

GOLDEN AGRI-RESOURCES LTD
Half Year Financial Statement And Dividend Announcement
FINANCIAL HIGHLIGHTS

	1st Half 2019 US\$'000	1st Half 2018 US\$'000	Change %	2nd Qtr 2019 US\$'000	2nd Qtr 2018 US\$'000	Change %
Revenue	3,166,532	3,676,231	(13.9)	1,549,237	1,860,059	(16.7)
Gross Profit	344,568	468,029	(26.4)	151,806	219,909	(31.0)
EBITDA ¹	197,934	237,936	(16.8)	77,295	116,802	(33.8)
Underlying (loss)/profit ²	(15,338)	41,380	n.m.	(27,106)	16,592	n.m.
Underlying (loss)/profit per share (USD cents)	(0.12)	0.32	n.m.	(0.21)	0.13	n.m.
Net loss attributable to owners of the Company	(46,387)	(27,171)	70.7	(64,701)	(39,022)	65.8

Notes:

- (1) Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain/(loss) from changes in fair value of biological assets, foreign exchange gain/(loss) and exceptional item.
- (2) Net profit/(loss) 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, exceptional item 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 2019**

	1st Half 2019 <u>US\$'000</u>	1st Half 2018 <u>US\$'000</u>	Change %	2nd Qtr 2019 <u>US\$'000</u>	2nd Qtr 2018 <u>US\$'000</u>	Change %
Revenue	3,166,532	3,676,231	(13.9)	1,549,237	1,860,059	(16.7)
Cost of sales	<u>(2,821,964)</u>	<u>(3,208,202)</u>	(12.0)	<u>(1,397,431)</u>	<u>(1,640,150)</u>	(14.8)
Gross Profit	<u>344,568</u>	<u>468,029</u>	(26.4)	<u>151,806</u>	<u>219,909</u>	(31.0)
Operating expenses						
Selling expenses	(173,240)	(258,671)	(33.0)	(82,708)	(127,391)	(35.1)
General and administrative expenses	<u>(150,203)</u>	<u>(149,392)</u>	0.5	<u>(79,637)</u>	<u>(73,380)</u>	8.5
Total operating expenses	<u>(323,443)</u>	<u>(408,063)</u>	(20.7)	<u>(162,345)</u>	<u>(200,771)</u>	(19.1)
Operating profit/(loss)	<u>21,125</u>	<u>59,966</u>	(64.8)	<u>(10,539)</u>	<u>19,138</u>	n.m.
Other income/(expenses)						
Financial income	10,801	18,758	(42.4)	5,001	9,520	(47.5)
Financial expenses	(81,859)	(77,329)	5.9	(40,036)	(40,111)	(0.2)
Share of results of associated companies, net of tax	3,097	420	637.4	166	532	(68.8)
Share of results of joint ventures, net of tax	(7,663)	(9,110)	(15.9)	(4,734)	(6,099)	(22.4)
Foreign exchange gain/(loss)	3,171	(17,140)	n.m.	(15,036)	(22,213)	(32.3)
Other operating income	<u>15,017</u>	<u>10,693</u>	40.4	<u>6,570</u>	<u>8,059</u>	(18.5)
	<u>(57,436)</u>	<u>(73,708)</u>	(22.1)	<u>(48,069)</u>	<u>(50,312)</u>	(4.5)
Exceptional item						
Gain on disposal of subsidiaries	<u>11,492</u>	<u>-</u>	n.m.	<u>43</u>	<u>-</u>	n.m.
Loss before tax	(24,819)	(13,742)	80.6	(58,565)	(31,174)	87.9
Tax	<u>(10,503)</u>	<u>(10,581)</u>	(0.7)	<u>(2,879)</u>	<u>(6,579)</u>	(56.2)
Loss for the period	<u>(35,322)</u>	<u>(24,323)</u>	45.2	<u>(61,444)</u>	<u>(37,753)</u>	62.8
Attributable to:						
Owners of the Company	(46,387)	(27,171)	70.7	(64,701)	(39,022)	65.8
Non-controlling interests	<u>11,065</u>	<u>2,848</u>	288.5	<u>3,257</u>	<u>1,269</u>	156.7
	<u>(35,322)</u>	<u>(24,323)</u>	45.2	<u>(61,444)</u>	<u>(37,753)</u>	62.8

Note:

(1) n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 30 JUNE 2019**

	1st Half 2019 <u>US\$'000</u>	1st Half 2018 <u>US\$'000</u>	2nd Qtr 2019 <u>US\$'000</u>	2nd Qtr 2018 <u>US\$'000</u>
Loss for the period	<u>(35,322)</u>	<u>(24,323)</u>	<u>(61,444)</u>	<u>(37,753)</u>
Other comprehensive income/(loss):				
<u>Items that will not be reclassified subsequently to profit or loss:</u>				
Actuarial (loss)/gain on post-employment benefits	(5,707)	6,000	(5,707)	6,000
Share of other comprehensive income of a joint venture	1	-	-	44
Changes in fair value of financial assets at fair value through other comprehensive income	40,028	-	32,743	-
<u>Items that may be reclassified subsequently to profit or loss:</u>				
Foreign currency translation differences on consolidation	3,136	(16,315)	128	(18,422)
Share of other comprehensive income/(loss) of:				
Joint ventures	210	(2,056)	(170)	(1,460)
Associates	(291)	-	472	-
Changes in fair value of available-for-sale financial assets	-	98	-	1,567
Other comprehensive income/(loss), net of tax	<u>37,377</u>	<u>(12,273)</u>	<u>27,466</u>	<u>(12,271)</u>
Total comprehensive income/(loss) for the period, net of tax	<u>2,055</u>	<u>(36,596)</u>	<u>(33,978)</u>	<u>(50,024)</u>
Total comprehensive (loss)/income attributable to:				
Owners of the Company	(9,543)	(38,410)	(37,117)	(50,708)
Non-controlling interests	11,598	1,814	3,139	684
	<u>2,055</u>	<u>(36,596)</u>	<u>(33,978)</u>	<u>(50,024)</u>

ADDITIONAL INFORMATION

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

	1st Half 2019 <u>US\$'000</u>	1st Half 2018 <u>US\$'000</u>	Change %	2nd Qtr 2019 <u>US\$'000</u>	2nd Qtr 2018 <u>US\$'000</u>	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net loss from changes in fair value of biological assets and foreign exchange gain/(loss) and exceptional item ("EBITDA")	197,934	237,936	(16.8)	77,295	116,802	(33.8)
Interest on borrowings	(81,081)	(76,086)	6.6	(39,806)	(39,553)	0.6
Depreciation and amortisation	(153,323)	(142,524)	7.6	(77,028)	(71,093)	8.3
Net loss from changes in fair value of biological assets	(3,012)	(15,928)	(81.1)	(4,033)	(15,117)	(73.3)
Foreign exchange gain/(loss)	3,171	(17,140)	n.m.	(15,036)	(22,213)	(32.3)
Exceptional item	11,492	-	n.m.	43	-	n.m.
Loss before tax	<u>(24,819)</u>	<u>(13,742)</u>	80.6	<u>(58,565)</u>	<u>(31,174)</u>	87.9

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 30/6/2019 <u>US\$'000</u>	As at 31/12/2018 <u>US\$'000</u>	As at 30/6/2019 <u>US\$'000</u>	As at 31/12/2018 <u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	120,426	192,766	32	88
Short-term investments	351,606	351,855	-	-
Trade receivables	501,209	533,692	-	-
Other current assets (note (a))	895,993	804,835	46	11
Inventories	921,273	1,002,350	-	-
	2,790,507	2,885,498	78	99
Non-Current Assets				
Long-term receivables and assets (note (b))	239,879	323,525	-	-
Long-term investments	1,252,265	1,077,772	198,030	175,065
Subsidiary companies	-	-	3,431,521	3,431,355
Associated companies	20,344	17,546	-	-
Joint ventures	81,216	88,723	-	-
Investment properties	110	112	-	-
Property, plant and equipment	2,627,630	2,624,108	-	-
Bearer plants	1,058,889	1,092,166	-	-
Right-of-use assets	36,446	-	-	-
Deferred tax assets	254,545	244,023	-	-
Intangible assets	181,597	192,107	-	-
	5,752,921	5,660,082	3,629,551	3,606,420
Total Assets	8,543,428	8,545,580	3,629,629	3,606,519

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at 30/6/2019 US\$'000	As at 31/12/2018 US\$'000	As at 30/6/2019 US\$'000	As at 31/12/2018 US\$'000
Liabilities and Equity				
Current Liabilities				
Short-term borrowings	1,652,156	1,376,266	-	-
Bonds and notes payable	124,811	124,640	-	-
Lease liabilities	18,418	-	-	-
Trade payables	650,166	683,349	-	-
Other payables (note(c))	313,670	287,748	118,746	40,789
Taxes payable	16,801	18,899	-	-
	<u>2,776,022</u>	<u>2,490,902</u>	<u>118,746</u>	<u>40,789</u>
Non-Current Liabilities				
Bonds and notes payables	110,946	109,971	-	-
Long-term borrowings	1,134,624	1,399,212	-	-
Lease liabilities	19,382	-	-	-
Deferred tax liabilities	83,092	78,080	-	-
Long-term payables and liabilities	174,380	157,335	-	-
	<u>1,522,424</u>	<u>1,744,598</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,298,446</u>	<u>4,235,500</u>	<u>118,746</u>	<u>40,789</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	(14,370)	(16,702)	-	-
Fair value reserve	146,716	106,688	1,640	1,640
PRC statutory reserve	3,820	3,820	-	-
Other reserve	29,648	35,315	-	-
	197,285	160,592	33,111	33,111
Retained earnings	2,216,362	2,318,426	1,337,594	1,392,441
	<u>4,103,273</u>	<u>4,168,644</u>	<u>3,510,883</u>	<u>3,565,730</u>
Non-Controlling Interests	141,709	141,436	-	-
Total Equity	<u>4,244,982</u>	<u>4,310,080</u>	<u>3,510,883</u>	<u>3,565,730</u>
Total Liabilities and Equity	<u>8,543,428</u>	<u>8,545,580</u>	<u>3,629,629</u>	<u>3,606,519</u>

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	Group		Company	
	As at 30/6/2019	As at 31/12/2018	As at 30/6/2019	As at 31/12/2018
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	59,947	21,370	45	10
Prepaid taxes	190,586	117,481	-	-
Deposits and advances to suppliers	196,239	243,802	-	-
Biological assets	60,777	63,789	-	-
Derivative receivable	120,635	102,742	-	-
Others	174,447	152,546	1	1
	<u>802,631</u>	<u>701,730</u>	<u>46</u>	<u>11</u>
Receivable from joint ventures	75,451	68,230	-	-
Receivable from related parties	17,911	34,875	-	-
	<u>895,993</u>	<u>804,835</u>	<u>46</u>	<u>11</u>

(b) Long-Term Receivables and Assets

	Group		Company	
	As at 30/6/2019	As at 31/12/2018	As at 30/6/2019	As at 31/12/2018
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Loan receivable from joint ventures and an associated company	82,466	80,793	-	-
Tax recoverable	104,686	204,729	-	-
Advances for plasma plantations, net	3,779	2,651	-	-
Advances for projects	25,636	12,290	-	-
Land clearing	1,823	1,894	-	-
Advances for investment in land	1,495	1,495	-	-
Others	19,994	19,673	-	-
	<u>239,879</u>	<u>323,525</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	Group		Company	
	As at 30/6/2019	As at 31/12/2018	As at 30/6/2019	As at 31/12/2018
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances and deposits	140,883	138,665	-	-
Accrued expenses	43,636	52,038	109	324
Payable to third parties	96,322	63,189	-	-
Others	25,030	30,251	7	7
	<u>305,871</u>	<u>284,143</u>	<u>116</u>	<u>331</u>
Payable to related parties	7,799	3,605	118,630	40,458
	<u>313,670</u>	<u>287,748</u>	<u>118,746</u>	<u>40,789</u>

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

	As at 30/6/2019 US\$'000			As at 31/12/2018 US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	995,241	800,144	1,795,385	847,888	653,018	1,500,906
Amount repayable after one year	920,175	344,777	1,264,952	1,219,203	289,980	1,509,183
Total	1,915,416	1,144,921	3,060,337	2,067,091	942,998	3,010,089

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 and right-of-use assets.

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 2019

	1st Half 2019 US\$'000	1st Half 2018 US\$'000	2nd Qtr 2019 US\$'000	2nd Qtr 2018 US\$'000
Cash flows from operating activities				
Loss before tax	(24,819)	(13,742)	(58,565)	(31,174)
Adjustments for:				
Depreciation	150,864	140,951	75,814	70,220
Amortisation	2,459	1,573	1,214	873
Net loss from changes in fair value of biological assets	3,012	15,928	4,033	15,117
Unrealised foreign exchange loss	2,123	5,603	3,511	11,257
Share of results of associated companies, net of tax	(3,097)	(420)	(166)	(532)
Share of results of joint ventures, net of tax	7,663	9,110	4,734	6,099
(Gain)/Loss on disposal of property, plant and equipment	(137)	417	-	(56)
Property, plant and equipment written off	470	499	320	278
Bearer plants written off	681	-	564	-
Inventories written off	362	450	362	450
(Write-back of)/Allowance for impairment loss on:				
Inventories, net	(1,398)	(3,645)	(1,199)	564
Trade receivables, net	85	21	(6)	6
Gain on disposal of subsidiaries	(11,492)	-	(43)	-
Changes in fair value of financial assets at fair value through profit or loss	(4,681)	(2,646)	(6,776)	(5,487)
Interest income	(10,801)	(18,758)	(5,001)	(9,520)
Interest expense	81,081	76,086	39,806	39,553
Operating cash flow before working capital changes	192,375	211,427	58,602	97,648
Changes in operating assets and liabilities:				
Trade receivables	(1,643)	(103,167)	(9,146)	(61,702)
Other current assets	(27,116)	(184,907)	(17,335)	(33,718)
Inventories	66,830	(158,560)	40,691	(75,041)
Net assets for disposal group held for sale	-	76,412	-	-
Trade payables	12,313	194,513	(876)	91,968
Other payables	34,200	24,009	(2,395)	14,577
Cash generated from operations	276,959	59,727	69,541	33,732

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 30 JUNE 2019 (cont'd)

	1st Half 2019 US\$'000	1st Half 2018 US\$'000	2nd Qtr 2019 US\$'000	2nd Qtr 2018 US\$'000
Cash generated from operations	276,959	59,727	69,541	33,732
Interest received	5,834	14,089	2,212	6,185
Interest paid	(80,500)	(71,100)	(35,476)	(34,090)
Tax refund/(paid)	7,261	(40,696)	(16,267)	(30,613)
Net cash generated from/(used in) operating activities	209,554	(37,980)	20,010	(24,786)
Cash flows from investing activities				
Proceeds from disposal of property, plant and equipment	8,310	4,712	355	222
Proceeds from disposal of bearer plants	283	604	(2)	324
Capital expenditure on property, plant and equipment	(111,676)	(101,513)	(54,946)	(61,759)
Capital expenditure on bearer plants	(13,537)	(18,127)	(6,233)	(13,399)
Investments in financial assets, net	(81,706)	(122,369)	(21,534)	(20,994)
Investment in an associated company	-	(1,164)	-	-
Cash inflow from non-controlling interest for incorporation of a subsidiary	-	121	-	121
(Investments in)/Proceeds from Plasma/KKPA Program plantations, net	(1,055)	(641)	(1,036)	177
Net cash inflow from disposal of a subsidiary	9	70,761	9	70,761
Dividends received from joint ventures	-	6,743	-	2,000
Payments for deferred expenditure and intangible assets	(9,206)	(11,902)	(5,046)	(10,431)
Net (increase)/decrease in long-term receivables and assets	(16,424)	19,993	(6,797)	18,620
Net cash used in investing activities	(225,002)	(152,782)	(95,230)	(14,358)
Cash flows from financing activities				
Proceeds from short-term borrowings	2,007,395	2,427,603	969,292	1,069,956
Proceeds from long-term borrowings	148,563	385,547	92,892	224,047
Payments of dividends	(54,258)	(11,537)	(54,258)	(11,537)
Capital subscribed by non-controlling shareholders	11	-	11	-
Payments of short-term borrowings	(1,806,172)	(2,279,382)	(989,185)	(919,467)
Payments of long-term borrowings	(337,988)	(240,451)	(37,191)	(92,854)
Payments of principal element of leases	(11,941)	-	(6,688)	-
Proceeds from notes issue	-	112,613	-	-
Payments of bonds and notes payable	-	(152,672)	-	(152,672)
Payments of deferred loan charges and bank loan administration costs	(2,502)	(3,305)	(1,115)	(2,232)
Decrease/(Increase) in cash in banks and time deposits pledged	15,862	(18,586)	(1,132)	(39,427)
Net cash (used in)/generated from financing activities	(41,030)	219,830	(27,374)	75,814
Net (decrease)/increase in cash and cash equivalents	(56,478)	29,068	(102,594)	36,670
Cash and cash equivalents at the beginning of the period	158,747	127,198	204,863	119,596
Cash and cash equivalents at the end of the period (See Note below)	102,269	156,266	102,269	156,266

Note:

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

	30/6/2019 US\$'000	30/6/2018 US\$'000
Time deposits, cash and bank balances	120,426	208,105
Less: Cash in banks and time deposits pledged	(18,157)	(51,839)
	<u>102,269</u>	<u>156,266</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 2018	320,939	1,216,095	(31,726)	184,318	160,592	2,318,426	4,168,644	141,436	4,310,080
Effect of adoption of IFRS 16	-	-	-	-	-	(1,419)	(1,419)	-	(1,419)
Balance at 1 Jan 2019	320,939	1,216,095	(31,726)	184,318	160,592	2,317,007	4,167,225	141,436	4,308,661
Profit for the period	-	-	-	-	-	18,314	18,314	7,808	26,122
Other comprehensive income	-	-	-	-	9,260	-	9,260	651	9,911
Total comprehensive income for the period	-	-	-	-	9,260	18,314	27,574	8,459	36,033
Balance at 31 Mar 2019	320,939	1,216,095	(31,726)	184,318	169,852	2,335,321	4,194,799	149,895	4,344,694
(Loss)/Profit for the period	-	-	-	-	-	(64,701)	(64,701)	3,257	(61,444)
Other comprehensive income/(loss)	-	-	-	-	27,584	-	27,584	(118)	27,466
Total comprehensive income/(loss) for the period	-	-	-	-	27,584	(64,701)	(37,117)	3,139	(33,978)
Dividends paid for 2018	-	-	-	-	-	(54,258)	(54,258)	-	(54,258)
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	(11,487)	(11,487)
Change in interests in subsidiaries	-	-	-	-	(151)	-	(151)	151	-
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	11	11
Balance at 30 Jun 2019	320,939	1,216,095	(31,726)	184,318	197,285	2,216,362	4,103,273	141,709	4,244,982

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 2018 as previously announced	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 shareholders	-	-	-	-	-	-	-	(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

<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 at 1 Jan 2019	320,939	1,850,965	(31,726)	33,111	1,392,441	3,565,730
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(165)	(165)
Balance at 31 Mar 2019	320,939	1,850,965	(31,726)	33,111	1,392,276	3,565,565
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(424)	(424)
Dividends paid for 2018	-	-	-	-	(54,258)	(54,258)
Balance at 30 Jun 2019	320,939	1,850,965	(31,726)	33,111	1,337,594	3,510,883
Balance at 1 Jan 2018 as previously announced	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 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 at 30 Jun 2018	320,939	1,850,965	(31,726)	31,471	36,488	2,208,137

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 Jun 2019	30 Jun 2018
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 2018.

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 2019 and 31 December 2018 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 2018.

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 2018.

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 16, *Leases* sets out a revised framework for the recognition, measurement, presentation and disclosure of leases, and replaces existing lease accounting guidance. IFRS 16 requires lessees to recognise right-of-use assets and lease liabilities for all leases with a term of more than 12 months, except where the underlying asset is of low value. The right-of-use asset is depreciated and interest expense is recognised on the lease liability. The accounting requirements for lessors have not been changed substantially, and continue to be based on classification as operating and finance leases. Disclosure requirements have been enhanced for both lessors and lessees.

The Group plans to adopt IFRS 16 on 1 January 2019 based on a permitted transition approach that does not restate comparative information, but recognises the cumulative effect of initially applying SFRS(I) 16 as an adjustment to the opening balance of retained earnings on 1 January 2019. The Group also plans to adopt an expedient offered by IFRS 16, exempting the Group from having to reassess whether pre-existing contracts contain a lease.

The Group has entered into leasing arrangements with lessors for rental of office premises and properties as lessee. Prior to adoption of IFRS 16, the Group recognised these arrangement as operating leases and payments made under operating leases are recognised in the income statement on a straight-line basis over the period of the lease. Upon adoption of IFRS 16, the Group recognised the right-of-use assets and lease liabilities. The nature of expenses related to those leases will change as IFRS 16 replaces the straight-line operating lease expense with depreciation charge for right-of-use assets and interest expenses on lease liabilities. The Group does not restate the comparative information for the effect of adopting IFRS 16 due to the exemption in IFRS 16 but has instead recognised the effect in retained earnings and other reserves as at 1 January 2019.

The following reconciliations summaries the impacts of transition to IFRS 16 on the Group's financial statements.

Consolidated statement of financial position as at 31 December 2018 and 1 January 2019

	At 31 Dec 2018 US\$'000	Effect of IFRS 16 US\$'000	At 1 Jan 2019 US\$'000
Right-of-use assets	-	46,685	46,685
Lease liabilities:			
Current	-	(21,228)	(21,228)
Non-current	-	(26,876)	(26,876)
Retained earnings	2,318,426	(1,419)	2,317,007

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 2019	1st Half 2018	2nd Qtr 2019	2nd Qtr 2018
Earnings/(Loss) per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	(USD0.36cents)	(USD0.21cents)	(USD0.51cents)	(USD0.31cents)
- 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 Jun 2019	As at 31 Dec 2018	As at 30 Jun 2019	As at 31 Dec 2018
Net asset value per ordinary share based on existing issued share capital of 12,734,756,156 shares	US\$0.32	US\$0.33	US\$0.28	US\$0.28

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 2019 <u>US\$'000</u>	1st Half 2018 <u>US\$'000</u>	Change <u>%</u>
Revenue by segment			
Plantations and palm oil mills	573,861	684,232	(16.1)
Palm, laurics and others	3,151,408	3,649,240	(13.6)
Inter-segment eliminations	(558,737)	(657,241)	(15.0)
Total Revenue	<u>3,166,532</u>	<u>3,676,231</u>	(13.9)
EBITDA by segment			
Plantations and palm oil mills	96,711	197,225	(51.0)
Palm, laurics and others	100,385	40,391	148.5
Inter-segment eliminations	838	320	161.9
Total EBITDA	<u>197,934</u>	<u>237,936</u>	(16.8)

Notes:

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

REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2019

The Group recorded lower revenue at US\$3,166.5 million for half year ended 30 June 2019 ("1H2019") with EBITDA at US\$197.9 million. The operating performance of the Group was mainly affected by softer crude palm oil ("CPO") prices, partially offset by better performance of our palm, laurics and others segment during the current period.

PLANTATIONS AND PALM OIL MILLS

Revenue from our plantation and palm oil mills segment decreased by 16.1% to US\$573.9 million in 1H2019. This was mainly attributable to lower CPO prices during the current period, partially offset by the higher sales volume due to sell-down of inventory. Our fresh fruit bunch ("FFB") yield per hectare continued to improve on quarter-to-quarter basis. However, total FFB and palm product output for 1H2019 were lower at 4,455,000 tonnes and 1,293,000 tonnes respectively as compared to 4,598,000 tonnes and 1,318,000 tonnes respectively in the previous corresponding period ("1H2018"), primarily affected by the bumper crop in 2018.

The average international CPO (FOB Belawan) price for the current period was 21.6% lower at US\$496 per tonne as compared to US\$632 per tonne in 1H2018. Consequently, EBITDA from our plantations and palm oil mills segment decreased by 51.0% to US\$96.7 million in 1H2019.

PALM, LAURICS AND OTHERS

Our palm, laurics and others segment refers to all processing and merchandising of palm and oilseeds product, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia. Revenue from this segment was lower by 13.6% to US\$3,151.4 million in 1H2019. This was mainly attributable to lower CPO prices and lower sales volume for oilseeds in China, which was offset by the strong demand for biodiesel in Indonesia. Despite lower prices, EBITDA increased from US\$40.4 million in 1H2018 to US\$100.4 million in the current period with better EBITDA margin mainly due to additional contribution from biodiesel and the removal of export levy in Indonesia.

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\$58.6 million in 1H2018 to US\$71.1 million in the current period mainly due to lower interest income which is in line with lower average total time deposits in the current period.

FOREIGN EXCHANGE GAIN/(LOSS), NET

The Group recorded a net foreign exchange gain of US\$3.2 million in 1H2019 as compared to net loss of US\$17.1 million in 1H2018. The current period's gain was mainly attributable to fair value gain on forward foreign currency contracts entered to hedge the currency exposure during the current period.

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 higher net other operating income at US\$15.0 million in the current period mainly due to lower loss from changes in fair value of biological assets recorded in the current period.

EXCEPTIONAL ITEM

Exceptional item in the current period related to gain on disposal of certain subsidiaries in Indonesia.

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. Despite higher loss before income tax, net tax expense remained at US\$10.5 million in 1H2019 mainly due to lower deferred tax credit recorded and higher taxable profit recorded in certain subsidiaries in our palm, laurics and others segment.

NON-CONTROLLING INTERESTS

Non-controlling shareholders' share of profit increased from US\$2.8 million to US\$11.1 million in 1H2019. This increase was mainly attributable to higher profit recorded in certain subsidiaries.

REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2019

The Group adopted IFRS 16, *Leases*, requiring lessees to recognise right-of-use assets and lease liabilities for all leases with effect from 1 January 2019. The cumulative effect of initial application has been adjusted against the opening balance of retained earnings on 1 January 2019 based on the permitted transition approach. Details and impact of adjustment are disclosed in Note 5 above.

ASSETS

The Group's total assets were marginally lower at US\$8,543.4 million as at 30 June 2019 as compared to US\$8,545.6 million as at end 2018.

Total current assets decreased by US\$95.0 million as at 30 June 2019 mainly due to lower inventory and cash and cash equivalents, partially offset by higher other current assets.

Other current assets increased by US\$91.2 million mainly attributable to higher prepaid value-added taxes.

Total non-current assets increased by US\$92.8 million as at 30 June 2019 mainly due to recognition of right-of-use assets and additional investments in logistics and technology related-investments, partially offset with lower tax recoverable.

LIABILITIES

Total liabilities of the Group increased from US\$4,235.5 million as at end 2018 to US\$4,298.4 million as at 30 June 2019. This was mainly attributable to recognition of lease liabilities and increase in other payables, partially offset with lower trade payables.

REVIEW OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2019

The Group recorded a net cash inflow for its operating activities (after payment of taxes and interest expenses) of US\$209.6 million in 1H2019 as compared to a net cash outflow in the previous corresponding period. This was mainly due to lower working capital requirement for our downstream activities.

Net cash used in investing activities of US\$225.0 million was mainly related to capital expenditures on our property, plant and equipment, and additional investment in long-term investments.

Net cash used in financing activities of US\$41.0 million was mainly related to dividends payment 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, supply and demand for CPO and other competing seed oils, and developments in government policy of the countries we operate in or trade with will continue to have an impact on the prices for commodities including CPO. CPO prices are expected to be range-bound. We expect production growth to slow down given the age profile of the industry and cyclicity of fruit production, while the demand growth for CPO is estimated to remain stable underpinned by global food and energy demand, particularly the increase in biodiesel consumption in Indonesia. The Group will continue to enhance its integrated operation capabilities in an efficient and innovative way, so as to optimise profit opportunities across the value chain, as well as to improve its yield, cost efficiency and sustainability initiative.

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 2019 as the Company generally reviews its dividend distribution during the second half of the financial year.

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 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)
	2Q2019	2Q2019
	US\$	US\$
PT Asuransi Sinar Mas	-	2,376,084
PT Bank Sinarmas Tbk	-	5,888,628*
PT Cakrawala Mega Indah	-	2,375,715
PT Rolimex Kimia Nusamas	-	39,997,833
PT Roundhill Capital Indonesia	-	4,378,741
Total	-	55,017,001

Note:

* Principal amount of placements as at 30 June 2019 is approximately US\$6.68 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 2019 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 2019

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 14 August 2019 to the SGX