related investments.

LIABILITIES

Total liabilities of the Group increased by US\$398.4 million to US\$4,427.6 million as at 30 June 2018. This was mainly attributable to higher trade payables and total borrowings.

Trade payables increased by US\$194.5 million mainly due to higher trade finance payable in line with increased purchases during the current period.

Total borrowings increased by US\$243.7 million to US\$3,235.9 million mainly due to additional loan drawdown and medium-term notes issued for working capital and general corporate purposes.

REVIEW OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2018

The Group recorded a net cash outflow for its operating activities (after payment of taxes and interest expenses) in 1H2018 of US\$38.0 million as compared to a net cash inflow in the previous corresponding period. This was mainly due to lower operating results, higher tax payment, as well as higher working capital requirement for our downstream activities.

Net cash used in investing activities of US\$152.8 million was mainly related to capital expenditures on our property, plant and equipment, and additional investment in long-term investments.

Net cash generated from financing activities of US\$219.8 million was mainly related to net of proceeds from issuance of additional notes and new loans drawdown, net of dividends payments during the current 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

Weather conditions, demand and supply of CPO and other competing seed oils, and developments in government policy on import duties of the countries we trade with will continue to have an impact on the prices for commodities including CPO. Nonetheless, we expect the demand for CPO to remain stable supported by global food and energy demand growth, including the increase in biodiesel consumption in Indonesia. The Group will continue to enhance its integrated operation capabilities to optimise profit opportunities across the value chain, as well as to improve its yield, cost efficiency and sustainability initiatives.

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 second quarter ended 30 June 2018.

13. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the year under review (excluding transactions less than S\$100,000 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 S\$100,000)
	2Q2018	2Q2018
	US\$	US\$
PT Asuransi Sinar Mas	Nil	2,882,527
PT Bank Sinarmas Tbk #1	Nil	4,593,020
PT Cakrawala Mega Indah	Nil	19,029,402
PT Golden Energy Mines Tbk	Nil	1,986,278
PT Maritim Sinar Utama	Nil	425,062
PT Rolimex Kimia Nusamas	Nil	37,407,219
PT Roundhill Capital Indonesia	Nil	1,534,531
PT Royal Oriental	Nil	2,265,188
PT Sinar Jati Mitra	Nil	268,457
Total	Nil	70,391,684

Note:

#1 Principal amount of placement as at 30 June 2018 is approximately US\$5.29 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, Franky Oesman Widjaja 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 2018 unaudited financial results to be false or misleading.

On behalf of the board of directors

Franky Oesman Widjaja
Director

Rafael Buhay Concepcion, Jr.
Director

- 19. Confirmation pursuant to the Rule 720(1) of the listing manual**

The Company confirms that it has procured undertakings from all its directors and executive officers in the form set out in Appendix 7.7 under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Rafael Buhay Concepcion, Jr.
Director
14 August 2018

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 14 August 2018 to the SGX