PARTNER OF CHOICE

ANNUAL REPORT 2015

Golden Agri-Resources Ltd
Listed on the Singapore Exchange

Vision

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

Mission

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

Contents

CORPORATE PROFILE

Listed on the Singapore Exchange since 1999, Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") form one of the leading integrated palm oil plantation companies in the world, with total revenue of more than US$6.5 billion and core net profit of US$221 million in 2015.

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

GAR is focused on sustainable palm oil production. GAR cultivates 485,600 hectares of oil palm plantations in Indonesia, including plasma smallholders. Our 44 mills extract CPO and PK from FFB, with a total capacity of 12.2 million tonnes per annum. Part of our CPO is processed further into value-added bulk, industrial and branded products through our own refineries, with a total capacity of 4.7 million tonnes per annum. The PK is crushed in our kernel crushing plants, which have an annual capacity of 1.4 million tonnes, producing higher-value palm kernel oil and palm kernel meal.

GAR also has a presence in China and India, where it operates a deep-sea port, oilseed crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles.

GAR's products are sold globally to a diversified customer base by leveraging its extensive distribution network, strong merchandising, branding, and destination marketing. Our shipping and logistics capabilities are bolstered by our ownership of vessels, sea ports, jetties, warehouses and bulking facilities in strategic locations.

Leading in Plantation Scale

DRIVING OPERATIONAL EXCELLENCE

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


485,600 Ha
of oil palm estates
6.15 MT per Ha
of palm product yield

CHAIRMAN'S STATEMENT

Franky Oesman Widjaja
Chairman and
Chief Executive Officer

Dear Shareholders,

2015 was a year of consolidation for Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company"). The year was marked by a difficult period in the palm oil industry as weaker prices persisted and reached a low in the month of August. Notwithstanding this, we did well as our investments in an integrated business model delivered strong results, allowing us to weather the challenges presented by weaker prices. Our expanded downstream capabilities enabled GAR to extract greater value across the operational chain.

We started the year with crude palm oil ("CPO") prices under pressure due to plunging crude oil prices and another bumper harvest of soybean. Towards the latter part of the year, however, we experienced positive price momentum as crude oil and CPO prices decoupled, following a severe El Niño weather phenomenon and after the Government of Indonesia reinforced the biodiesel mandate through its CPO levy.

" GAR is moving to the next level of business transformation, with a shift in focus from growth to profitability, by optimising margin creation across our vertically integrated operations. "

FY2015 Performance

The Company recorded US$6.51 billion in revenue and US$542 million in EBITDA for 2015. Although CPO prices dropped by 25 percent, EBITDA only contracted by a slight four percent, with the margin improving to 8.3 percent. The improvement is attributable to our focus on optimising the vertical integration of our operations and the turnaround of our China oilseed business.

This performance was delivered against a slight dip in our upstream palm oil business, which is the major contributor to total EBITDA. Dry conditions experienced in certain parts of our plantations in 2014 led to flat production during the reporting period. Nevertheless, the impact on production was minimised by our best-in-class estate and mill management. The absence of significant growth in production, coupled with softer CPO prices and implementation of a palm oil levy in July 2015, resulted in a decline in revenue and margin.

Having completed our multi-year downstream expansion programme in Indonesia, we will push on with efforts for further optimisation along the value chain to enhance long-term value. As the integration progresses, overall performance has shown gradual improvement quarter by quarter.

Meanwhile, our China oilseed business has turned around, delivering consistent profitability throughout the year, thanks to an improving oilseed business environment in the country, though price volatility remains a concern. We also launched new products and carried out various marketing initiatives for our food business in China.

During 2015, we successfully tapped various forms of financing, which included debt capital market and syndicated bank loans, showing the confidence of the financial markets in GAR's credit profile and positive long-term outlook. Most of the funds raised were used to refinance our maturing debts, including the convertible bond which was settled in October last year. We are constantly exploring refinancing alternatives to strengthen our financial position.

We appreciate the support from our shareholders despite the ongoing weak environment. The Board, therefore, proposed a final cash dividend distribution of 0.502 Singapore cents per share, after considering our strategic plan for 2016 to maximise value from our integrated assets. During the year GAR also bought back 102.8 million shares, reflecting our confidence in the long-term value of the Company.

Business Strategy

GAR is moving to the next level of business transformation, with a shift in focus from growth to profitability, by optimising margin creation across our vertically integrated operations. With 485,600 hectares of plantations under our care, we are concentrating on and extending initiatives around operational excellence, yield improvement, cost management, people development and sustainability. These endeavours involve well-planned mechanisation and automation, as well as intensive control and supervision using cutting-edge technology, and replanting activity using best planting materials.

Our assets across the downstream value chain are now largely in place as we have completed our downstream expansion programme. The final piece will be our biodiesel plants under construction to support the biodiesel mandate of the Indonesian government. We will advance our efforts in perfecting our operations across the downstream value chain, extracting margin opportunities that arise from providing global customers with a portfolio of value-added products and services. This will be supported by GAR's competitive advantage with our in-house supply of quality CPO and close access to third party plantations, our vertically integrated business model, new technology employed in our refineries, as well as global logistics and distribution capabilities.

In anticipation of sustained challenges in the commodity business in China, we are exploring strategic collaborations to enhance profitability and improve returns from the business.

I would like to take the opportunity to thank Ernst & Young for granting me the ASEAN Entrepreneurial Excellence award last September as the Chief Executive Officer of GAR. This is a great honour for all of us at the Company, showing that we are on track and doing the right thing. GAR has grown in scale and built competitiveness by constantly focusing on improvement and fast execution.

Strengthening our Sustainability Culture

We continue to deepen our commitment to sustainability and remain focused on engaging and collaborating with stakeholders including government, smallholders, local communities, NGOs and industry to drive change on the ground while enabling long-term growth for the industry and community.

In 2015, we launched an updated and enhanced sustainability policy. The GAR Social and Environmental Policy (GSEP) integrates and builds on our earlier ground-breaking sustainability policies. It applies to our entire operations, our subsidiaries and our suppliers, and we have invested additional resources to ensure its proper implementation.

Climate change and sustainable agriculture were at the forefront in 2015 as Indonesia and neighbouring countries suffered the worst haze crisis since the late 1990s. Only a small percentage of our total plantation area was affected by fires, and these fires originated outside our plantations. The haze had a direct impact on many of our own employees and the communities living around our plantations. Recognising this, we are determined to continue channelling resources towards the long-term prevention of fires. To date, we have trained around 10,000 emergency response personnel in fire management and suppression. In November 2015, we also announced a Peat Ecosystem Rehabilitation Project in West Kalimantan. It aims to prevent future haze-causing fires and is in line with the Indonesian government's focus on revitalising peat areas. In 2016, we will launch pilot programmes in villages in Jambi and West Kalimantan to

CHAIRMAN'S STATEMENT

help build their capacity to prevent fires. We will also offer CSR support to villages that remain fire-free. In addition, we are helping our suppliers become compliant with our Zero Burning Policy.

Supporting smallholders is a key priority for us. GAR continues to help farmers obtain government-subsidised loans under the Innovative Financing Scheme. In Riau, 270 farmers were beneficiaries of the scheme in 2015. The farmers began replanting their estates in the middle of the year. This will help them improve yields, which will not only increase their incomes but also reduce the need to open new land.

Our suppliers are an integral part of GAR operations. In 2015, we completed a major initiative in mapping our supply chain to the mills which will help us know and better understand our suppliers. We see them as partners, and we are engaging continuously with them to help them implement sustainable practices which will ultimately improve the entire palm oil industry.

We also made further progress in obtaining certification for our sustainably-produced palm oil. To date, we have received Roundtable on Sustainable Palm Oil certification for 29 mills, five kernel crushing plants, four refineries, six bulking stations and one oleochemical plant.

Outlook for the Industry

We are confident that prospects for the palm oil industry remain promising in the long term. As the most consumed and best value vegetable oil, demand fundamentals of palm oil continue to be robust. Food demand will maintain its growth in line with the growing populations and rising per capita income in developing countries, while non-food demand will largely be driven by the biodiesel mandates. CPO is the largest feedstock for biodiesel, comprising more than 30 percent, having overtaken soybean oil since 2013. In the short term, we expect CPO prices to rebound mainly stimulated by the estimated production decline resulting from the severe El Niño of 2015. Another key support factor is the Government of Indonesia's aim to implement B20 biodiesel mixture by 2016. Although implementation will take time as infrastructure needs to be developed, the Government of Indonesia is committed to realising their plan.

Appreciation

Last year, Mr. Simon Lim stepped down as Deputy President and Executive Director of GAR in order to retire from full-time work. I personally, and also on behalf of the Board, would like to convey our deepest gratitude to Mr. Lim for his dedicated service for the past 20 years which has contributed invaluably to GAR's robust growth. We warmly wish him the best in his future endeavours. I would also like to extend the Board's appreciation to our employees, shareholders and all stakeholders, whose partnership and support have been instrumental in the success of our Company. Together, I am confident that we will be able to make Golden Agri-Resources the Partner of Choice.

Franky Oesman Widjaja
Chairman and Chief Executive Officer
18 March 2016

FINANCIAL HIGHLIGHTS

	2015	2014	2013	2012
Consolidated Income Statement (US$'000)				
Revenue	**6,510,051**	7,619,309	6,584,962	6,051,748
Gross profit	**1,139,575**	1,311,006	1,363,307	1,610,795
EBITDA [1]	**541,664**	565,891	661,359	785,339
Core net profit [2]	**221,406**	221,320	318,352	404,274
Net profit/(loss) attributable to owners of the Company	**(16,718)**	113,553	311,286	409,641
Weighted average number of shares (million shares)	**12,760**	12,838	12,838	12,430
Core net profit [2] per share (US$ cents)	**1.74**	1.72	2.48	3.25
Earnings/(loss) per share (US$ cents)	**(0.13)**	0.88	2.42	3.30
Consolidated Statement of Financial Position (US$'000)				
Total assets	**14,595,589**	14,666,621	14,148,204	13,286,134
Total current assets	**2,614,060**	2,794,374	2,538,526	2,421,811
Total current liabilities	**2,328,598**	2,500,566	1,884,110	1,302,206
Total non-current liabilities	**3,518,825**	3,347,734	3,460,721	3,365,724
Non-controlling interests	**88,473**	89,818	82,818	91,575
Equity attributable to owners of the Company	**8,659,693**	8,728,503	8,720,555	8,526,629
Ratios				
Gross profit margin	**17.5%**	17.2%	20.7%	26.6%
EBITDA [1] margin	**8.3%**	7.4%	10.0%	13.0%
Core net profit [2] margin	**3.4%**	2.9%	4.8%	6.7%
Net profit/(loss) [3] margin	**(0.3%)**	1.5%	4.7%	6.8%
Return on equity [4]	**2.6%**	2.5%	3.7%	4.7%
Return on assets [5]	**1.5%**	1.5%	2.3%	3.0%
Current ratio (times)	**1.12**	1.12	1.35	1.86
Adjusted net debt to equity [6] (times)	**0.22**	0.19	0.13	0.07
Receivable turnover [7] (days)	**28**	24	24	19
Inventory turnover [8] (days)	**54**	47	56	65
Other information				
Average CPO market price – FOB Belawan (US$ per tonne)	**574**	768	797	959

Notes:
(1) EBITDA = earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, changes in fair value of biological assets, foreign exchange gain or loss and exceptional items. The comparative EBITDA for 2014, 2013 and 2012 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current year's presentation
(2) Core net profit = net profit attributable to owners of the Company before accounting for the effect of net gain or loss from changes in fair value of biological assets, foreign exchange gain or loss and exceptional items (net of non-controlling interests)
(3) Net profit/(loss) = net profit/(loss) attributable to owners of the Company
(4) Return on equity = core net profit attributable to owners of the Company / equity attributable to owners of the Company
(5) Return on assets = core net profit attributable to owners of the Company / total assets
(6) Adjusted net debt to equity = (total borrowings - cash and cash equivalents - short-term investments - liquid working capital) / equity attributable to owners of the Company
(7) Receivable turnover = average trade receivables / revenue * 365
(8) Inventory turnover = average inventory / cost of sales * 365

PLANTATION HIGHLIGHTS

	2015	2014	2013	2012
Total planted area (hectares)				
Young (4 - 6 years)	**50,522**	65,666	79,912	91,849
Prime 1 (7 - 18 years)	**214,554**	215,802	223,438	211,663
Prime 2 (19 - 25 years)	**170,829**	136,825	107,079	94,286
Old (> 25 years)	**24,431**	22,285	20,282	18,511
Total mature plantations	**460,336**	440,578	430,711	416,309
Immature plantations	**25,270**	32,259	40,389	47,117
Total planted area	**485,606**	472,837	471,100	463,426
Nucleus planted area (hectares)				
Young (4 - 6 years)	**41,366**	54,051	69,599	83,880
Prime 1 (7 - 18 years)	**179,925**	175,371	172,550	153,570
Prime 2 (19 - 25 years)	**120,776**	93,071	76,059	72,462
Old (> 25 years)	**20,901**	22,285	20,282	18,511
Total mature plantations	**362,968**	344,778	338,490	328,423
Immature plantations	**21,419**	27,173	32,612	38,491
Total nucleus planted area	**384,387**	371,951	371,102	366,914
Plasma planted area (hectares)				
Young (4 - 6 years)	**9,156**	11,615	10,313	7,969
Prime 1 (7 - 18 years)	**34,629**	40,431	50,888	58,093
Prime 2 (19 - 25 years)	**50,053**	43,754	31,020	21,824
Old (> 25 years)	**3,530**	-	-	-
Total mature plantations	**97,368**	95,800	92,221	87,886
Immature plantations	**3,851**	5,086	7,777	8,626
Total plasma planted area	**101,219**	100,886	99,998	96,512
Production Statistics				
FFB harvested (tonnes)	**10,050,625**	9,729,030	9,040,682	9,686,045
Nucleus	**7,749,536**	7,569,932	6,997,213	7,389,763
Plasma	**2,301,089**	2,159,098	2,043,469	2,296,282
FFB yield (tonnes per hectare)	**21.8**	22.1	21.0	23.3
CPO produced (tonnes)	**2,380,047**	2,386,531	2,240,598	2,356,978
PK produced (tonnes)	**586,489**	566,501	527,509	554,023
OER (%)	**22.59**	22.83	22.68	22.60
KER (%)	**5.57**	5.42	5.34	5.31
Palm product yield (tonnes per hectare)	**6.15**	6.25	5.88	6.49
Plantation location (hectares)				
Sumatra	**229,147**	215,951	216,127	215,632
Nucleus	**153,236**	140,040	140,216	140,025
Plasma	**75,911**	75,911	75,911	75,607
Kalimantan	**243,104**	243,531	241,618	234,439
Nucleus	**217,796**	218,556	217,531	213,533
Plasma	**25,308**	24,975	24,087	20,906
Papua				
Nucleus	**13,355**	13,355	13,355	13,355

BOARD OF DIRECTORS

Standing *(left to right)*
Kaneyalall Hawabhay
Jacques Desire Laval Elliah
Rafael Buhay Concepcion, Jr.
Frankle (Djafar) Widjaja

Sitting *(left to right)*
Lew Syn Pau
Franky Oesman Widjaja
Hong Pian Tee
Muktar Widjaja

Franky Oesman Widjaja

Chairman and Chief Executive Officer

Mr. Franky Widjaja is the Chairman and Chief Executive Officer of Golden Agri-Resources Ltd ("GAR") and a member of its Nominating Committee and Remuneration Committee. He has been a Director and Chief Executive Officer of GAR since 1996; and Chairman since 2000.

Mr. Franky Widjaja, aged 58, earned his Bachelor's degree in Commerce from Aoyama Gakuin University, Japan in 1979. He has extensive management and operational experience, and since 1982, been involved with different businesses, including pulp and paper, property, chemical, financial services and agriculture.

Mr. Franky Widjaja also sits on the board of directors of Sinarmas Land Limited ("SML") and Bund Center Investment Ltd ("BCI"), both listed on the Official List of the Singapore Exchange Securities Trading Limited. He has been a director of SML since 1997; the Executive Chairman of SML since 2006; and a director of BCI since 2009.

Mr. Franky Widjaja is a member of the boards of several subsidiaries of GAR, SML and BCI. Since 2003, he has been the President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange. Mr. Franky Widjaja is also Vice President Commissioner of PT Puradelta Lestari Tbk, a subsidiary of SML listed on the Indonesia Stock Exchange.

Currently, Mr. Franky Widjaja is the Co-Chairman of Partnership for Indonesia Sustainable Agriculture ("PISAgro"); Co-Chair of World Economic Forum ("WEF"): Grow Asia and he is a member of WEF: Global Agenda Trustee for World Food Security and Agriculture Sector; Vice Chairman of the Indonesian Chamber of Commerce and Industry for Agribusiness, Food and Forestry Sector; and a member of the Advisory Board of the Indonesian Palm Oil Association ("GAPKI").

In 2015, Mr. Franky Widjaja was conferred the EY Asean Entrepreneurial Excellence award.

Previously, from 2007 to 2015, Mr. Franky Widjaja was Vice President Commissioner of PT Bumi Serpong Damai Tbk and PT Duta Pertiwi Tbk, both subsidiaries of SML listed on the Indonesia Stock Exchange.

Muktar Widjaja

Director and President

Mr. Muktar Widjaja is a Non-Executive Director and the President of GAR. He has been a Director since 1999; President since 2000; and Non-Executive Director since December 2006. His last re-election as a Director was in 2015.

Mr. Muktar Widjaja, aged 61, obtained his Bachelor of Commerce in 1976 from the University Concordia, Canada. Since 1983, he has been actively involved in the management and operations of the property, financial services, agriculture, chemical and pulp and paper businesses.

Mr. Muktar Widjaja is a member of the boards of several subsidiaries of GAR and SML. Mr. Muktar Widjaja is Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk, a subsidiary of GAR listed on the Indonesia Stock Exchange. Mr. Muktar Widjaja is a director and, since December 2006, the Chief Executive Officer of SML which is listed on the Official List of the Singapore Exchange Securities Trading Limited. Mr. Muktar Widjaja is President Commissioner of PT Bumi Serpong Damai Tbk, PT Duta Pertiwi Tbk and PT Puradelta Lestari Tbk, subsidiaries of SML listed on the Indonesia Stock Exchange.

Frankle (Djafar) Widjaja

Director

Mr. Frankle Widjaja is a Non-Executive Director of GAR since December 2006. He was first appointed as a Director in May 1999 and his last re-election as a Director was in 2014.

Mr. Frankle Widjaja, aged 59, graduated from the University of California, Berkeley, USA, with a degree of Bachelor of Science in 1978. Since 1979, he has been involved in the management and operations of the pulp and paper, financial services, food and agriculture and real estate businesses.

Mr. Frankle Widjaja is the Executive Chairman and Chief Executive Officer of BCI, and presently sits on the boards of several subsidiaries of GAR and BCI.

Rafael Buhay Concepcion, Jr.

Director and Chief Financial Officer

Mr. Rafael Buhay Concepcion, Jr. is an Executive Director and the Chief Financial Officer of GAR. He was appointed as a Director of GAR in August 2002 and as its Chief Financial Officer in January 2013. His last re-election as a Director was in 2013.

Mr. Concepcion, aged 49, studied at the University of the Philippines where he obtained a Bachelor of Science in Economics in 1988. He later obtained a Master in Business Management from the Asian Institute of Management, Philippines in 1992 with scholarship from SGV Philippines.

Mr. Concepcion worked on regional projects and has extensive experience in corporate and financial planning. After 5 years with Pilipinas Shell Petroleum Corporation, Mr. Concepcion joined PT Sinar Mas Agro Resources and Technology Tbk, and now holds the position of Commissioner. Mr. Concepcion also sits on the boards of several subsidiaries of GAR.

Hong Pian Tee

Lead Independent Director and Chairman of Audit Committee and Nominating Committee

Mr. Hong Pian Tee is the Lead Independent Director, Chairman of both the Audit Committee and Nominating Committee, and member of the Remuneration Committee of GAR. He was first appointed as a Director in November 2001, and his last re-appointment as a Director was in 2015.

Mr. Hong, aged 71, was a partner of PricewaterhouseCoopers from 1985 to 1999 prior to retiring from professional practice.

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

Mr. Hong is Chairman of Pei Hwa Foundation Limited and he sits on the boards of several companies listed on the Official List of the Singapore Exchange Securities Trading Limited, namely, as Lead Independent Director of XMH Holdings Ltd, Non-Executive Chairman and Independent Director of AsiaPhos Limited and Independent Director of Memstar Technology Ltd.

Lew Syn Pau

Independent Director and
Chairman of Remuneration Committee

Mr. Lew is an Independent Director of GAR, Chairman of its Remuneration Committee, and member of its Audit Committee and Nominating Committee. He re-joined GAR's Board of Directors in December 2007. Prior to that, Mr. Lew was a Director of the Company from 1999 to May 2007. His last re-election as a Director was in 2014.

Mr. Lew, aged 62, obtained a Master in Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA. Mr Lew was a Singapore Government scholar.

Mr. Lew is a Director of Capital Connections Pte Ltd. Mr. Lew also sits on the boards of several companies listed on the Official List of the Singapore Exchange Securities Trading Limited, namely, Poh Tiong Choon Logistics Ltd, SUTL Enterprise Limited (formerly known as Achieva Ltd), Food Empire Holdings Ltd, Broadway Industrial Group Ltd and Golden Energy and Resources Limited.

Mr. Lew was Senior Country Officer and General Manager for Banque Indosuez Singapore, where he worked from 1994 to 1997. He was General Manager and subsequently, Managing Director of NTUC Comfort from 1987 to 1993 and Executive Director of NTUC Fairprice from 1993 to 1994. Mr. Lew served as a Member of Parliament from 1988 to 2001. He was President of The Singapore Manufacturers' Federation from July 2002 to June 2006. Mr. Lew was a Director of Lafe Corporation Limited until his retirement in April 2014.

Kaneyalall Hawabhay

Independent Director

Mr. Kaneyalall Hawabhay is an Independent Director of GAR and member of its Audit Committee. He was appointed as a Director of GAR in May 2003 and his last re-election as a Director was in 2015.

Mr. Hawabhay, aged 68, is a Fellow of the Institute of Chartered Accountants in England and Wales.

Presently, Mr. Hawabhay is Partner (ABAS) of BDO & Co, Mauritius.

He has been a Partner (Assurance and Business Advisory Services ("ABAS")) of De Chazal du Mée & Co, Mauritius from 1987 to June 2002, and a Director of Multiconsult Limited from July 2002 to 2005.

Jacques Desire Laval Elliah

Independent Director

Mr. Jacques Desire Laval Elliah is an Independent Director of GAR. He was appointed as a Director of GAR in December 2010, and last re-elected as a Director in 2014.

Mr. Elliah, aged 52, is a Fellow of the Association of Chartered and Certified Accountants since 1990.

Mr. Elliah is currently the Chief Financial Officer of Lux Island Resorts Ltd, a company listed on the Stock Exchange of Mauritius, a position which he held since March 2003.

Previously, Mr. Elliah was a Partner in the Assurance and Business Advisory Services of De Chazal du Mée & Co, Mauritius, now BDO, from 1998 to February 2003.

Building A Solid Customer Base

OPTIMISING OUR VALUE CHAIN

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

8.8 million MT
of palm product handled

18% Growth
in refined product sales

PLANTATION AND PALM OIL MILLS

2015 Operational Performance

Leading oil palm plantation group in Indonesia with favourable age profile

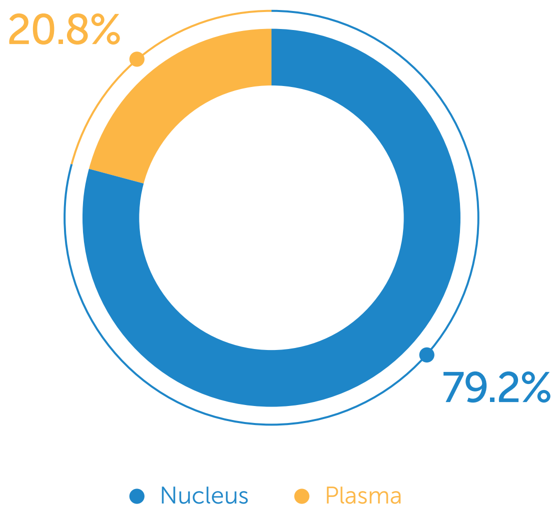
Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") maintains its position as the leading oil palm plantation group in Indonesia with its estates spanning from east to west across the archipelago. The Company manages 167 oil palm estates with a total area of 485,600 hectares. As at end 2015, the planted area consists of estates owned by GAR (called 'nucleus') totalling 384,400 hectares and estates owned by smallholders (called 'plasma') amounting to 101,200 hectares. The additional planted area compared to the previous year mostly came from the consolidation of plantations assets acquired at the end of 2012. During the year, GAR also replanted of 6,100 hectares of old estates.

The age profile of our estates with an average of approximately 15 years remains favourable and provides a solid foundation for GAR's near to medium term growth. Of the 485,600 hectares, 5 percent is immature and 95 percent is mature. 84 percent of the mature estates is at the prime age of 7 to 25 years that produces the highest yields, whilst 11 percent is still at the young age of 4 to 6 years, securing production growth in the coming years. Younger estates use a new generation of high-yielding Dami seeds, which will further boost the growth of GAR's production in the future.

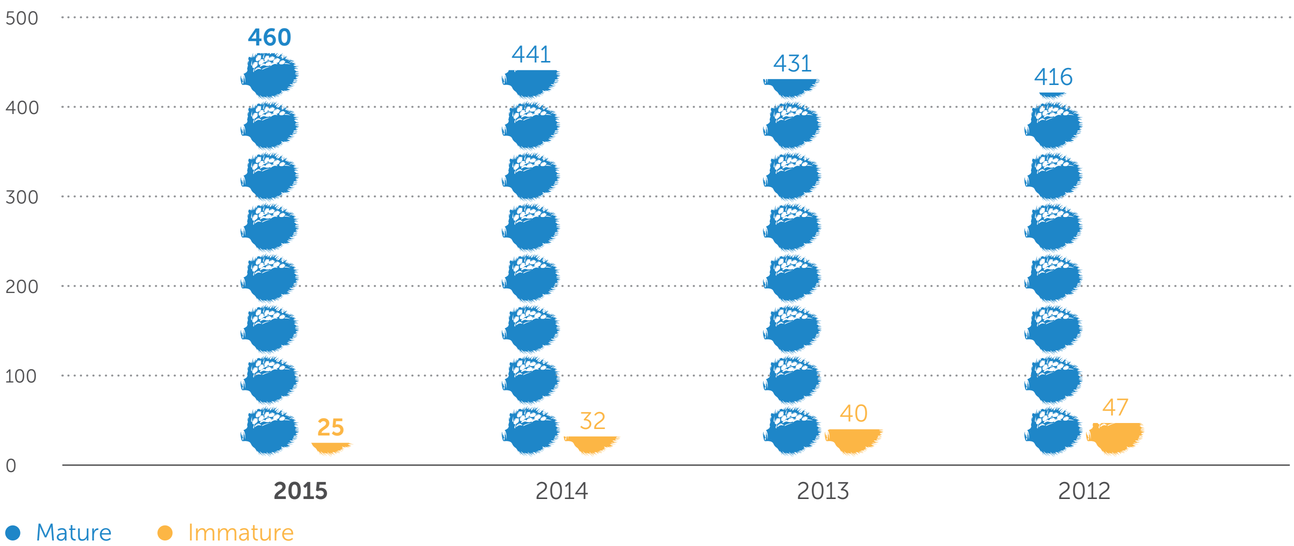
Best-in-class estate management supporting leading productivity

GAR's leading productivity and cost efficiency result from having among the largest and best managed plantations in the industry. Our large-scale operations are well supported by our advanced information technology system and world-class oil palm research and development centre (SMART Research Institute or "SMARTRI").

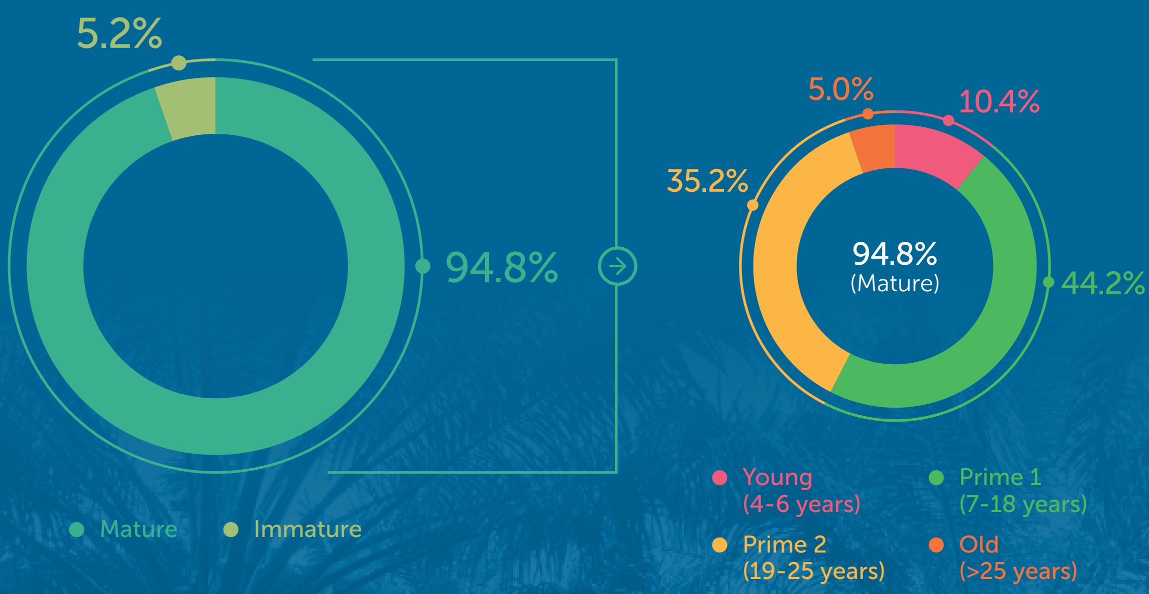
Plantation Ownership Profile



Planted Area
'000 Hectares



Age Profile
(Nucleus and Plasma)



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

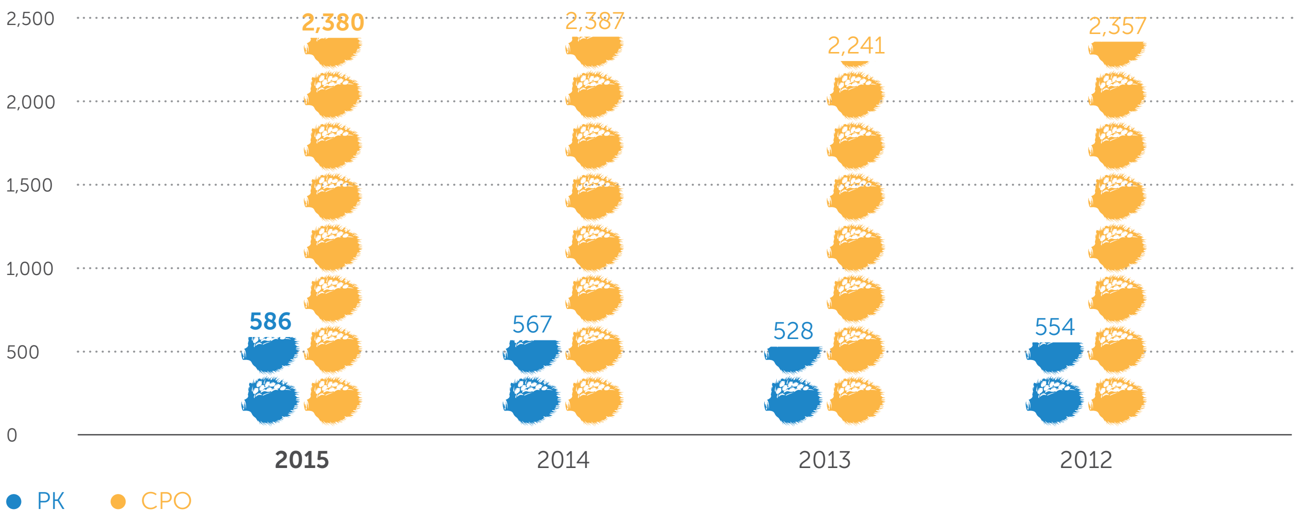
SMARTRI plays an essential role in sustaining our high productivity by employing qualified scientists and agronomists who relentlessly search for innovative solutions and provide recommendations for continual improvement in productivity, efficiency and environmental sustainability. SMARTRI has been accredited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

Despite dry conditions experienced in certain part of our estates in 2014, GAR experienced three percent growth in fresh fruit bunches ("FFB") production in 2015, to approximately 10.05 million tonnes. The average FFB yield per hectare was 21.83 tonnes in 2015.

The harvested FFB are processed in owned milling facilities, which are strategically located near the plantations, to produce crude palm oil ("CPO") and palm kernel ("PK"). GAR has 44 mills with a combined installed annual capacity of 12.21 million tonnes, expanded from 11.65 million tonnes in the previous year.

During the year, our mills produced 2.38 million tonnes of CPO and 586 thousand tonnes of PK. This palm product output was a slight increase as compared to last year. In 2015, the oil extraction and kernel extraction rates stood at 22.59 percent and 5.57 percent, respectively, well above the industry average.

Annual CPO and PK Production
'000 tonnes



Business Strategy

Achieving sustainable growth through operational excellence, yield improvement and cost efficiency

We continuously add value to our operations, by relentlessly enhancing operational excellence to be at the cutting edge of the palm oil industry. Our research and development division plays a vital role in supporting the sustainable development of GAR, through innovation, developing best practices, and an enhanced oil palm breeding programme. We constantly invest in research and development to invent new technologies that will improve productivity of our oil palm operations in a sustainable way. Our research institute has integrated research activities in developing practical field applications with the latest technology. The institute also undertakes research in plant breeding and biotechnology, and producing tissue culture planting materials beside the existing high-yielding Dami Mas DxP seeds.

We consistently seek to sustain our cost leadership through continuous improvement by relentlessly exploring options, such as mechanisation and automation, to further enhance the efficiency of our operations. We enforce our operational excellences all the way through our nucleus and plasma estates, in terms of planting, fertilising and harvesting techniques, transportation and processing efficiencies.

We also extend our efforts to replant our old estates in order to maintain a favourable age profile and further enhance long-term yield. Newer estates are developed using the latest techniques and higher-yielding seeds.

Exploring any strategic opportunities for growth

Whilst we are mindful in sustainable utilisation of our land resources, at the same time, we will keep exploring any strategic opportunities to acquire well-positioned and high quality oil palm estates and landbank, specifically in Indonesia.

To sustain our growth in the long term, we are also studying the prospect of oil palm plantations development across geographical frontiers. We are investing in Africa through The Verdant Fund LP (the "Fund"). The Fund is a private equity fund that owns Golden Veroleum (Liberia) Inc ("GVL"), a company that has been granted a concession by the Liberian government to develop land in Liberia for oil palm plantations. GVL follows sustainable development practices and is a member of the Roundtable on Sustainable Palm Oil ("RSPO"). It also adheres to the High Carbon Stock approach to environmental protection. GVL will be a supplier of RSPO-certified sustainable palm oil. Following the Ebola outbreak in 2014, GVL slowed down operations, mill construction and planting during this period and they have resumed its plantation development to a total of 12,300 hectares in 2015. We closely monitor the development of this project as well as provide technical expertise to ensure the quality and sustainability of the estates being developed.

PALM AND LAURICS

2015 Operational Performance

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

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

In 2015, GAR successfully completed the expansion programme of its downstream processing capacity by commencing a new refinery in Riau and extending the capacity of its Surabaya refinery, which brought total capacity to 4.68 million tonnes of CPO per annum. Four of our refineries are accredited with ISO 22000 certification, an international recognition that our refined products (including cooking oil, margarine and shortening) meet stringent international food safety standards. GAR's kernel crushing capacity also expanded to 1.43 million tonnes of PK per annum, with a newly operating plant in Riau.

In addition, GAR has completed the expansion of its oleochemical facility in North Sumatra, which brought total capacity to 240 thousand tonnes per annum. Our fatty acid and glycerine products have been acknowledged domestically and internationally, and accredited by many certifications such as ISO 22000, OHSAS 18001, KOSHER, GMP+B2, and FDA registration. Furthermore, our joint venture with CEPSA Quimica, S.A. has been progressing well. We are in the process of building a new fatty alcohol plant in Riau, targeted to be completed by next year.

Offering customer solutions through broad product portfolio and destination shipments

By offering an extensive portfolio of refined products in terms of specifications, quality and sustainability certification, we are able to meet different requirements of customers. Our research and development has an important role in developing new product alternatives to meet increasing customer demand. We are extending our capabilities and shifting the product mix to higher value-added products including oleochemicals. We market our products in bulk, industrial and branded form, domestically as well as in international markets.

In the local Indonesia market, we are consolidating our efforts to better position our branded products, cooking oil and margarine. The distribution and market penetration of our products in Indonesia is progressively improving following the acquisition of a well-established nationwide distributor of fast-moving consumer goods in 2014. The distribution company has a strong presence in all primary and secondary cities across Indonesia.

In the international markets, we brought our products to more than 70 countries with particular emphasis on the growing markets in Europe, China, India, Pakistan, the Middle East, and Africa. We mostly sold in bulk, in addition to industrial and branded products.

Our joint ventures with global transportation players Stena Weco and Stena Bulk AB have played a significant role in extending our distribution and logistics capabilities to supply our products to consumers worldwide. This initiative provides a holistic solution to GAR's international transportation by securing greater and more flexible access to large shipping capacities. We have grown our owned fleet and improved logistic infrastructure through increased bulking, warehousing as well as through owned jetty and port facilities in strategic locations. During 2015, our destination sales contributed 70 percent to our export volume.

We also have destination processing in India, the third largest edible oil market, through our subsidiary, Gemini Edibles & Fats India Private Limited, which is engaged in the business of manufacturing and marketing edible oils and fats in the country. It has refinery plants with a total annual capacity of 315 thousand tonnes and a solid and established brand in the eastern part of India, supported by an extensive distribution system. This asset enables us to participate in the high-growth branded cooking oil and specialty fat industries in India, and also to bring our products closer to the greater European and Middle East markets.

In July 2015, the Indonesian government passed a new palm oil export levy rule. The new levy requires exporters to pay US$50 per tonne for CPO and US$30 per tonne for processed palm oil product shipments. The funds raised from the levy are used to finance biodiesel subsidies as well as replanting, research and development activities in Indonesia. This levy is part of government's commitment to support Indonesian biodiesel producers amidst a low crude oil price environment. To benefit from this and further extend our integrated operations, we are building two biodiesel plants in South Kalimantan and near Jakarta, with a total capacity of 600 thousand tonnes per annum. The first plant in South Kalimantan will be in operation in the first half of 2016 and the second plant in 2017.

Business Strategy

Optimising our vertically integrated operations

Our strategy is to have a downstream capacity that could cover our upstream production and capture the merchandising opportunity that is unique to GAR given our close access to third party plantations, to grow our global diversified customer base. During the past few years, we have been enlarging the downstream capacity in our main producing country, Indonesia, while simultaneously exploring growth opportunities in other underserved destination countries.

Our focus in the short term is to leverage our refining capacity, logistic efficiencies, marketing presence, and plantation relationships to serve and focus on the most profitable market segments. We will optimise margins by providing a broad product portfolio and an expanding geographical mix.

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

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

Meanwhile for biodiesel, further expansion will depend on the growth of the biodiesel industry in Indonesia, which is supported by the Government of Indonesia through biodiesel mandate realisation.

Focus on operational excellence to manage costs and improve margin

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

The downstream expansion programme has been largely completed. Moving forward, we are focusing our efforts on optimising our integrated business model by extracting value throughout the downstream value chain. As the integration progresses, we expect to maximise our refining activity given GAR's competitive advantage with our vertically integrated business model, the new technology employed in our refineries, and the close access to third party plantations.

OILSEEDS AND OTHERS

2015 Operational Performance

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

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

In Ningbo, Zhejiang Province, GAR operates a deep-sea port and storage facility for oils and grains. Our oilseed crushing annual capacity is 2.3 million tonnes, located in Ningbo and Tianjin. GAR also has refining facilities in the same locations, with total annual refining capacity of 676 thousand tonnes.

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

In terms of production, 1.2 million tonnes of soybeans were processed by our crushing operations during 2015, 10 percent lower than last year's processed volume of 1.3 million tonnes. This resulted in 918 thousand tonnes of soybean meal with a yield of 78 percent and 224 thousand tonnes of crude soybean oil with a yield of 19 percent. Our refinery processed 217 thousand tonnes of soybean oil and palm oil, 28 percent lower compared to last year in an effort to manage capacity utilisation to control cost and improve margins.

Although China's commodity market environment showed improvement in 2015, it is expected to remain competitive in the future.

Leverage integrated network of distribution channels from noodle business in China

GAR also operates a food business in China through Florentina International Holdings Limited ("FIH"), which manufactures and distributes a variety of economy and premium grade snack noodle and instant noodle products, and other snack products in the country. FIH has a leading market share of snack noodle in China. The food products are produced through seven strategically located plants with a total annual capacity of approximately five billion packets of noodle and distributed via a strong integrated network of more than 13 hundred distributors, 120 thousand traditional retail outlets, supermarkets, chain stores and hypermarkets, as well as convenience stores throughout the country. These extensive distribution channels together with FIH's market knowledge provide opportunity for GAR to grow its presence in the consumer product business in China, including the edible oils and specialty fats markets. During 2015, we carried out new marketing initiatives and launched new products, such as high-end health and nutrition products, to gain more market share and increase profitability in the long term.

Business Strategy

Improving oilseed business model and strategy in China

We intend to maintain our presence in China as it is the largest edible oil markets in the world. To overcome challenges posed by the intense competition, our strategy is to strengthen our position in targeted markets by expanding sales distribution channels and strengthening business relationships with reputable customers by pursuing additional value-added services. GAR implements a niche strategy by focusing on the smaller cities inland while other major players operate on the larger coastal cities.

We actively manage flexible production in all existing facilities in order to manage cost and stabilise performance. We are also reviewing our business model and are exploring several strategic alternatives to source raw materials and rationalise capacity.

During 2015, Golden Agri-Resources Ltd and its subsidiaries ("GAR" or the "Company") posted lower revenue of US$6.5 billion, amidst softer crude palm oil ("CPO") prices for the year. However, EBITDA declined only marginally to US$542 million and core net profit remained at US$221 million as continued improvement in downstream operations throughout the year mitigated the weak CPO price environment. The financial position remained sound with prudent gearing (adjusted net debt to equity ratio) at 0.22 times.

Plantation and Palm Oil Mills

The plantation and palm oil mills segment recorded 22 percent lower in revenue in line with the CPO market price trend during the year, while palm product output remained flat at almost three million tonnes as affected by the dry conditions in certain regions of Indonesia in 2014.

Nonetheless, EBITDA reached US$415 million with a slightly lower margin at 28 percent from 29 percent last year. Weaker CPO prices were mitigated by lower production costs on the back of lower fertiliser prices and depreciation of Indonesian Rupiah ("IDR") against US Dollar ("USD").

Palm and Laurics

Revenue from the palm and laurics segment decreased by 13 percent to US$5.6 billion also affected by lower CPO market price which was partially offset by eight percent growth in sales volume to 8.8 million tonnes.

The palm and laurics segment has shown notable improvement since last year as the integration of new downstream assets progresses, with EBITDA growing by 89 percent to US$109 million, resulting to a margin of 1.9 percent.

Oilseeds and Others

Revenue from the oilseeds and others segments decreased by 20 percent to US$837 million in 2015 mostly due to lower average selling prices and lower crushing volume of our facilities in China during the year.

We nonetheless managed to turn around the performance, achieving EBITDA of US$16 million during the year, benefitting from an improving oilseeds business environment in China.

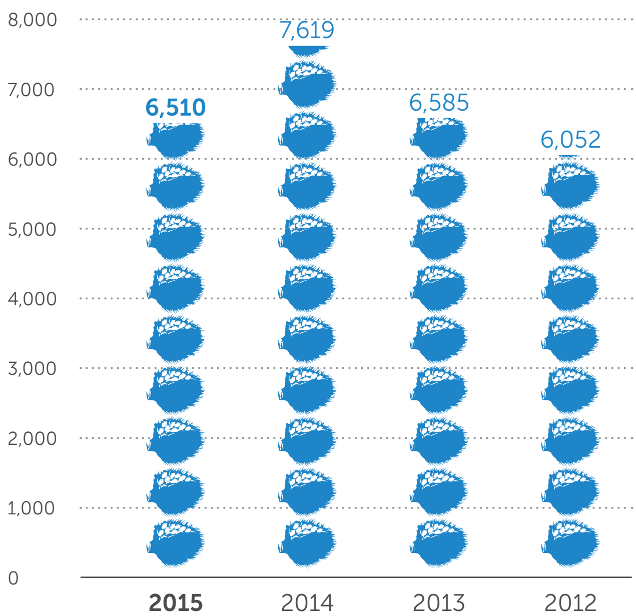
Net Loss from Changes in Fair Value of Biological Assets

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

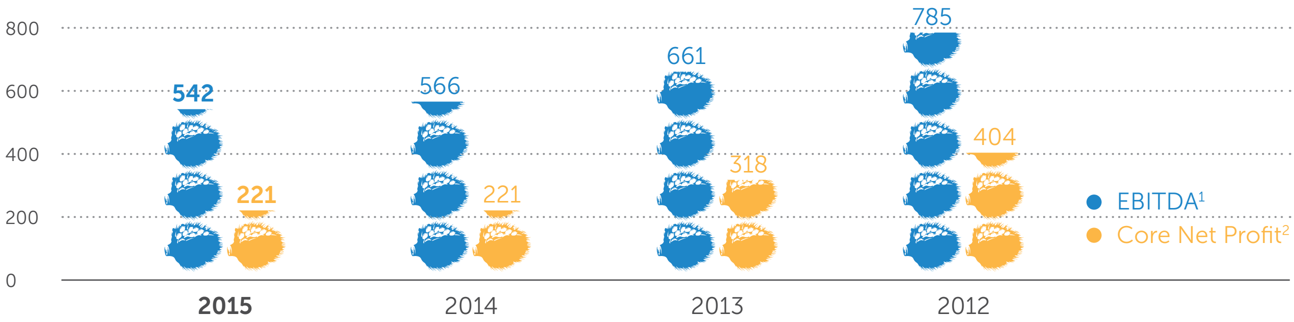
As compared to the previous year, GAR recorded a higher net loss from changes in fair value of biological assets at US$198 million in 2015 mainly resulting from the effect of a lower CPO price assumption used in line with the international CPO price movements.

The accounting treatments of IAS 41 will be amended with effect from 2016. Accordingly, there will be no annual changes in fair value recognized in the income statement starting 2016 as GAR will carry its biological assets at historical cost less accumulated depreciation.

Revenue
million US$



EBITDA and Core Net Profit
million US$



Notes:
(1) The comparative EBITDA for 2014, 2013 and 2012 have been recalculated to include share of results of associated companies and joint ventures, net of tax to conform with current year's presentation
(2) Net profit attributable to owners of the Company before accounting for the effect of net gain or loss from changes in fair value of biological assets, foreign exchange gain or loss and exceptional items (net of non-controlling interests)

Operating Expenses

Operating expenses decreased by 13 percent to US$832 million from US$956 million in 2014. The decrease was mainly attributable to lower selling expenses at US$538 million compared to US$648 million recorded in the previous year. This was largely due to lower export tax incurred in Indonesia in line with lower CPO prices, partially offset by increases in freight costs and promotion expenses in line with the larger sales volume for palm and laurics segment.

General and administrative expenses experienced a decrease of four percent to US$295 million, mainly comprising salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees.

Financial Expenses, net

As compared to the prior year, net financial expenses were slightly higher by two percent at US$100 million, in line with higher average interest rates.

Foreign Exchange Loss, net

Net foreign exchange loss was recorded at US$92 million in the current year. This was mainly attributable to translation loss on IDR denominated monetary assets recorded by our subsidiaries in Indonesia and fair value loss on forward foreign currency contracts entered to hedge the currency exposure of IDR and Malaysian Ringgit ("MYR") as IDR and MYR weakened against USD during the year.

Other Operating Income, net

Net other operating income of US$21 million comprised mainly income from sales of seedlings and other materials, rental and changes in fair value of financial assets. Lower net other operating income in the current year was mainly due to lower gain from changes in fair value of financial assets and lower income from sales of seedlings.

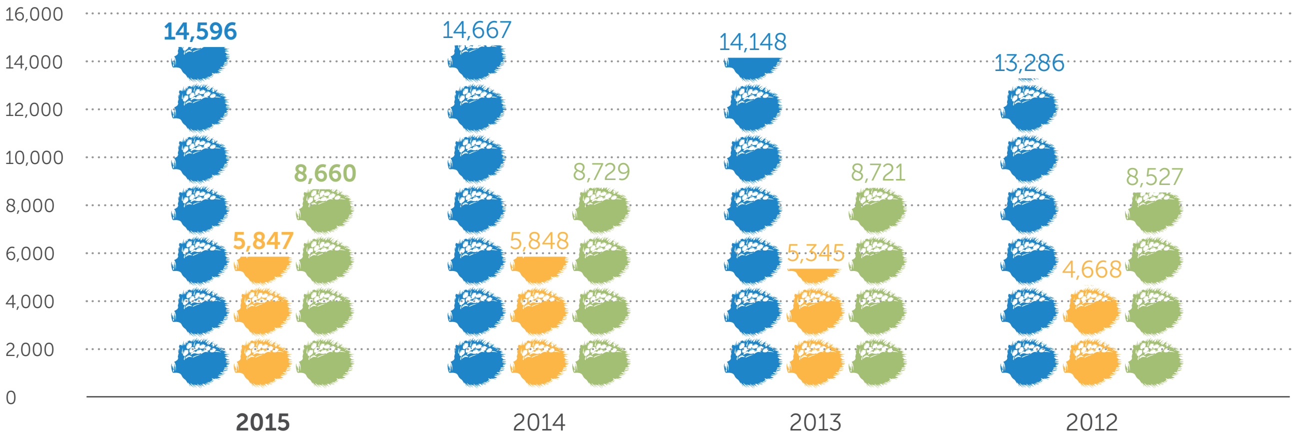
Income Tax

GAR recorded a net tax credit of US$36 million in the current year mainly due to recognition of deferred income tax assets and lower profit recorded during the year. The deferred tax assets are mainly arising from the loss on changes in fair value of biological assets as well as other deductible timing differences.

Net Income Attributable to Owners of the Company

Despite of lower CPO prices, GAR maintained its core net profit at US$221 million in 2015. After including the fair value loss on its biological assets of US$198 million in accordance with IAS No. 41, Biological Assets, GAR recorded a net loss attributable to owners of the Company at US$17 million for the current year.

Assets, Liabilities and Equity
million US$



Assets

Total assets slightly decreased from US$14.7 billion as at end of 2014 to US$14.6 billion as at end of 2015, mainly attributable to decreases in inventories, trade receivables, biological assets, as well as long-term receivables and assets, which was partially offset by increase in property, plant and equipment.

Inventories decreased by US$110 million mainly due to lower unit prices and lower inventory level for downstream operations in China.

Trade receivables decreased to US$462 million from US$526 million as at end of 2014 mainly due to lower selling prices.

Decrease in biological assets by US$63 million was mostly due to fair value loss recognised during the year, partially offset by capital expenditure incurred for replanting activities during the year.

Long-term receivables and assets decreased by US$158 million mainly due to a decrease in advances for projects and outstanding tax recoverable, as well as repayment of loans to joint ventures.

Property, plant and equipment increased by US$291 million mainly due to capital expenditure incurred for construction of downstream and plantation facilities in Indonesia.

Liabilities

As at 31 December 2015, total liabilities decreased marginally to US$5.8 billion mainly attributable to lower total borrowings and deferred tax liabilities, partially offset by increase in trade payables in line with higher purchases made for our oilseeds operations.

Equity Attributable to Owners of the Company

Total equity attributable to owners of the Company at the end of 2015 was at US$8.7 billion, a slight decrease by US$69 million compared to end of 2014. The decrease was mainly contributed from 2015 net loss recorded at US$17 million and dividend distributed during the year.

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

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

A. BOARD MATTERS

Principle 1: The Board's Conduct of Affairs

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

1.1 The Board's Role

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

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

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

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

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

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

(f) assessing the effectiveness of the Board;

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

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

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

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

1.2 Independent Judgement

All Directors are expected to objectively discharge their duties and responsibilities, in the interests of the Company. Directors who are in any way, directly or indirectly, interested in a transaction or proposed transaction are required to declare the nature of their interests, and voting on the resolution is prohibited if he has any interest, in accordance with the provisions of the Constitution of the Company ("Constitution").

The Board currently consists of 8 members, as shown below together with their membership on the Board committees of the Company ("Board Committee"):-

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

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

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

1.3 Delegation by the Board

To assist the Board, the Board has delegated certain functions to the 4 Board Committees, namely, the AC, the NC, the RC and the BC, at the same time recognising that the ultimate responsibility on all matters rest with the Board. Each of these Board Committees has its own written terms of reference. Please refer to pages 29 to 37 of this report for further information on these Board Committees.

1.4 Key Features of Board Processes

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

Board meetings are chaired in Mauritius where participation by Board members by means of teleconference or similar communication equipment is permitted under the Company's Constitution. In 2015, the Board and Board Committees held a total of 13 meetings, with the year-end meeting focusing on annual budget and strategic issues.

1.5 Attendance at Board and Board Committee Meetings in 2015

Details on the number of Board and Board Committee meetings held in 2015, and the attendance of Directors and Board Committee members respectively at those meetings are disclosed below:-

	No. of Meetings Attended by Members				
Name	**Board Meetings**	**Audit Committee Meetings**	**Nominating Committee Meetings**	**Remuneration Committee Meetings**	**Total Attendance at Meetings**
EXECUTIVE DIRECTORS					
Franky Oesman Widjaja	5/5	–	1/1	2/2	8/8
Simon Lim*	1/2	–	–	–	1/2
Rafael Buhay Concepcion, Jr.	5/5	–	–	–	5/5
NON-EXECUTIVE DIRECTORS					
Muktar Widjaja	5/5	–	–	–	5/5
Frankle (Djafar) Widjaja	5/5	–	–	–	5/5
Hong Pian Tee	5/5	5/5	1/1	2/2	13/13
Lew Syn Pau	5/5	5/5	1/1	2/2	13/13
Kaneyalall Hawabhay	5/5	5/5	–	–	10/10
Jacques Desire Laval Elliah	5/5	–	–	–	5/5
Number of Meetings Held	**5**	**5**	**1**	**2**	**13**

* Resigned effective 31 May 2015

1.6 Matters Requiring Board Approval

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

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

1.7 Board Orientation and Training for New Directors

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

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

1.8 2015 Director Training Programme

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

In conformity with the framework for Directors' Training as approved by the Board, the 2015 Director Training Programme provided a 3-step approach to training as follows, through:-

(1) Externally conducted courses on audit/financial reporting matters and other relevant topics subject to course availability

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

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

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

Principle 2: Board Composition and Guidance

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

2.1 Board Size and Composition

Each year, the Board examines its size, composition, skills and core competencies of its members to ensure an appropriate balance and diversity of skills, experience and knowledge. The Board comprises Directors from different industries and background, with business and management experience, knowledge and expertise who, collectively as a group provides the core competencies for the leadership of the Company.

Taking into account the scope and nature of operations of the Group, the Board considers that the current board size of 8 Directors is appropriate to facilitate effective decision making.

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

2.2 Directors' Independence Review

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

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

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

Having conducted the relevant reviews, the NC/Board has considered that the following Directors are regarded as independent Directors of the Company:-

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

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

The NC takes the view that a Director's independence cannot be determined solely and arbitrarily on the basis of the length of time. A Director's contribution in terms of experience, expertise, professionalism, integrity, objectivity and independent judgement in engaging and challenging the Management in the interests of the Group as he performs his duties in good faith, are more critical measures in ascertaining a Director's independence than the number of years served on the Board.

During its review, the NC considered and noted that notwithstanding that Mr. Hong has served the Board for more than nine years, Mr. Hong's independence as a Director is not affected as he continues to exercise independent judgement and demonstrate objectivity in his conduct and deliberations at Board and Board Committee meetings. By diligently discharging his duties and exercising sound independent business judgement and objectivity in an exemplary manner, in the interests of the Company, he has exhibited a strong spirit of professionalism which did not diminish with time.

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

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

Mr. Hong Pian Tee
Mr. Kaneyalall Hawabhay

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

2.3 Non-executive Directors

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

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

Principle 3: Chairman and Chief Executive Officer

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

3.1 Chairman and Chief Executive Officer

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

The Chairman is responsible for:-

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

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

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

(d) ensuring effective communication with shareholders;

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

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

(g) promoting high standards of corporate governance.

The Board notes that the Chairman plays an instrumental role in developing the business of the Group and provides the Group with strong leadership and vision.

3.2 Lead Independent Director

In view that the Chairman and CEO positions are being held by the same person, the AC chairman, Mr. Hong Pian Tee, acts as the Lead Independent Director, who is contactable by shareholders with concerns when contact through the normal channels has failed to resolve or is inappropriate.

3.3 Executive/Board Committee Composition and Role

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

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

Group B
Simon Lim*
Rafael Buhay Concepcion, Jr.

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

Following the cessation of Mr. Simon Lim as a BC member in May 2015, the BC was dissolved and its duties are now carried out at the Board level.

* Ceased as BC member effective 31 May 2015

Principle 4: Board Membership

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

4.1 Nominating Committee Composition and Role

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

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

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

The NC is primarily responsible for:-

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

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

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

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

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

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

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

(d) concerning the Board's performance criteria;

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

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

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

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

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

In its deliberation on the re-election / re-appointment of retiring Directors, the NC takes into consideration the Director's attendance, participation, contribution and performance during the past year. Mr. Frankle (Djafar)

Widjaja and Mr. Rafael Buhay Concepcion, Jr. retire from office by rotation at the forthcoming AM under Article 90 of the Constitution and, being eligible, have offered themselves for re-election. The NC has recommended their re-election at the forthcoming AM.

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

4.3 Directors' Time Commitments and Multiple Directorships

It is recommended under the 2012 Code that the Directors consider providing guidance on the maximum number of listed company board representations which each Director of the Company may hold in order to address competing time commitments faced by Directors serving on multiple boards. The Board believes that each Director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to personally determine the demands of his competing directorships and obligations, and ensure that he can allocate sufficient time and attention to the affairs of each company. The Board is of the view that setting a numerical limit on the number of listed company directorships that a Director may hold is arbitrary, given that time requirements for each person vary, and therefore prefers not to be prescriptive. As a safeguard, the NC reviews each Director's ability to devote sufficient time and attention to the affairs of the Company during the NC's annual assessment process. The NC is satisfied with the time committed by each Director to attend meetings.

Principle 5: Board performance

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

5.1 Board Evaluation Process

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

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

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

When deliberating on the performance of a particular Director who is also a member of the NC, that member abstains from the discussion in order to avoid any conflict of interests.

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

Principle 6: Access to Information

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

6.1 Complete, Adequate and Timely Information

In order to ensure that the Board is able to fulfil its responsibilities, Management provides the Board with complete and adequate information in a timely manner. Such information extends to documents on matters to be brought up at Board and Board Committee meetings which, as a standard procedure, are circulated to

Board and Board Committee members, as the case may be, in advance for their review and consideration. Senior Management, the Company's auditors and other professionals who can provide additional insights into the matters to be discussed at Board and/or Board Committee meetings are also invited to be present at these meetings, where necessary. As Directors may have further queries on the information provided, they have separate and independent access to the Company's senior Management who accordingly addresses individual Directors' request for additional information/documents.

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

6.2 Company Secretary

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

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

6.3 Independent Professional Advice

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

B. REMUNERATION MATTERS

Principle 7: Procedures for Developing Remuneration Policies

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

Principle 8: Level and Mix of Remuneration

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

7.1 Remuneration Committee Composition and Role

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

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

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

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

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

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

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

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

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

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

7.2 Share Scheme

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

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

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

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

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

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

As at 31 December 2015, the RSP Committee has not been formed and no award has been granted by the Company under the RSP.

8.1 Remuneration of Executive Directors and Key Management Personnel

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

The remuneration structure for executive Directors and key management personnel consists of (a) fixed remuneration, (b) variable bonus and/or (c) other benefits. Executive Directors do not receive Directors' fees.

The level of remuneration is determined by various factors including performance of the group, industry practices and the individual's performance and contributions towards achievement of corporate objectives and targets.

Payments are made based on the extent of the individual's achievement of performance conditions for the year under review.

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

8.2 Remuneration of Non-Executive Directors

8.2.1 Non-Executive Independent Directors

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

Directors' Fees are based on appointment to the Board Committee(s) and determined on a scale of fees comprising a basic fee, AC chairman fee, AC member fee, RC chairman fee, RC member fee, NC chairman fee and NC member fee.

The level of Directors' Fees is reviewed annually by the RC and the Board, during which factors such as contributions, regulatory changes and responsibilities and market benchmarks are taken into consideration.

8.2.2 Non-Executive Directors

During the year, the non-Executive Director, Mr. Muktar Widjaja was paid consultancy fee pursuant to an advisor's agreement with the Company in consideration of providing business advisory services for the Group's Indonesia agri-business. The payment is in compliance with the SGX-ST rules on Interested Person Transactions.

No remuneration was paid to the non-Executive Director, Mr. Frankle (Djafar) Widjaja, during the year.

Principle 9: Disclosure on Remuneration

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

9.1 Directors' Remuneration

The Directors' remuneration for the year ended 31 December 2015 in bands of S$250,000 is set out in the table below:-

Name of Directors	Fixed Salary	Bonus paid or payable/Benefit	Directors' Fees	Total
EXECUTIVE DIRECTORS				
S$2,500,000 to below S$2,750,000				
Franky Oesman Widjaja	39.0%	61.0%	–	100%
S$1,750,000 to below S$2,000,000				
Rafael Buhay Concepcion, Jr.	42.0%	58.0%	–	100%
S$250,000 to below S$500,000				
Simon Lim(1)	98.7%	1.3%	–	100%
NON-EXECUTIVE INDEPENDENT DIRECTORS				
Below S$250,000				
Hong Pian Tee	–	–	100%	100%
Lew Syn Pau	–	–	100%	100%
Kaneyalall Hawabhay	–	–	100%	100%
Jacques Desire Laval Elliah	–	–	100%	100%
NON-EXECUTIVE DIRECTORS				
S$250,000 to below S$500,000				
Muktar Widjaja	–	100%(2)	–	100%
Nil				
Frankle (Djafar) Widjaja	–	–	–	–

(1) Resigned on 31 May 2015
(2) Consultancy fee

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

Each Director's remuneration is expressed in bands of S$250,000 rather than to the nearest dollar, given that remuneration continues to be a sensitive subject. The Company believes that the current format of disclosure in bands of S$250,000 with a percentage breakdown, is sufficient indication, for the time being, of each Director's remuneration package.

9.2 Remuneration of Top 6 Key Management Personnel

The top 6 key management personnel who are not Directors of the Company ("KMP") for the year ended 31 December 2015 and their remuneration falling in bands of S$250,000, are as follows:-

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

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

The total remuneration paid to the top 6 KMPs for the year ended 31 December 2015 amounted to S$6,752,879.

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

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

The remuneration of employees who are immediate family members of a Director or the CEO, and whose remuneration exceeds S$50,000 for the year ended 31 December 2015, being one, Ms Jesslyne Widjaja, the daughter of the CEO, is as follows:-

Remuneration Band
S$750,000 to S$1,000,000

Mr. Franky Oesman Widjaja, Mr. Muktar Widjaja and Mr. Frankle (Djafar) Widjaja are brothers.

Other than disclosed above, none of the Directors had immediate family members who were employees and whose remuneration exceeded S$50,000 for the year ended 31 December 2015.

In view of the confidential nature of employee remuneration and the sensitiveness of such information, the remuneration is disclosed in the band of S$250,000.

C. ACCOUNTABILITY AND AUDIT

Principle 10: Accountability

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

10.1 Accountability

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

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

Principle 13: Internal Audit

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

13.1 Internal Audit

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

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

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

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

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

Principle 12: Audit Committee

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

12.1 Audit Committee Composition and Role

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

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

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

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

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

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

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

(b) Reviewing and reporting to the Board at least annually the adequacy and effectiveness of the Group's internal controls, including financial, operational, compliance and information technology controls (such review can be carried out internally or with the assistance of any competent third parties).

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

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

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

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

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

12.2 Auditor Independence

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

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

12.3 Whistle-Blowing Procedures

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

Under these procedures, the AC may, if it deems appropriate, engage appropriate external independent advisors, at the Company's expense.

The Company is committed to treat all complaints as confidential, and the anonymity of the whistle-blower concerned will be maintained until the whistle-blower indicates that he or she does not wish to remain anonymous.

Principle 11: Risk Management and Internal Controls

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

11.1 Responsibilities for Risk Management and Internal Controls

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

11.2 The ERMC

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

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

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

11.3 ERM Processes

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

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

11.4 Assurance from the CEO and the CFO

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

(a) the financial records of the Group for the financial year ended 31 December 2015 have been properly maintained and the financial statements give a true and fair view of the Group's operations and finances in accordance with the applicable financial reporting framework that are free from material misstatement; and

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

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

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

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

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

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

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

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

D. SHAREHOLDER RIGHTS AND RESPONSIBILITIES

Principle 14: Shareholder Rights

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

14.1 Shareholder Rights

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

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

All shareholders of the Company are entitled to attend and vote at general meetings in person or by proxy. Shareholders also receive the annual reports of the Company and the notice of AMs, which notice is also advertised in the newspapers and released via SGXNET.

Principle 15: Communication with Shareholders

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

15.1 Communication with Shareholders

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

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

While these meetings are largely undertaken by the Company's senior Management, the Chairman and CEO also meets analysts every year.

We offer direct and frequent access to our Management through one-on-one or group meetings, conferences, roadshows and conference calls. Throughout 2015, we met with more than 150 equity and fixed income investors and analysts domestically and internationally. The Company participated in investor conferences and roadshows in Singapore, Hong Kong, Indonesia, Thailand, Malaysia and United States. These facilitate us to strengthen existing relationships with long-term shareholders, understand their views and expectations of the Company as well as to tap new potential investors. We develop and maintain strong relationships with sell-side research analysts as they play an important role in informing and educating the investment community. Close to twenty analysts based in Singapore, Hong Kong, Malaysia and Indonesia currently cover GAR. We also arrange site visits to our plantations and refineries to provide investors and analysts with better understandings of our day-to-day operations.

15.2 Dividend Policy

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

The Board has recommended a final dividend of S$0.00502 per ordinary share for the financial year ended 31 December 2015, subject to shareholders' approval at the forthcoming AM.

15.3 Financial Calendar 2016

29 February	Announcement of Full Year 2015 results
4 April	Release of Annual Report 2015
21 April	Annual Meeting 2016
	Proposed 2015 final dividend*
22 April	Last day for trading for cum dividend (scrip-less holders)
27 April 5:00 PM	Record date and time
28 April	Books closure date
9 May	Dividend payment date
May**	Announcement of First Quarter 2016 results
August**	Announcement of Second Quarter 2016 results
November**	Announcement of Third Quarter 2016 results
February 2017**	Announcement of Full Year 2016 results

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

* Subject to shareholders' approval at the 2016 AM
** Indicative timeline

Principle 16: Conduct of Shareholder Meetings

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

16.1 Conduct of Shareholder Meetings

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

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

At members' meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted, as the authentication of shareholder identity information and other related integrity issue still remain a concern.

Since the 2013 AM, in support of greater transparency and to allow for a more efficient voting process, the Company has employed electronic poll voting for all resolutions put at the AM. Votes cast for and against and the respective percentages, on each resolution were instantly displayed on screen. The detailed results showing the total number of votes cast for and against each resolution and the respective percentages were also announced after the AM via SGXNET.

DEALINGS IN SECURITIES

The Company has complied with Rule 1207(19) of the Listing Manual on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealings in the Company's securities by the Company, its Directors and officers, including prohibition on dealing in the Company's securities on short-term considerations.

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

PEOPLE AS A STRATEGIC ENABLER

Our vision of a new and improved GAR is clear and specific for all parts of our business, and our people strategy is geared towards the achievement of our vision. This strategy includes: a. building a culture that delivers results, b. sharpening focus on the right goals, and c. growing people's leadership and careers.

Building a Culture that Delivers Results

We continue our efforts of building a culture where we drive performance by working collaboratively, taking ownership of our decisions, and developing our people's full potential. In 2015, our efforts included reinforcing the messages from our Chairman and CEO through our Smart Way training programme and through developing communication materials and creating and empowering Culture Champions to spread them across the businesses in Indonesia, Singapore, China and India. In 2015 we also introduced the Chairman's Award, a prestigious incentive programme, whereby thousands of employees send their nominations of leaders they consider as role models of our culture. Both individual and team awards were conferred and their stories shared across GAR.

Sharpening Focus on the Right Goals

Our vision is translated into organisational, team and then individual goals, which is managed by the Performance Management System. We continuously work on aligning the system to get better clarity on our business focus and strengthen the correlation between performance and reward. In addition, our performance management system not only assesses the achievement of business goals but also how they are reached, motivating behaviours consistent with our culture of Performance, Ownership, Collaboration and People.

Growing Peoples' Leadership and Careers

Our journey in building a world class leadership academy continues with the establishment of Sinar Mas Academy which leverages all business units resources and participants. The Academy's programmes are designed to enable our employees to fulfill GAR's expectations in performance and leadership. The programmes are designed with our shared values and leadership model as its anchor and delivered in partnership with prominent leadership development organisations and academicians from Australia, the Netherlands, Malaysia, the United States and Indonesia. The Academy's participants tackle some of the toughest business issues of the Company, visit best in class companies and offer tools that are relevant and practical to our businesses and markets. One such programme is called Leadership

Program 6 ("LP6") which is attended by our corporate leaders. Highlights of the programme include how to inspire employees through personal leadership, create co-leaders and best practice visits. Ultimately, the LP6 class participants had to present their recommendations for improvement to our senior leadership team. Their solutions generated productive thinking and debates that helped move our marketing, productivity and people agendas further ahead.

We continue our efforts of fulfilling potential by completing a company-wide talent review of all senior leaders that identifies target positions and the appropriate individual development plans. Many of those reviewed and some of our most promising younger colleagues were put into acceleration programmes. These programmes, sponsored by our most senior leaders, offer cross-business rotations, coaching and developmental exposure that accelerate performance and careers in the Company. These efforts are paying off-from the first batch of these three programmes we have over a dozen employees achieving their targeted job positions both in Indonesia and overseas and a new generation of emerging leaders is identified and groomed for bigger jobs.

Here for the Long Haul

At GAR we know our trees. We may not be able to control the weather, but we create the best conditions for our trees to be fruitful. We look at our people similarly: we invest in developing them to their full potential, because they will create the best conditions for us to seize growth opportunities, withstand challenging conditions and attract the best talent.

Talented People with Good Attitude

Compulsory

Executive Development Programme

Leadership Development Programme

Middle Management Development Programme

Supervisory Management Development Programme

Basic Management Development Programme

Technical

Agronomy

Manufacturing

Finance and Accounting

Others

Soft Skill

Leadership

Managerial

Personal

Special Programme

Advanced Management Development Programme

Management Trainee 2

Management Trainee 1

Our Culture

Performance

We deliver outstanding results

Ownership

We do what is best for the company

Collaboration

We work as a team

People

We realise our people's potential

Our Shared Values

Integrity

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

Positive Attitude

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

Commitment

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

Continuous Improvement

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

Innovation

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

Loyalty

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

Ensuring Environmental Sustainability

EMPOWERING COMMUNITIES

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

211 Schools
supported surrounding our plantations

150 Clinics
supported surrounding our plantations

STRENGTHENING OUR SUSTAINABILITY IMPLEMENTATION

As a leading palm oil company, we continue to work on strengthening the implementation of our sustainability commitments.

Reflecting our commitment to continuous improvement, in 2015, four years after we adopted our ground-breaking Forest Conservation Policy ("FCP"), we launched an updated and enhanced sustainability policy. The GAR Social and Environmental Policy ("GSEP") integrates all our previous policies including the FCP, Social and Community Engagement Policy (SCEP), Yield Improvement Policy (YIP) and Zero Tolerance Policy in one document. The main principles centre on environmental management, social and community engagement, work environment and industrial relations, marketplace and supply chain. The GSEP is available on the GAR website: http://www.goldenagri.com.sg/pdfs/misc/GSEP_-_GAR_Social_and_Environmental_Policy.pdf

The policy applies to our entire operations, our subsidiaries and our suppliers. To ensure proper implementation of the GSEP throughout our operations we have invested additional resources. In 2015, we significantly boosted the number of personnel working on sustainability implementation, bringing the total to 126 in the Head Office and 189 in the field.

Working on the Long-term Prevention of Forest Fires

Climate change and sustainable agriculture were at the forefront in 2015 as Indonesia and its neighbours suffered the worst haze crisis since the late 1990s. The haze had a direct impact on many of our own employees and the communities living around our plantations as it disrupted daily lives, prevented children from going to school and affected overall health.

As a business we were fortunate that due to our Zero Burning Policy, in place since 1997, and our fire management efforts, less than one percent of our total concession area was affected by fire during the haze period of 2015. And those fires originated outside our plantation areas. GAR will continue to prioritise fire management and prevention efforts. To date, we have trained 10,000 personnel in fire management and suppression. These Emergency Response personnel are stationed across our estates, ready to be deployed in the event of a fire.

As part of longer-term efforts to prevent forest fires and in line with our environmental management commitments under the GSEP, we announced the launch of a **Peat Ecosystem Rehabilitation Project** at our subsidiary, PT Agro Lestari Mandiri in West Kalimantan in November 2015. The project will focus on rehabilitating a peatland conservation area of approximately 2,600 hectares and is in line with the Indonesian government's focus on restoring and protecting peat areas.

In 2016, as another long-term measure in fire prevention, we will launch pilot programmes in villages in Jambi and West Kalimantan to help them build capacity to prevent and manage fires. We will offer corporate social responsibility ("CSR") support to villages to remain fire-free. We are also helping our supply chain become compliant with our Zero Burning Policy.

Climate change took centre stage globally with countries reaching consensus on climate change action at the United Nations Climate Change Conference of the Parties 21 ("COP21") meeting in Paris. In the run-up to COP 21, GAR joined 77 leading companies in signing an open letter urging world leaders to take bold action on climate change. In launching these projects and continuing to work towards sustainable palm oil we will play our part in helping Indonesia achieve its Green House Gas ("GHG") emissions goals and move toward a low-carbon economy.

Driving Change through Engagement, Partnership and Collaboration

We remain focused on engaging, partnering and collaborating with stakeholders including government, smallholders, local communities, NGOs and industry to drive change on the ground while maintaining long-term growth for the industry and community.

Supporting smallholders

A key focus of GAR's sustainability policy is to ensure positive social, economic and community development in the areas where we operate. Helping smallholders improve their livelihoods through increased productivity and helping them build capacity in sustainable practices is a critical component.

To boost the productivity of one million independent palm oil smallholders in Indonesia, the Indonesian Chamber of Commerce and Industry ("KADIN") initiated an Innovative Financing Scheme which was formally endorsed by the

Government of Indonesia in 2014. Through the scheme, independent farmers are able to secure loans with affordable interest rates through cooperatives to fund their replanting. This financial support will help to sustain the living expenses of these smallholders in the initial four years before the oil palms reach maturity.

The goal of the scheme is to increase smallholders' annual CPO yield from the current two to three tonnes per hectare to five to six tonnes per hectare. This could help avoid opening additional land for palm oil development through the use of high-yielding certified seeds and implementation of best agronomy practices by the farmers.

In 2014, GAR successfully assisted independent farmers to secure a loan facility of Rp48 billion from a state-owned bank to replant 500 hectares. The replanting process started in June 2015. As at end-2015, GAR had succeeded in helping 270 farmers to participate in the scheme.

GAR will continue to assist farmers to obtain loans under the Innovative Financing Scheme. GAR has also pledged to support farmer estate development by supplying farmers with high-yielding certified seeds and good quality fertilisers as well as ensuring knowledge transfer and capacity building.

Involving the community in conservation planning

Community engagement is a key component of GAR's sustainability strategy as they need to understand their role in forest conservation and how it benefits them. GAR is actively engaging the community in line with Free, Prior and Informed Consent (FPIC) principles through Participatory Mapping. GAR and local communities have been mapping the land use in its concessions. This information will be used to identify critical areas to the community such as areas important for food security.

For GAR, this also crucially allows us to involve the community in conservation planning.

In 2015, GAR completed Participatory Mapping in nearly 50 villages in seven concessions. As a next stage we began implementing Participatory Conservation Planning ("PCP") to improve micro level land-use planning in the villages. Independent facilitators will help communities tackle the question of securing sufficient land for their food security through PCP.

We will continue to roll out these participatory approaches in the rest of our concessions.

Knowing and working with our suppliers

We see our suppliers as key partners and we engage continuously with them to understand the challenges they face, share what we have learned in the management of our own plantations and help them implement sustainable practices. This will ultimately help improve the entire palm oil industry. As a first step towards achieving this we embarked on a major exercise to map and verify our supply chain to the mills in 2015.

Our mapping is based on gathering and verifying information about mills supplying our refineries. This includes exact coordinates and sustainable palm oil certification status. As of end 2015, we had completed mapping 489 individual mills comprising 44 GAR mills and 445 third party mills. These mills supplied 7.1 million tonnes of Crude Palm Oil and Palm Kernels to our eight downstream locations. In the next phase, GAR will be working with suppliers to map our supply chain to the plantation.

In 2015, we conducted site visits to seven suppliers and plan to visit 26 mills in 2016. These site visits allow us to understand our suppliers better and to identify critical areas where they need help and support as they seek to adopt and apply sustainable practices.

Environmental Management

Under the GSEP, we are committed to no development of High Carbon Stock ("HCS") forests, High Conservation Value ("HCV") areas and peatlands; Zero Burning; reducing GHG emissions and improving waste management.

Working with the HCS Approach Steering Group

The HCS Approach was initially developed by GAR in collaboration with Greenpeace and The Forest Trust ("TFT") in 2011-2012. Many other plantation, trader and consumer companies in the palm oil industry have since adopted the HCS Approach.

GAR is a member of the HCS Approach Steering Group, which in 2015 published the HCS Approach Toolkit (http://highcarbonstock.org/the-hcs-approach-toolkit). It provides complete technical guidance for the practical implementation of the HCS Approach and outlines the steps in identifying HCS forest, from initial classification of the vegetation using satellite images and field plots to making the final conservation and land use map.

GAR is in the process of rolling out the application of the toolkit in its plantations.

Preserving HCV areas and protecting rare and endangered species

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

Currently, the HCV and HCS areas found in our existing plantation areas are 53,477 hectares and 21,864 hectares respectively.

We continue to work with experts in HCV to improve assessment, management and monitoring processes.

We recognise the need to protect and conserve the habitats of rare and endangered species and we have a Zero Tolerance Policy towards hunting, injuring, possessing and killing of rare and endangered wildlife within our plantations.

We have been educating our employees, local communities and related stakeholders on the importance of protecting rare and endangered species.

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

In 2014, we extended the partnership with OFI by three years to support the release of another 60 ex-captive orangutans to their natural habitat. In 2015, 11 of these orangutans were released.

With OFI support over the last few years, more than 1,000 of our staff has been trained in orangutan conservation. They are mainly involved in field operations in Kalimantan while some of them oversee our biodiversity and conservation efforts. The Company also maintains

1,400 hectares of HCV areas in Sungai Rungau, Central Kalimantan as an orangutan sanctuary.

Reducing GHG emissions

To reduce our GHG emissions, we have invested in the development of a closed biodigester facility (a covered lagoon) to capture methane gas from liquid waste at Sei Pelakar Mill at Jambi, Sumatra. This facility provides an alternative source of electricity for our factory operations and helps to reduce fossil fuel consumption.

Through this we achieved a GHG emission reduction (from the methane gas capture together with the emissions avoided from non-use of fossil fuels for electricity generation) of nearly 37,000 tonnes CO_2e.

We have also invested in a tank digester system to capture methane gas produced from palm oil mill effluent treatment at our Libo and Rama-rama mills in Riau, Sumatra. The facility also provides electricity for our operations.

Waste management and integrated pest management

We aim to improve our waste management by reusing, recovering and recycling. All production waste is recycled as organic fertiliser and as a source of energy. For example, we return nutrient-enriched waste from harvested fruit bunches and palm oil mill effluents to the plantations as organic fertiliser. This practice is fully integrated in our fertiliser management plan.

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

We recognise the concerns about the use of chemical fertilisers and pesticides. Over the long term, by collaborating with national and international institutions, we will continue to research and investigate ways to phase out the use of such chemicals. In January 2016, the Company stopped using paraquat.

Monitoring environmental impact

We manage and regularly monitor every aspect of our operations in order to minimise adverse impact on the natural environment. The monitoring is in accordance with the Environment Management Plan (Rencana Pengelolaan Lingkungan) and the Environment Monitoring Plan (Rencana Pemantauan Lingkungan), as set out in the Environmental Impact Assessment (Analisa Mengenai Dampak Lingkungan) documents submitted to the Government of Indonesia.

Assessment of the environmental parameters is conducted by SMART Research Institute ("SMARTRI"), our ISO 9001:2008 and ISO 17025 accredited internal laboratory, as well as external laboratories referred by the Indonesian authorities.

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

Increasing Productivity through R&D

Under the GSEP, GAR is committed to improving CPO yield through technology and innovation. Increasing productivity enables GAR to produce more palm oil from less land, reducing the need to open more land.

One of the factors that affects yield is disease, especially *Ganoderma boninese* (a disease caused by fungus found in the soil). In the last seven years, SMARTRI has screened more than 1,700 progenies, and identified several of them as having a relatively high resistance to the disease. Based on these results, two of our own proprietary Dami Mas seed families have been officially accepted for registration by Indonesian authorities and can now be commercially distributed to plantations. We estimate that these seeds will show an improvement of around 14 to 18 percent in resistance to the disease. These seeds are also among our high production potential seeds.

In addition to this achievement, SMARTRI, continues to push the frontiers of innovation in enhancing productivity in our estates and smallholdings. The oil palm breeding programme at SMARTRI complements the traditional improvement of crops with new biotechnological techniques which enable important genetic enhancements of the plant.

We are an active participant in the Oil Palm Genome Project, a worldwide initiative by a consortium of 16 reputable research organisations from seven countries. The project uses molecular biology as a tool to support conventional breeding. The main objective is to map the entire genome spectrum of oil palm varieties, including identification of specific traits such as disease resistance, drought tolerance, superior quality oil and high yield. We have a dedicated team in our biotechnology division and our staff has been involved in related research activities in Spain and France. The third phase of the project began in 2015 and is expected to bring results in the coming years.

Working with Certification Bodies and Industry Standards

Industry certification is part of GAR's on-going commitment to adopt best practices and standards in sustainable palm oil production.

We have also developed a master check list based on all the indicators and criteria of various certification schemes to facilitate operational improvement at the plantation level. This, combined with documentation of best practices from our plantations, will allow GAR to achieve a higher level of operational performance. Through this approach, certification will be used as part of verification tools for improved management practices.

Roundtable on Sustainable Palm Oil (RSPO)

To date, 263,777 hectares of plantations including smallholder plantations of 50,874 hectares, 29 mills, five kernel crushing plants, four refineries, six bulking stations and one oleochemical plant have received RSPO certification. In order to comply with ongoing changes in Indonesian Sustainable Palm Oil ("ISPO") regulations regarding the land ownership certification, we are extending the timeframe for completion of RSPO certification for the remaining ten mills (as at 30 June 2010). Under the current regulatory conditions, we expect to complete the RSPO certification process by 2020.

Total units to be certified by 2020 consist of 39 mills and 385,004 hectares of plantations which include 55,021 hectares of plasma plantations (as at 30 June 2010). Palm oil operations established after 30 June 2010 will be part of a separate time-bound plan.

GAR continues to be an active member of RSPO and is part of the Dispute Settlement Facility Advisory Group, the Biodiversity and HCV Working Group and Innovation Lab.

Indonesian Sustainable Palm Oil System (ISPO)

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

To date, 128,971 hectares of plantations and 21 mills have received ISPO certification.

International Sustainability and Carbon Certification (ISCC)

GAR is a member of the ISCC Association, which seeks to establish an international, practical and transparent system for the certification of biomass and bioenergy. ISCC is oriented towards the reduction of greenhouse gas emissions, the sustainable use of land, the protection of natural biospheres and social sustainability.

To date, 297,969 hectares of plantations including smallholder plantations of 57,755 hectares, 30 mills, two kernel crushing plants, five refineries and 14 bulking stations have received ISCC certification.

EMPOWERING THE COMMUNITY

GAR recognises the vital role we play in ensuring the well-being of our employees and the communities where we operate. We believe that the cultivation of oil palm is an effective way to create jobs, alleviate poverty, and can empower and enable people to secure a better livelihood for themselves and future generations.

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

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

In addition, we also collaborate with TFT to ensure that our palm oil operations improve the lives of local communities.

In 2015, we developed new guidelines and continued to build capacity in areas such as mediation, conflict management and Participatory Mapping to facilitate the successful implementation of the GSEP on the ground.

Educating the Next Generation

The Company believes that education is key to breaking the poverty cycle and unlocking the potential of Indonesia. In 2015, GAR supported 211 schools ranging from kindergarten to junior high. These schools employ 1,714 teachers and educate 28,886 students. In addition, GAR also contributed to the building of a new campus of Prasetiya Mulya Business School in Western Jakarta.

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

Children of our employees and casual workers living in the estate receive free education from kindergarten to junior high school and heavily subsidised higher education. In the wider community, children living around our estates receive heavily subsidised education at all levels. To further encourage our employees to send their children to school, we provide free school bus services for all students. During the year, we also donated books, teaching and learning materials to 1,786 students in Central Kalimantan, Jakarta, Riau, South Kalimantan, and West Kalimantan.

In 2015, the Company started an early childhood education programme together with the Indonesia Heritage Foundation (IHF). The programme involves 18 teachers from 10 schools in Central Kalimantan, Jambi, Riau, South Kalimantan, and West Kalimantan regions.

Sekolah Eka Tjipta programme

The Sekolah Eka Tjipta (Eka Tjipta School) programme is a strategic collaboration between GAR and Eka Tjipta Foundation. It is a quality improvement programme for schools located in our plantations. By focusing on quality training for teachers, school management and community involvement, the programme aims to create schools that combine social conduct, ethics and academics to foster character development and care for the environment. Under the programme, English language lessons are also provided to give students a competitive advantage.

To date, 45 schools in Central, East and West Kalimantan have participated in the programme.

In 2015, we conducted Creative and Innovative Teaching Training for Elementary School teachers in Suhaid district, Kapuas Hulu regency, West Kalimantan involving 20 teachers from 13 schools.

Rumah Pintar programme

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

The goal of the programme is to help create educated and prosperous communities throughout Indonesia. Each Rumah Pintar is designed as a community learning centre focusing on early childhood education and education of women. The Rumah Pintar contains a library, play room and an arts and culture corner. It is also equipped with computers and multimedia stations.

Scholarship programmes

In 2015, GAR contributed more than US$2.5 million to fund several scholarship programmes. In Indonesia, these scholarship programmes included Tjipta Pemuda Bangun Palma, SMART Engineer, SMART Diploma, SMART Planters and other programmes through collaboration with the Bandung Institute of Technology and Science (ITSB) as well as the Eka Tjipta Foundation. In Singapore, our contributions were made through the Singapore University of Technology, the Lee Kuan Yew Scholarship Fund and St Joseph's Institution International Scholarship Fund. We also made contributions to the Peking University Education Foundation (USA) and TsingHua Education Foundation (N.A.)

Assisting the Needy

GAR's collaboration with the Tzu Chi Foundation is the cornerstone of our community efforts. Together, we have implemented many successful programmes to assist and enable the needy. Our initiatives in 2015 included:

- Free medical and dental services for approximately 7,800 patients in Bangka, Belitung, Central Kalimantan, East Kalimantan, Lampung, Riau, and West Kalimantan;
- Mobilisation of over 300 medical personnel in 150 plantation clinics to provide free treatment for more than 1,100 patients daily;
- Surgery for around 150 patients with conditions such as harelip, hernia and cataracts;
- Health education, environmental, and other awareness programmes for approximately 17,000 participants in Central Kalimantan, East Kalimantan, Jakarta, Jambi, North Sumatra, Riau, South Kalimantan, and West Kalimantan;

- Providing support for child health and nutrition (including multivitamins and supplementary feeding) to around 5,500 beneficiaries in Central Kalimantan, East Kalimantan, Lampung, and West Java;

- Providing aid for more than 370 victims of forest fire in Central Kalimantan and North Sumatra. Aid packages included blankets, clothes, beds, carpets and school clothing. Assistance for house construction was also provided;

- Planting around 3,000 mangrove plants in riparian zones and mangrove areas as well as medicinal plants in Central Kalimantan, East Kalimantan, Jakarta, and South Kalimantan;

- The sale of more than 414,000 litres of our branded cooking oil at below market prices in impoverished areas of Belitung, Central Java, East Java, East Kalimantan, Kotabaru, Lampung, Makassar, Medan, Nusa Tenggara Barat, Riau, Sampit, and West Java.

Promoting Small and Micro Enterprises

Our operations and plantations play an important role as an economic driver and have led to the development of various businesses in the remote areas of Indonesia.

The transportation business (transporting palm oil and fresh fruit bunches) owned by local entrepreneurs is an example of business created in our operation areas. This in turn has generated demand for vehicle repair workshops, gas stations and businesses that offer vehicle spare parts. Employment opportunities as drivers, technicians and service staff have also been created for local communities.

Providing Infrastructure and Facilities

GAR seeks to meet the needs of our employees and the people living near our operations, by:

- building and maintaining public infrastructures including roads, bridges, community hall (for cultural activities) and places of worship such as mosques and churches;

- providing the facilities and know-how to run cooperatives that ensure basic necessities are available at affordable prices;

- construction and rehabilitation of well-built dwellings and health, education and sporting facilities; and

- providing financial help for communities to celebrate festive and religious events.

In 2015, the Company helped the community in PT Kartika Prima Cipta set up a clean water system in Mantan Village. The Company also procured and installed solar panels for electricity in a village in West Kalimantan. These CSR activities were undertaken following an assessment of community needs.

ENGAGING OUR EMPLOYEES IN THE COMMUNITY

We provide employment for about 174,000 people in Indonesia, of whom 49,000 are direct employees, 67,000 are smallholders and 58,000 are casual workers on plantations.

In addition to developing our people, we involve and mobilise our staff for various causes. For example, we urge employees and tenants at our corporate headquarters in Jakarta and our operations units in Central Kalimantan, Jambi, North Sumatra, Riau, South Kalimantan, and West Java to participate in regular blood donation drives for the Indonesian Red Cross. More than 2,000 employees participated in 2015.

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

CORPORATE DIRECTORY

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

Audit Committee
Hong Pian Tee (Chairman)
Lew Syn Pau
Kaneyalall Hawabhay

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

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

Secretary
CIM CORPORATE SERVICES LTD

Registered Office
c/o CIM CORPORATE SERVICES LTD
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Port Louis
Republic of Mauritius
Tel: (230) 405 2000
Fax: (230) 212 5265

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

Share Registrar and Transfer Office
B.A.C.S. Private Limited
8 Robinson Road
#03-00 ASO Building
Singapore 048544
Tel: (65) 6593 4848
Fax: (65) 6593 4847

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

Moore Stephens
Chartered Accountants
6th Floor, Newton Tower
Sir William Newton Street
Port Louis
Republic of Mauritius
Tel: (230) 211 6535
Fax: (230) 211 6964
Partner-in-charge: Ashvin Mawven, ACA
(Appointed during the financial year ended 31 December 2014)

Date and Country of Incorporation
15 October 1996
Republic of Mauritius

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

Date of Listing
9 July 1999

Financial Reports

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Consolidated Financial Statements

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

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS
31 DECEMBER 2015

Contents

The directors are pleased to present their report to the members together with the audited financial statements of Golden Agri-Resources Ltd ("GAR" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2015.

1 Directors

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

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

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

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

3 Directors' Interests in Shares and Debentures

The directors of the Company holding office at 31 December 2015 had no interests in the shares, share awards, convertible securities or debentures of the Company and related corporations as recorded in the Register of Directors' Interests as at 31 December 2015 and 21 January 2016 except as follows:

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

There was no change in any of the above-mentioned interests between the end of the financial year and 21 January 2016.

4 Directors' Receipt and Entitlement to Contractual Benefits

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

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

5 Share Plan

The GAR Group Restricted Share Plan ("RSP") was approved and adopted by shareholders at the Special Meeting of the Company held on 24 October 2008. Please refer to page 33 of the Corporate Governance Report in the Annual Report for details of the RSP.

6 Convertible Bonds

On 4 October 2012, the Company issued US$400 million 2.5% convertible bonds due on 4 October 2017 (the "Bonds"). The Bonds were listed and quoted on the SGX-ST on 5 October 2012.

During the financial year, the Company repurchased from the open market an aggregate US$116 million of the principal amount of the Bonds (the "Repurchased Bonds") for an aggregate cash consideration of approximately US$116.64 million (including accrued interest). The Repurchased Bonds were cancelled and the outstanding principal amount of the Bonds following the repurchase was reduced to US$284 million.

On 5 October 2015, in accordance with the terms and conditions of the Bonds, the Company redeemed an aggregate principal amount of US$283 million of the Bonds at their principal amount plus accrued interest. Upon redemption, the aggregate outstanding principal amount of the Bonds amounted to US$1 million.

On 6 November 2015, the Company redeemed an aggregate principal amount of all Bonds outstanding of US$1 million at their principal amount plus accrued interest. Following the redemption, none of the Bonds remain outstanding and the Bonds were cancelled in their entirety.

7 Interested Person Transactions Disclosure

The aggregate value of all interested person transactions during the financial year ended 31 December 2015 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate*)	Aggregate value of all interested person transactions conducted under shareholders' mandate* (excluding transactions less than S$100,000)
	US$	US$
Muktar Widjaja	173,583	-
Ningbo Asia Pulp & Paper Co., Ltd	-	129,211
PT Asuransi Sinar Mas	-	6,447,571
PT Bank Sinarmas Tbk	-	12,263,929 [a]
PT Cakrawala Mega Indah	-	3,930,357
PT Rolimex Kimia Nusamas	5,000,000	29,605,852
PT Royal Oriental	-	23,390,172
PT Roundhill Capital Indonesia	-	3,012,764
PT Sinar Jati Mitra	-	1,782,711
PT Sinar Mas Teladan	-	5,400,685
Total	5,173,583	85,963,252

Notes:

* Renewed at Annual Meeting on 24 April 2015 pursuant to Rule 920 of the SGX-ST's Listing Manual.

a. Principal amount as at 31 December 2015 is approximately US$1.5 million.

8 Independent Auditors

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

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

Date: 18 March 2016

STATEMENT BY THE DIRECTORS

31 DECEMBER 2015

In the opinion of the directors, the consolidated financial statements set out on pages 65 to 144 are drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 December 2015 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

Date: 18 March 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of Golden Agri-Resources Ltd (the "Company") and its subsidiaries (the "Group") as set out on pages 65 to 144, which comprise the consolidated statement of financial position of the Group as at 31 December 2015 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

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

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2015 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Moore Stephens LLP
Public Accountants and
Chartered Accountants

Singapore
Date: 18 March 2016

CONSOLIDATED INCOME STATEMENT

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
Revenue	5	6,510,051	7,619,309
Cost of sales	6	(5,370,476)	(6,308,303)
Gross profit		1,139,575	1,311,006
Net loss from changes in fair value of biological assets	24	(197,677)	(133,757)
Operating expenses			
Selling expenses	7	(537,782)	(647,920)
General and administrative expenses	7	(294,656)	(308,455)
		(832,438)	(956,375)
Operating Profit		109,460	220,874
Other income/(expenses)			
Financial income	8	31,754	25,444
Financial expenses	8	(132,039)	(123,478)
Share of results of associated companies, net of tax		968	(103)
Share of results of joint ventures, net of tax		7,827	(449)
Foreign exchange loss		(91,783)	(13,816)
Other operating income	9	21,470	41,913
		(161,803)	(70,489)
Exceptional item			
Gain on deconsolidation	40b	-	7,586
(Loss)/Profit before income tax	10	(52,343)	157,971
Income tax	11	35,610	(40,946)
(Loss)/Profit for the year		(16,733)	117,025
Attributable to:			
Owners of the Company		(16,718)	113,553
Non-controlling interests		(15)	3,472
		(16,733)	117,025
(Loss)/Earnings per ordinary share (cents)			
Basic	12	(0.13)	0.88
Diluted	12	(0.13)	0.88

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
(Loss)/Profit for the year		(16,733)	117,025
Other comprehensive income/(loss):			
Item that will not be reclassified subsequently to profit or loss:			
Actuarial gain/(loss) on post-employment benefits	38	10,236	(4,027)
Share of other comprehensive income/(loss) of a joint venture		4	(52)
Items that may be reclassified subsequently to profit or loss:			
Foreign currency translation differences on consolidation		(13,563)	(6,856)
Share of other comprehensive loss of a joint venture		(2,212)	(843)
Changes in fair value of cash flow hedges		(740)	(632)
Changes in fair value of available-for-sale financial assets		2,292	-
Other comprehensive loss, net of income tax		(3,983)	(12,410)
Total comprehensive (loss)/income for the year, net of income tax		(20,716)	104,615
Total comprehensive (loss)/income attributable to:			
Owners of the Company		(20,151)	101,477
Non-controlling interests		(565)	3,138
		(20,716)	104,615

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
Assets			
Current Assets			
Cash and cash equivalents	13	243,616	329,560
Short-term investments	14	258,882	261,166
Trade receivables	15	462,152	525,816
Other current assets	16	908,492	827,109
Inventories	17	740,918	850,723
		2,614,060	2,794,374
Non-Current Assets			
Long-term receivables and assets	18	202,870	360,593
Long-term investments	19	815,252	804,318
Investment in associated companies	20	9,556	8,431
Investment in joint ventures	21	55,771	56,167
Investment properties	22	1,113	1,227
Property, plant and equipment	23	2,842,292	2,551,664
Biological assets	24	7,839,038	7,902,105
Deferred tax assets	25	56,523	27,036
Deferred charges	26	6,866	8,332
Brands and trademarks	27	297	353
Goodwill	28	151,951	152,021
		11,981,529	11,872,247
Total Assets		14,595,589	14,666,621

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (cont'd)

AS AT 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
Liabilities and Equity			
Current Liabilities			
Short-term loans	29	1,366,102	1,251,081
Bonds payables	33	80,645	389,882
Trade payables	30	612,040	543,197
Other payables	31	254,275	286,720
Taxes payable	11	15,422	29,554
Obligations under finance leases	32	114	132
		2,328,598	2,500,566
Non-Current Liabilities			
Obligations under finance leases	32	99	269
Bonds and notes payables	33	1,085,963	1,040,087
Long-term borrowings	34	512,462	387,250
Deferred tax liabilities	25	1,799,560	1,843,437
Long-term payables and liabilities	35	120,741	76,691
		3,518,825	3,347,734
Total Liabilities		5,847,423	5,848,300
Equity Attributable to Owners of the Company			
Issued capital	36	320,939	320,939
Share premium		1,216,095	1,216,095
Treasury shares	36	(31,726)	-
Other paid-in capital		184,318	184,318
Other reserves			
Option reserve		31,471	31,469
Currency translation reserve		(2,795)	12,293
Fair value reserve		2,292	-
PRC statutory reserve		3,820	3,820
Hedging reserve		(1,372)	(632)
Other reserve		8,292	(1,809)
		41,708	45,141
Retained earnings		6,928,359	6,962,010
		8,659,693	8,728,503
Non-Controlling Interests		88,473	89,818
Total Equity		8,748,166	8,818,321
Total Liabilities and Equity		14,595,589	14,666,621

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Attributable to Owners of the Company								
	Issued Capital	Share Premium	Treasury Shares	Other Paid-in Capital	Other Reserves	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1.1.2015	320,939	1,216,095	-	184,318	45,141	6,962,010	8,728,503	89,818	8,818,321
Loss for the year	-	-	-	-	-	(16,718)	(16,718)	(15)	(16,733)
Other comprehensive loss	-	-	-	-	(3,433)	-	(3,433)	(550)	(3,983)
Total comprehensive loss for the year	-	-	-	-	(3,433)	(16,718)	(20,151)	(565)	(20,716)
Shares buy back and held as treasury shares (Note 36)	-	-	(31,726)	-	-	-	(31,726)	-	(31,726)
Dividends paid (Note 37)	-	-	-	-	-	(16,933)	(16,933)	-	(16,933)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(780)	(780)
Balance at 31.12.2015	320,939	1,216,095	(31,726)	184,318	41,708	6,928,359	8,659,693	88,473	8,748,166
Balance at 1.1.2014	320,939	1,216,095	-	184,318	56,597	6,942,606	8,720,555	82,818	8,803,373
Profit for the year	-	-	-	-	-	113,553	113,553	3,472	117,025
Other comprehensive loss	-	-	-	-	(10,372)	(1,704)	(12,076)	(334)	(12,410)
Total comprehensive (loss)/income for the year	-	-	-	-	(10,372)	111,849	101,477	3,138	104,615
Dividends paid (Note 37)	-	-	-	-	-	(52,795)	(52,795)	-	(52,795)
Dividends payable (Note 37)	-	-	-	-	-	(39,650)	(39,650)	-	(39,650)
Dividends paid to non-controlling shareholders	-	-	-	-	-	-	-	(690)	(690)
Acquisition of subsidiaries (Note 40a)	-	-	-	-	-	-	-	3,487	3,487
Change in interests in subsidiaries (Note 40a, 40c)	-	-	-	-	(1,084)	-	(1,084)	1,021	(63)
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	44	44
Balance at 31.12.2014	320,939	1,216,095	-	184,318	45,141	6,962,010	8,728,503	89,818	8,818,321

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

CONSOLIDATED STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
Cash flows from operating activities			
(Loss)/Profit before income tax		(52,343)	157,971
Adjustments for:			
Net loss from changes in fair value of biological assets	24	197,677	133,757
Depreciation of investment properties	22	60	91
Depreciation of property, plant and equipment	23	174,315	146,695
Amortisation	26,27	1,572	2,015
Unrealised foreign exchange loss/(gain), net		17,559	(4,817)
Share of results of associated companies, net of tax		(968)	103
Share of results of joint ventures, net of tax		(7,827)	449
Loss on disposal of property, plant and equipment	9	888	2,662
Property, plant and equipment written off	9	1,026	1,034
Allowance for/(Write-back of) impairment loss on:			
Trade receivables	15	4,086	340
Other receivables	16	32	100
Inventories, net	17	(779)	160
Trade receivables written off	9	224	-
Other receivables written off		-	51
Changes in fair value of financial assets at fair value through profit or loss	9	(721)	(11,895)
Gain on deconsolidation	40b	-	(7,586)
Goodwill written off	28	419	-
Interest income	8	(31,754)	(25,444)
Interest expense	8	128,600	119,132
Operating cash flows before working capital changes		432,066	514,818
Changes in operating assets and liabilities:			
Trade receivables		65,740	(30,038)
Other receivables		39,302	23,799
Inventories		110,626	(28,718)
Trade payables		64,592	(71,750)
Other payables		54,959	104,767
Cash generated from operations		767,285	512,878
Interest paid		(117,434)	(97,156)
Interest received		24,201	17,274
Income tax paid		(208,685)	(83,780)
Net cash generated from operating activities		465,367	349,216

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

	Note	2015	2014
		US$'000	US$'000
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		3,875	18,887
Proceeds from disposal of biological assets	24	2,477	2,142
Capital expenditure on property, plant and equipment	23	(415,445)	(415,393)
Acquisition and capital expenditure on biological assets	24	(33,967)	(42,325)
Investment in financial assets, net		(5,637)	(97,515)
Investment in joint ventures		(1,500)	(32,228)
Investment in an associated company		-	(890)
Proceeds from/(Investment in) Plasma/KKPA program plantations, net		2,363	(4,945)
Acquisition of subsidiaries, net of cash acquired	40a	(52,940)	(18,377)
Cash flow effect arising from deconsolidation	40b	-	(9,024)
Dividend received from a joint venture		5,500	1,000
Payments for deferred expenditure	26,27	(92)	(538)
Net decrease/(increase) in long-term receivables and assets		37,808	(79,074)
Net cash used in investing activities		(457,558)	(678,280)
Cash flows from financing activities			
Proceeds from short-term loans		3,111,045	2,816,392
Proceeds from long-term borrowings		300,000	136,990
Proceeds from notes issue, net		148,698	237,167
Payments of dividends		(57,363)	(53,485)
Payments of short-term loans		(3,006,659)	(2,498,965)
Payments of long-term borrowings		(153,221)	(303,843)
Payments of obligations under finance leases		(188)	(102)
Payments of shares buy back		(31,726)	-
Payments for redemption and repurchase of bonds		(399,623)	-
Acquisition of additional interests in subsidiaries	40c	-	(63)
Capital subscribed by non-controlling shareholders		-	44
Payments of deferred loan charges and bank loan administration costs	34	(4,716)	(2,997)
Increase in cash in banks and time deposits pledged		(9,814)	(1,282)
Net cash (used in)/generated from financing activities		(103,567)	329,856
Net (decrease)/increase in cash and cash equivalents		(95,758)	792
Cash and cash equivalents at the beginning of the year		322,646	321,854
Cash and cash equivalents at the end of the year	13	226,888	322,646

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

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

1 General

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

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

The consolidated financial statements as at and for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 18 March 2016.

2 New and Revised International Financial Reporting Standards ("IFRSs")

(a) Adoption of New and Revised IFRSs

The accounting policies adopted are consistent with those of the previous financial year except that in the current year, the Group has adopted all the amendments to IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2015. The adoption of these amendments to IFRSs has had no material financial impact on the financial performance and financial position of the Group.

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

As at the date of these financial statements, the Group has not adopted the following standards that have been issued but are not yet effective:

Description	Effective for annual periods beginning on or after
IFRS 9, *Financial Instruments*	1 January 2018
IFRS 15, *Revenue from Contracts with Customers*	1 January 2018
IFRS 16, *Leases*	1 January 2019
Amendments to IFRS 10, IFRS 12 and IAS 28, *Investment Entities: Applying the Consolidation Exception*	1 January 2016
Amendments to IFRS 10 and IAS 28, *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	1 January 2016
Amendment to IFRS 11, *Accounting for Acquisition of Interest in Joint Operations*	1 January 2016
Amendment to IAS 1, *Presentation of Financial Statements: Disclosure Initiative*	1 January 2016
Amendment to IAS 7, *Statement of Cash Flows*	1 January 2017
Amendment to IAS 12, *Income taxes - Recognition of deferred tax assets for unrealised losses*	1 January 2017
Amendments to IAS 16 and IAS 38, *Clarification of Acceptable Methods of Depreciation and Amortisation*	1 January 2016
Amendments to IAS 16 and IAS 41, *Agriculture: Bearer Plants*	1 January 2016
Amendment to IAS 27, *Equity Method in Separate Financial Statements*	1 January 2016

2 New and Revised International Financial Reporting Standards ("IFRSs") (cont'd)

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

Description	Effective for annual periods beginning on or after
Improvements to IFRSs (2014)	
• IAS 19*, Employee Benefits*	1 January 2016
• IFRS 7*, Financial Instruments: Disclosures*	1 January 2016

Except as disclosed below, the directors of the Company expect the adoption of the other standards above will have no material financial impact on the consolidated financial statements in the period of initial application.

Amendments to IAS 16 and IAS 41, *Agriculture: Bearer Plants*

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

The amendments apply retrospectively to annual periods beginning on or after 1 January 2016, with earlier application permitted. As at the end of the reporting period, the Group is still in the process of assessing the financial impact on the future application of these amendments. However, based on the Group's initial assessment, the estimated financial impact to the statement of financial position of the Group upon the adoption of these amendments will be a decrease to biological assets and deferred tax liabilities of US$6,650,483,000 and US$1,525,251,000 respectively, with a corresponding decrease to total equity of US$5,125,232,000.

IFRS 15, *Revenue from Contracts with Customers*

IFRS 15 sets out the requirements for recognising revenue that apply to all contracts with customers (except for contracts that are within the scope of the standards on leases, insurance contracts and financial instruments). IFRS 15 replaces the previous revenue standards, IAS 8, *Revenue* and the relevant interpretations on revenue recognition, IFRIC 18 *Transfers of Assets from Customers*, and SIC-31 *Revenue – Barter Transactions Involving Advertising Services*.

IFRS 15 establishes a five-step model that will apply to revenue arising from contracts with customers. Under IFRS 15, revenue is recognised at an amount that reflects the consideration which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principles in IFRS 15 provide a more structured approach to measuring and recognising revenue when the promised goods and services are transferred to the customer, i.e. when performance obligations are satisfied. Key issues include identifying performance obligations, accounting for contract modifications, applying the constraint to variable consideration, evaluating significant financing components, measuring progress towards satisfaction of a performance obligation, recognising contract cost assets and addressing disclosures requirements.

The Group is currently assessing the impact of IFRS 15 and plans to adopt the new standards on the required effective date.

2 New and Revised International Financial Reporting Standards ("IFRSs") (cont'd)

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

IFRS 9, *Financial Instruments*

IFRS 9 was introduced to replace IAS 39, *Financial Instruments: Recognition and Measurement*. IFRS 9 changes the classification and measurement requirements for financial assets and liabilities, and also introduces a three-stage impairment model that will impair financial assets based on expected losses regardless of whether objective indicators of impairment have occurred. IFRS 9 also provides a simplified hedge accounting model that will align more closely with companies' risk management strategies.

The Group is currently assessing the impact of IFRS 9 and plans to adopt the new standards on the required effective date.

3 Summary of Significant Accounting Policies

(a) Basis of Preparation

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

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

(b) Functional and Presentation Currency

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

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

(c) Foreign Currencies

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

3 Summary of Significant Accounting Policies (cont'd)

(c) Foreign Currencies (cont'd)

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

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

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

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

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

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

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

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

(d) Basis of Consolidation

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

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

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

3 Summary of Significant Accounting Policies (cont'd)

(d) Basis of Consolidation (cont'd)

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

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

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

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

(e) Investment in Associated Companies

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

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

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

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

3 **Summary of Significant Accounting Policies** (cont'd)

(f) Investment in Joint Ventures

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

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

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

(g) Deferred Charges

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

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

(h) Investment Properties

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

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

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

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

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

3 Summary of Significant Accounting Policies (cont'd)

(i) Biological Assets

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

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

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

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

(j) Cash and Bank Balances

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

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

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

(k) Inventories

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

(l) Brands and Trademarks

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

3 **Summary of Significant Accounting Policies** (cont'd)

(m) Property, Plant and Equipment

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

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

	No. of years
Storage tanks, land improvements and bridges	- 5 to 50
Buildings	- 10 to 50
Machinery and equipment	- 4 to 25
Leasehold improvements, furniture and fixtures	- 3 to 10
Transportation equipment	- 5 to 16

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

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

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

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

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

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

(n) Trade and Other Payables

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

3 Summary of Significant Accounting Policies (cont'd)

(o) Provisions

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

(p) Goodwill

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

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

(q) Impairment of Non-Financial Assets excluding Goodwill

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

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

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

(r) Financial Assets

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

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

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

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

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

(s) Interest-Bearing Borrowings

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

3 Summary of Significant Accounting Policies (cont'd)

(t) Financial Instruments and Hedge Accounting

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

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

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

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

(u) Share Capital and Share Premium

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

The Company's own ordinary shares, which are re-acquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, re-issuance or cancellation of equity shares. Any difference between the carrying amount of treasury shares and the consideration received, if re-issued, is recognised directly in equity as gain or loss on re-issuance of treasury shares.

(v) Dividend Distribution

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

3 Summary of Significant Accounting Policies (cont'd)

(w) Leases

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

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

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

(x) Convertible Financial Instruments

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

(y) Borrowing Costs

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

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

3 Summary of Significant Accounting Policies (cont'd)

(z) Income Tax

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

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

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

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

(aa) Employee Benefits

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

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

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

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

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

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

3 **Summary of Significant Accounting Policies** (cont'd)

(ab) Revenue Recognition

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

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

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

(iii) Revenue from provision of port and storage facilities is recognised when the services are rendered.

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

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

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

(ac) Related Party Transactions

A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate, a joint venture or provides key management personnel services to the reporting entity or to the parent of the reporting entity. An entity is also considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity.

(ad) Segment Reporting

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

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

3 Summary of Significant Accounting Policies (cont'd)

(ae) Financial Guarantees

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

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

4 Critical Accounting Estimates, Assumptions and Judgements

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

(a) Critical Accounting Estimates and Assumptions

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

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

There is no significant change in the estimated useful lives of property, plant and equipment during the current financial year. As at 31 December 2015, the carrying amount of property, plant and equipment amounted to US$2,842,292,000 (2014: US$2,551,664,000) (Note 23).

(ii) Fair Value of Biological Assets

The Group determined the fair value of biological assets using the discounted cash flow method. The key assumptions for the discounted cash flow calculations are those regarding the average lives of plantations, yields per hectare, extraction rates, discount rates, expected changes in crude palm oil ("CPO") and palm kernel prices and direct costs during the period as discussed in Note 24. The amount of changes in fair value would be different if there are changes to the assumptions used. A decrease in fair value would decrease the gain recognised during the year and the carrying amount of biological assets. As at 31 December 2015, the carrying amount of biological assets amounted to US$7,839,038,000 (2014: US$7,902,105,000) (Note 24).

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

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

(iii) Impairment of Goodwill

The Group performed impairment tests on goodwill on an annual basis, in accordance with the accounting policy stated in Note 3(p). The recoverable amounts of the cash-generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and expected changes in CPO prices and direct costs during the period. The growth and discount rates are based on industry forecasts. Changes in CPO prices and direct costs are based on past practices and expectations of future changes in the market. As at 31 December 2015, there is no impairment loss recognised in the consolidated financial statements and the carrying amount of goodwill amounted to US$151,951,000 (2014: US$152,021,000) (Note 28).

(iv) Post Employment Benefits

The present value of the post employment benefits obligations and cost for post employment benefits are dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions, which include among others, discount rates and rates of salary increase, are described in Note 38. In accordance with IAS 19, *Employee Benefits*, actual results that differ from the assumptions may generally affect the recognised expense and recorded obligation. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the post employment benefits obligations. As at 31 December 2015, the estimated post employment benefits liabilities amounted to US$63,929,000 (2014: US$70,383,000) (Note 38).

(b) Critical Judgements in Applying Accounting Policies

(i) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and income tax payable in the period in which such determination is made. As at 31 December 2015, the Group has taxes payable of US$15,422,000 (2014: US$29,554,000) (Note 11).

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

The Group reviews its equity and debt securities classified as available-for-sale financial assets at the end of each reporting period to assess whether they are impaired. The Group also records impairment charges on available-for-sale financial assets when there has been a significant or prolonged decline in the fair value below their cost. The determination of what is "significant" or "prolonged" requires judgement. In making this judgement, the Group evaluated, among other factors, historical share price movements and the duration and extent to which the fair value of an investment is less than its cost. As at 31 December 2015, the carrying amount of available-for-sale financial assets amounted to US$678,918,000 (2014: US$624,720,000) (Notes 14 and 19).

5 Revenue

	2015 US$'000	2014 US$'000
Sales in Indonesia		
Third parties	606,263	805,086
Associated companies	19,960	22,025
Related parties	5,504	3,190
	631,727	830,301
Sales outside Indonesia		
Third parties	5,878,199	6,788,677
Related parties	125	331
	5,878,324	6,789,008
	6,510,051	7,619,309

	2015 US$'000	2014 US$'000
Sales in Indonesia		
Palm oil based products:		
Crude palm oil	55,343	139,484
Margarine and fat	54,529	55,024
Palm fatty acid distillate	197	2,181
Palm kernel	12,709	32,927
Palm kernel meal	3,009	6,282
Palm kernel oil	5,432	28,003
Refined bleached deodorised olein	306,052	319,709
Refined bleached deodorised stearin	47,256	89,966
Refined bleached deodorised palm oil	39,382	51,634
Refined bleached deodorised palm kernel oil	5,300	12,206
Oleochemical products	27,969	26,984
Others	11,678	13,874
	568,856	778,274
Others	62,871	52,027
Total sales in Indonesia	631,727	830,301
Sales outside Indonesia		
Palm oil based products:		
Crude palm oil	1,943,797	2,672,091
Margarine and fat	73,142	80,252
Palm fatty acid distillate	105,649	128,548
Palm kernel meal	57,646	72,192
Palm kernel oil	252,572	300,060
Refined bleached deodorised olein	1,330,640	1,345,430
Refined bleached deodorised stearin	212,048	206,806
Refined bleached deodorised palm oil	435,927	496,498
Refined bleached deodorised palm kernel oil	176,953	131,433
Oleochemical products	125,095	68,017
Others	141,895	136,304
	4,855,364	5,637,631
Soy bean based products	643,612	843,769
Noodles and snack products	130,370	146,452
Revenue from provision of port and storage facilities	7,203	8,134
Others	241,775	153,022
Total sales outside Indonesia	5,878,324	6,789,008
	6,510,051	7,619,309

6 Cost of Sales

	2015 US$'000	2014 US$'000
Cost of inventories recognised as an expense	4,961,665	5,953,714
Depreciation of property, plant and equipment	141,129	117,269
Processing and direct costs	267,682	237,320
	5,370,476	6,308,303

7 Selling, General and Administrative Expenses

	Note	2015 US$'000	2014 US$'000
Selling expenses:			
Freight and related expenses		291,076	279,069
Export tax and administration		120,890	277,009
Advertising and promotions		59,639	25,881
Salaries and employee benefits expense		25,129	23,749
Depreciation of property, plant and equipment		4,429	4,263
Bulking		3,963	4,851
Amortisation of deferred charges	26	16	16
Others		32,640	33,082
		537,782	647,920
General and administrative expenses:			
Salaries and employee benefits expense		173,314	187,694
Depreciation of property, plant and equipment		23,978	22,168
Professional fees		19,005	25,531
Rent, tax and licenses		16,179	13,528
Travelling		15,304	16,925
Repairs and maintenance		10,191	12,091
Office supplies and utilities		5,216	5,521
Amortisation of deferred charges, brands and trademarks	26,27	1,262	1,705
Others		30,207	23,292
		294,656	308,455
		832,438	956,375

8 Financial Income and Financial Expenses

	Note	2015 US$'000	2014 US$'000
Interest income from:			
Third parties		26,712	23,445
Associated company		16	112
Joint ventures		5,007	1,797
Related parties		19	90
Financial income		31,754	25,444
Interest expense to:			
Third parties		(123,923)	(112,893)
Related parties		(44)	(263)
Amortisation of deferred loan charges	34	(3,363)	(4,212)
Amortisation of deferred bond charges	33	(1,356)	(1,764)
Amortisation of premium on notes	33	86	-
Total interest expense		(128,600)	(119,132)
Finance charges		(3,439)	(4,346)
Financial expenses		(132,039)	(123,478)
Financial expenses, net		(100,285)	(98,034)

9 Other Operating Income

	Note	2015 US$'000	2014 US$'000
Insurance and product claims		9,750	10,612
Rental income		7,674	6,479
Gain on sale of other materials and by-products		4,887	5,209
Income from sales of seedlings		2,533	8,389
Management fee income from a joint venture		2,468	1,827
Shipping and workshop income		1,051	3,848
Changes in fair value of financial assets at fair value through profit or loss		721	11,895
Depreciation of property, plant and equipment		(4,779)	(2,995)
Allowance for impairment loss on trade receivables	15	(4,086)	(340)
Property, plant and equipment written off		(1,026)	(1,034)
Loss on disposal of property, plant and equipment		(888)	(2,662)
Goodwill written off	28	(419)	-
Trade receivables written off		(224)	-
Depreciation of investment properties	22	(60)	(91)
Allowance for impairment loss on other receivables	16	(32)	(100)
Others		3,900	876
		21,470	41,913

10 (Loss)/Profit Before Income Tax

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

	Note	2015 US$'000	2014 US$'000
Audit fees paid/payable to:			
Auditors of the Company		318	332
Auditors of the subsidiaries		962	916
Non-audit services paid/payable to:			
Auditors of the Company		27	16
Auditors of the subsidiaries		-	-
Employee compensation:			
Wages and salaries		192,564	206,673
Post employment benefits expense	38	14,409	11,553
Employer's contributions to defined contribution plans		3,895	4,553

11 Income Tax

	2015 US$'000	2014 US$'000
Income tax (credit)/expense attributable to the (loss)/profit is made up of:		
Current income tax		
- Current year	55,869	106,152
- (Over)/Under-provision in respect of prior years	(1,096)	100
	54,773	106,252
Deferred income tax	(90,383)	(65,306)
	(35,610)	40,946

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesian statutory tax rate of 25% (2014: 25%) is used in the reconciliation of the tax expense and the product of accounting (loss)/profit multiplied by the applicable tax rate.

11 Income Tax (cont'd)

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

	2015 US$'000	2014 US$'000
(Loss)/Profit before income tax	(52,343)	157,971
Adjustments for:		
Share of results of associated companies, net of tax	(968)	103
Share of results of joint ventures, net of tax	(7,827)	449
	(61,138)	158,523
Tax calculated at a tax rate of 25% (2014: 25%)	(15,285)	39,631
Effect of different tax rates in other countries	11,517	9,490
Non-deductible expenses, net	7,735	10,651
Permanent differences arising mainly from remeasurement	(3,236)	19,494
Recognition of previously unrecognised tax losses	(13,616)	(31,217)
Utilisation of previously unrecognised tax losses	(16,441)	(13,019)
Income tax at preferential rate	(32,395)	(3,788)
Unrecognised deferred tax assets	27,207	9,604
(Over)/Under-provision in prior years' current income tax	(1,096)	100
	(35,610)	40,946

Taxes Payable

Details of taxes payable are as follows:

	2015 US$'000	2014 US$'000
Estimated income tax payable of subsidiaries	5,718	18,151
Income and other taxes:		
Article 21	2,809	1,361
Article 23	1,339	1,208
Article 25	3,524	5,987
Article 26	578	883
Value added tax	1,454	1,964
	15,422	29,554

12 (Loss)/Earnings Per Share and Net Asset Value Per Share

(a) Basic (Loss)/Earnings Per Share

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

	2015	2014
(Loss)/Profit attributable to the owners of the Company (US$'000)	(16,718)	113,553
Weighted average number of ordinary shares (excluding treasury shares) ('000)	12,759,641	12,837,549
Basic (loss)/earnings per share (US cents)	(0.13)	0.88

(b) Diluted Earnings Per Share

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

For the current financial year, there is no dilution as the Company did not have any potential ordinary shares outstanding as at 31 December 2015.

For the previous financial year, there is no dilution as the potential ordinary shares that may be issued on the conversion of outstanding convertible bonds of 573,747,126 are anti-dilutive.

(c) Net Asset Value Per Share

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

	2015	2014
Total equity attributable to the owners of the Company (US$'000)	8,659,693	8,728,503
Number of ordinary shares based on existing issued share capital (excluding treasury shares) as at the end of the reporting period ('000)	12,734,756	12,837,549
Net asset value per share (US$)	0.68	0.68

13 Cash and Cash Equivalents

	2015 US$'000	2014 US$'000
Cash on hand	501	402
Cash in banks	223,931	284,995
Time deposits	19,184	44,163
Total cash and cash equivalents	243,616	329,560
Less: Cash in banks and time deposits pledged	(16,728)	(6,914)
Cash and cash equivalents in the consolidated statement of cash flows	226,888	322,646

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

	2015 US$'000	2014 US$'000
United States dollar	136,417	151,121
Chinese renminbi	46,368	73,792
Indonesian rupiah	40,674	67,770
Indian rupee	14,567	15,295
Euro	2,449	4,926
Singapore dollar	1,170	4,057
Others	1,971	12,599
	243,616	329,560

The above cash and cash equivalents include balances with related parties of US$1,530,000 (2014: US$6,286,000).

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

	2015 %	2014 %
United States dollar	-	0.3 – 2.9
Chinese renminbi	1.1 – 1.8	3.3 – 3.4
Indonesian rupiah	4.3 – 8.8	4.3 – 9.5
Indian rupee	5.0 – 9.0	9.3 – 9.6

14 Short-Term Investments

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

	2015 US$'000	2014 US$'000
Time deposits	49,675	72,008
Available-for-sale financial assets:		
Equity securities	46,266	39,339
Financial assets at fair value through profit or loss:		
Equity securities held for trading	22,835	30,642
Debt securities held for trading	58,716	39,037
Debt securities designated at inception, at cost	81,390	80,140
	162,941	149,819
	258,882	261,166

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

	2015 US$'000	2014 US$'000
United States dollar	215,475	188,562
Indian rupee	37,153	64,549
Chinese renminbi	5,393	7,395
Indonesian rupiah	861	660
	258,882	261,166

Time deposits amounting to US$46,950,000 (2014: US$71,336,000) have been pledged to banks as security for credit facilities (see Notes 29 and 34).

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

	2015 %	2014 %
Chinese renminbi	1.3 – 1.6	2.6
Indonesian rupiah	5.3 – 6.5	6.5
Indian rupee	7.8 – 8.9	7.8 – 9.3
United States dollar	0.8 – 1.9	-

15 Trade Receivables

	2015 US$'000	2014 US$'000
Third parties	464,395	522,257
Related parties	1,843	1,312
Associated companies	432	2,794
	466,670	526,363
Less: Allowance for impairment loss on trade receivables	(4,518)	(547)
	462,152	525,816

15 Trade Receivables (cont'd)

Trade receivables of the Group, including intra-group trade receivables which have been eliminated at consolidation, amounting to US$220,711,000 (2014: US$220,246,000) have been pledged as security for credit facilities (see Notes 29 and 34).

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

	Note	2015 US$'000	2014 US$'000
Balance at the beginning of the year		547	352
Allowance for impairment loss during the year	9	4,086	340
Receivables written off against allowance during the year		(85)	(129)
Translation adjustments		(30)	(16)
Balance at the end of the year		4,518	547

As at 31 December 2015, 14% (2014: 21%) and 7% (2014: 3%) of the Group's trade receivables are past due for less than 3 months and more than 3 months respectively. The above allowance for impairment loss on trade receivables is made for certain receivables that are past due for more than 3 months and the recovery of these amounts is remote.

The trade receivables are denominated in the following currencies:

	2015 US$'000	2014 US$'000
United States dollar	287,476	405,558
Indonesian rupiah	70,908	67,104
Euro	67,386	19,327
Chinese renminbi	18,168	12,535
Indian rupee	17,384	6,477
Malaysian ringgit	830	14,815
	462,152	525,816

16 Other Current Assets

	2015 US$'000	2014 US$'000
Receivable from third parties	65,815	71,702
Receivable from related parties	133	32
Receivable from joint ventures	138,174	86,829
Staff advances	4,264	5,014
	208,386	163,577
Advances and deposits to suppliers	178,888	209,539
Advances for purchases of property, plant and equipment and others	112,198	161,389
Prepaid taxes, net	369,442	253,798
Prepaid expenses	22,463	28,685
Others	17,115	10,121
	908,492	827,109

16 Other Current Assets (cont'd)

The amounts receivable from related parties are interest-free, unsecured and repayable on demand. The amounts receivable from joint ventures are unsecured, bear interest ranging from 2.3% to 3.2% (2014: 2.2% to 2.5%) per annum and expected to be repayable within the next twelve months.

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

	Note	2015 US$'000	2014 US$'000
Balance at the beginning of the year		673	597
Allowance for impairment loss during the year	9	32	100
Receivables written off against allowance during the year		-	(2)
Translation adjustments		(60)	(22)
Balance at the end of the year		645	673

The other current assets are denominated in the following currencies:

	2015 US$'000	2014 US$'000
Indonesian rupiah	573,006	580,366
United States dollar	260,520	172,812
Chinese renminbi	48,769	55,323
Malaysian ringgit	13,809	3,760
Indian rupee	11,045	12,983
Others	1,343	1,865
	908,492	827,109

17 Inventories

	2015 US$'000	2014 US$'000
Raw materials	322,199	408,953
Finished goods	310,994	271,961
Goods in transit	869	19,461
	634,062	700,375
Consumables:		
Fertilisers and general material	34,464	69,115
Fuel, chemical and packing supplies	41,558	48,845
Others	30,834	32,388
	740,918	850,723

17 Inventories (cont'd)

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

	2015 US$'000	2014 US$'000
Balance at the beginning of the year	1,475	1,634
Allowance for impairment loss during the year	629	1,481
Write-back of impairment loss during the year	(1,408)	(1,321)
Translation adjustments	(42)	(319)
Balance at the end of the year	654	1,475

During the current financial year, the Group recognised an allowance for impairment loss of US$629,000 (2014: US$1,481,000) in cost of sales as the carrying amount of certain inventories was higher than the net realisable value. Allowance for impairment loss of US$1,408,000 (2014: US$1,321,000) has been reversed as a result of increase in net realisable value of certain inventories.

Inventories amounting to US$165,201,000 (2014: US$213,921,000) have been pledged to banks as security for credit facilities (see Notes 29 and 34).

18 Long-Term Receivables and Assets

	2015 US$'000	2014 US$'000
Loan receivable from joint ventures	28,344	94,231
Tax recoverable	93,956	101,572
Advances for projects	36,832	75,576
Advances for plasma plantations, net	17,189	21,621
Advances for investment in land	2,759	2,759
Land clearing	1,564	40,117
Others	22,226	24,717
	202,870	360,593

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

	2015 US$'000	2014 US$'000
Indonesian rupiah	148,065	253,711
United States dollar	44,303	26,647
Euro	5,239	72,683
Malaysian ringgit	5,105	6,201
Others	158	1,351
	202,870	360,593

The unsecured loan receivable from joint ventures bears interest ranging from 3.7% to 3.9% (2014: 3.7%) per annum with a maturity date in April 2024.

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

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

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

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

19 Long-Term Investments

	2015 US$'000	2014 US$'000
Available-for-sale financial assets:		
Equity securities	632,652	585,381
Financial assets at fair value through profit or loss:		
Debt securities designated at inception, at cost	182,600	182,660
Debt securities held for trading	-	36,277
	182,600	218,937
	815,252	804,318

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

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

	2015 US$'000	2014 US$'000
United States dollar	773,981	755,721
Euro	35,827	44,411
Japanese yen	5,444	4,186
	815,252	804,318

20 Investment in Associated Companies

	2015 US$'000	2014 US$'000
Unquoted equity shares, at cost	5,549	5,549
Share of post-acquisition profits, net of dividend received	3,879	2,911
Translation adjustment	128	(29)
	9,556	8,431

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

	2015 US$'000	2014 US$'000
Results		
Revenue	43,739	46,334
Profit/(Loss) for the year	1,624	(1,103)
Assets and liabilities		
Total assets	27,506	28,248
Total liabilities	(6,654)	(8,771)
Net assets	20,852	19,477

As at 31 December 2015 and 2014, there are no losses which are in excess of the Group's interests in the associated companies.

21 Investment in Joint Ventures

	2015 US$'000	2014 US$'000
Unquoted equity shares, at cost	62,979	61,479
Share of post-acquisition comprehensive loss, net of dividend received	(5,016)	(5,135)
Translation adjustment	(2,192)	(177)
	55,771	56,167

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

	2015 US$'000	2014 US$'000
Results		
Revenue	152,177	50,501
Profit/(Loss) for the year	11,032	(1,398)
Assets and liabilities		
Total assets	649,828	485,016
Total liabilities	(578,762)	(413,347)
Net assets	71,066	71,669

21 Investment in Joint Ventures (cont'd)

Reconciliation of the above net assets to the carrying amount of the Group's interests in joint ventures is as follows:

	2015 US$'000	2014 US$'000
Interest in joint ventures (50%)	35,533	35,835
Goodwill on acquisition	12,540	14,007
Unrecognised share of comprehensive loss	6,698	4,325
Dividend receivable	1,000	2,000
Net carrying amount	55,771	56,167

22 Investment Properties

	Note	2015 US$'000	2014 US$'000
Cost			
Balance at the beginning of the year		1,706	1,773
Translation adjustments		(123)	(67)
Balance at the end of the year		1,583	1,706
Less: Accumulated depreciation			
Balance at the beginning of the year		479	422
Charge for the year	9	60	91
Translation adjustments		(69)	(34)
Balance at the end of the year		470	479
Net carrying amount		1,113	1,227

As at 31 December 2015, the fair value of the Group's investment properties is approximately US$6,292,000 (2014: US$5,824,000), determined based on management's value in use calculation using discounted cashflow method.

Investment properties are held mainly for use by tenants under operating leases. The rental income and direct operating expenses recognised in the Group's income statement in respect of these operating leases were US$137,000 (2014: US$185,000) and US$60,000 (2014: US$91,000) respectively.

23 Property, Plant and Equipment

	Freehold land	Land rights	Storage tanks, land improvements and bridges	Buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Transportation equipment	Construction in progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost									
Balance at 1.1.2015	7,969	280,042	278,147	988,511	906,777	147,512	296,285	631,683	3,536,926
Translation adjustment	(576)	(2,505)	(144)	(13,396)	(12,864)	(774)	(531)	(281)	(31,071)
Additions	139	13,329	48,341	2,131	8,939	10,814	11,838	319,914	415,445
Disposals	-	(1,865)	(44)	(491)	(3,870)	(901)	(6,440)	-	(13,611)
Write off	-	-	(450)	(2,925)	(7,442)	(2,547)	(2,393)	-	(15,757)
Acquisition of subsidiaries (Note 40a)	-	75,205	-	-	340	-	-	-	75,545
Reclassification	-	14,027	74,084	146,425	157,479	9,179	19,727	(420,921)	-
Balance at 31.12.2015	7,532	378,233	399,934	1,120,255	1,049,359	163,283	318,486	530,395	3,967,477
Accumulated depreciation									
Balance at 1.1.2015	-	23,327	55,558	238,860	377,397	110,906	179,214	-	985,262
Translation adjustment	-	(753)	-	(2,844)	(6,381)	(461)	(374)	-	(10,813)
Charge for the year	-	1,958	15,310	42,703	53,497	19,952	40,895	-	174,315
Disposals	-	(785)	(44)	(393)	(1,826)	(741)	(5,059)	-	(8,848)
Write off	-	-	(447)	(2,534)	(7,279)	(2,446)	(2,025)	-	(14,731)
Reclassification	-	-	102	(5)	(1,569)	1,412	60	-	-
Balance at 31.12.2015	-	23,747	70,479	275,787	413,839	128,622	212,711	-	1,125,185
Net book values									
Balance at 31.12.2015	7,532	354,486	329,455	844,468	635,520	34,661	105,775	530,395	2,842,292

As at 31 December 2015, the net carrying amount of property, plant and equipment which has been pledged as security for credit facilities (see Notes 29 and 34) amounted to US$586,859,000 (2014: US$399,406,000).

23 **Property, Plant and Equipment** (cont'd)

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

The Group holds land rights in Indonesia in the form of Hak Guna Usaha (HGU) which will be expired in 2018 to 2098 and the management believes that those land rights can be extended upon expiry.

24 Biological Assets

	2015 US$'000	2014 US$'000
Balance at the beginning of the year	7,902,105	7,988,140
Additions	33,967	42,325
Disposals	(2,477)	(2,142)
Transfers from land clearing	103,120	7,539
	8,036,715	8,035,862
Net loss from changes in fair value	(197,677)	(133,757)
Balance at the end of the year	7,839,038	7,902,105

The Group's oil palm plantations are located in Indonesia. As at 31 December 2015, the Group's total planted area of mature and immature nucleus plantations is approximately 363,000 (2014: 344,800) hectares and 21,400 (2014: 27,200) hectares respectively.

During the current financial year, the Group harvested approximately 7,749,500 (2014: 7,569,900) tonnes of FFB from its nucleus plantations, which has a fair value less estimated point-of-sale costs of approximately US$1,399,024,000 (2014: US$1,472,270,000). The fair values of FFB were determined with reference to their market prices.

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

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

(a) No new planting or re-planting activities are assumed;

(b) Oil palm trees have an average life of 25 years, with the first three years as immature and remaining years as mature;

(c) Yield per hectare, based on average historical performance;

(d) Discount rate of 6.9% (2014: 7.6%) per annum; and

(e) Average market price of CPO of US$788 (2014: US$905) per tonne.

The fair values of biological assets would be affected by changes in the above assumptions, particularly the average CPO price used. As at the end of the current reporting period, if we assume the market CPO prices as at year end increased by 5% with all other variables including exchange rate being held constant, loss attributable to the owners of the Company would have decreased and total equity attributable to the owners of the Company would have increased by approximately US$4 million, as a result of lower loss arising from changes in fair value of biological assets net of tax and non-controlling interests and vice versa.

As at the end of the previous reporting period, if we assume the market CPO prices as at year end increased by 5% with all other variables including exchange rate being held constant, profit attributable to the owners of the Company and total equity attributable to the owners of the Company would have increased by approximately US$5 million, as a result of lower loss arising from changes in fair value of biological assets net of tax and non-controlling interests and vice versa.

As at 31 December 2015, the fair value of biological assets which have been pledged as security for credit facilities (see Notes 29 and 34) amounted to US$1,806,026,000 (2014: US$2,599,821,000).

25 Deferred Tax

	Accelerated tax depreciation US$'000	Deferred charges US$'000	Unutilised tax losses/capital allowances US$'000	Valuation allowances/ others US$'000	Total US$'000
Deferred tax assets/(liabilities)					
Balance at 1 January 2015	(117,265)	287	116,565	(1,815,988)	(1,816,401)
(Charged)/Credited to income statement	(5,162)	(1)	39,368	56,178	90,383
Charged to other comprehensive income	-	-	-	(3,257)	(3,257)
Acquisition of subsidiaries (Note 40a)	-	-	-	(17,852)	(17,852)
Translation adjustment	8,707	2	(3,093)	(1,526)	4,090
Balance at 31 December 2015	(113,720)	288	152,840	(1,782,445)	(1,743,037)
Balance at 1 January 2014	(117,808)	294	83,692	(1,847,444)	(1,881,266)
(Charged)/Credited to income statement	(1,259)	(8)	34,458	32,115	65,306
Acquisition of subsidiaries (Note 40a)	(2,294)	-	-	1,574	(720)
Translation adjustment	4,096	1	(1,585)	(2,233)	279
Balance at 31 December 2014	(117,265)	287	116,565	(1,815,988)	(1,816,401)

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

	2015 US$'000	2014 US$'000
Deferred tax liabilities	(1,799,560)	(1,843,437)
Deferred tax assets	56,523	27,036
	(1,743,037)	(1,816,401)

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

As at 31 December 2015, a subsidiary, Golden Agri International Pte Ltd ("GAI") has not provided for deferred tax liabilities, after taking into consideration of relevant deductible expenses, amounting to approximately US$965,000 (2014: US$973,000) that would be payable upon remittance into Singapore of its offshore interest income, which amounted to approximately US$21,875,000 (2014: US$22,187,000) as it is the intention of the directors of GAI to permanently reinvest the unremitted interest income.

Deferred tax liabilities of US$63,017,000 (2014: US$69,514,000) have not been recognised for taxes that would be payable on the remittance to Mauritius of unremitted retained earnings of approximately US$2,100,563,000 (2014: US$2,317,141,000) of certain subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences are not expected to reverse in the foreseeable future.

25 Deferred Tax (cont'd)

At the end of the reporting period, certain subsidiaries have unutilised tax losses and capital allowances available for offsetting against future taxable profits amounted to US$369,266,000 (2014: US$431,550,000).

	2015 US$'000	2014 US$'000
Expiry dates		
31 December 2015	-	35,015
31 December 2016	34,908	102,552
31 December 2017	61,279	108,555
31 December 2018	111,258	139,950
31 December 2019	32,484	44,533
31 December 2020	126,963	-
No expiry dates and subject to terms and conditions	2,374	945
	369,266	431,550

The availability of the unutilised tax losses and capital allowances for set-off against future taxable profits is subject to the tax regulations of the respective countries in which the Group companies are incorporated. The deferred tax benefit arising from these unrecognised tax losses and unabsorbed capital allowances of US$56,558,000 (2014: US$69,044,000) has not been recognised in the consolidated financial statements.

26 Deferred Charges

	Note	2015 US$'000	2014 US$'000
Cost			
Balance at the beginning of the year		17,052	18,485
Additions		90	538
Acquisition of subsidiaries	40a	-	83
Transfer to property, plant and equipment	23	-	(2,023)
Deferred charges written off		(129)	(23)
Translation adjustment		(32)	(8)
Balance at the end of the year		16,981	17,052
Less: Accumulated amortisation			
Balance at the beginning of the year		8,720	7,073
Amortisation charged to selling expenses		16	16
Amortisation charged to general and administrative expenses		1,239	1,366
Amortisation charged to cost of sales		294	294
Deferred charges written off		(129)	(23)
Translation adjustment		(25)	(6)
Balance at the end of the year		10,115	8,720
Net carrying amount		6,866	8,332

27 Brands and Trademarks

	Note	2015 US$'000	2014 US$'000
Cost			
Balance at the beginning of the year		7,283	6,924
Additions		2	-
Acquisition of subsidiaries	40a	-	405
Translation adjustment		(50)	(46)
Balance at the end of the year		7,235	7,283
Less: Accumulated amortisation			
Balance at the beginning of the year		6,930	6,604
Amortisation charged to general and administrative expenses		23	339
Translation adjustment		(15)	(13)
Balance at the end of the year		6,938	6,930
Net carrying amount		297	353

28 Goodwill

	Note	2015 US$'000	2014 US$'000
Balance at the beginning of the year		152,021	115,898
Acquisition of subsidiaries	40a	1,499	36,457
Goodwill written off	45d	(419)	-
Translation adjustment		(1,150)	(334)
Balance at the end of the year		151,951	152,021

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

The above goodwill is allocated to the palm and laurics segment. The recoverable amount of the goodwill was determined based on value in use calculations using a 10-year cash flows projection. A terminal value was estimated based on the 10^{th} year's future cash flow using the terminal growth rates ranging from 0% to 5.0% (2014: 0% to 5.0%) and pre-tax discount rates ranging from 6.9% to 12.0% (2014: 7.6% to 12.0%).

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

29 Short-Term Loans

	Note	2015 US$'000	2014 US$'000
Short-term loans:			
United States dollar		1,217,548	1,119,397
Euro		544	-
		1,218,092	1,119,397
Current maturities of long-term borrowings	34	150,406	133,645
		1,368,498	1,253,042
Less: Unamortised loan charges	34	(2,396)	(1,961)
		1,366,102	1,251,081

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

	2015 US$'000	2014 US$'000
Secured loans	878,900	875,919
Unsecured loans	339,192	243,478
	1,218,092	1,119,397

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

The above short-term loans have a maturity period of less than 12 months from the end of the financial year and bear interest at the following rates per annum during the year:

	2015 %	2014 %
United States dollar	0.6 – 5.0	0.7 – 3.8
Euro	1.9	-

Certain time deposits, short-term investments, trade receivables, inventories, property, plant and equipment and biological assets have been pledged to banks to obtain the Group's short-term secured loans as disclosed in their respective notes.

30 Trade Payables

	2015 US$'000	2014 US$'000
Trust receipts payable	365,419	243,802
Trade payables to:		
Third parties	238,475	287,970
Associated companies	617	114
Joint ventures	2,332	3,851
Related parties	5,197	7,460
	612,040	543,197

30 Trade Payables (cont'd)

The above trust receipts payable, which represent amounts due to certain banks, bear interest ranging from 1.5% to 4.8% (2014: 1.4% to 2.0%) per annum. The trust receipts payable and trade payables are denominated in the following currencies:

	2015 US$'000	2014 US$'000
United States dollar	369,569	353,731
Indonesian rupiah	118,808	163,047
Chinese renminbi	102,478	17,917
Indian rupee	14,541	6,924
Others	6,644	1,578
	612,040	543,197

31 Other Payables

	2015 US$'000	2014 US$'000
Payable to third parties	103,425	80,597
Derivative payable	56,768	63,069
Interim dividends payable	-	39,650
Interest payable	12,021	14,249
Payable to related parties	4,401	2,226
	176,615	199,791
Advances from customers	27,747	40,086
Accrued expenses	49,913	46,843
	254,275	286,720

The amounts payable to related parties are unsecured and repayable on demand. As at 31 December 2015, included in the amounts payable to third parties are US$3,234,000 (2014: US$3,164,000) which bear interest at 2.3% (2014: 2.2%) per annum.

The other payables are denominated in the following currencies:

	2015 US$'000	2014 US$'000
United States dollar	136,638	107,518
Indonesian rupiah	60,778	78,584
Chinese renminbi	38,323	43,543
Singapore dollar	4,736	42,978
Others	13,800	14,097
	254,275	286,720

31 Other Payables (cont'd)

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

	2015		2014	
	Notional amount	Liabilities	Notional amount	Liabilities
	US$'000	US$'000	US$'000	US$'000
Cross currency swap ("CCS") contracts	222,337	51,788	222,337	37,012
Forward foreign currency contracts	535,190	56,768	2,916,390	26,057
		108,556		63,069
Less: Non-current portion (Note 35)		(51,788)		-
Current portion		56,768		63,069

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

The Group entered into CCS contracts to hedge certain Indonesian rupiah and Singapore dollar ("SGD") denominated borrowings. Cash flow hedge accounting has been applied to the CCS contracts for the hedging of our SGD denominated borrowings as these contracts met the criteria of highly effective hedging instruments. During the current financial year, the Group recognised a net loss from changes in fair value of CCS contracts of US$5,487,000 (2014: net gain of US$6,419,000) in the income statement as part of net foreign exchange loss and a net loss from changes in fair value of CCS contracts of US$740,000 (2014: US$632,000) in other comprehensive income.

During the current financial year, the Group recognised a net loss from forward foreign currency contracts of US$46,839,000 (2014: net gain of US$25,237,000) in the income statement as part of net foreign exchange loss.

32 Obligations under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2015	2014	2015	2014
	US$'000	US$'000	US$'000	US$'000
Finance leases payable:				
Within one year	152	205	114	132
In the second to fifth year	85	263	99	269
	237	468	213	401
Less: Future finance charges	(24)	(67)		
Present value of lease obligation	213	401		
Less: Amount due for settlement within 12 months			(114)	(132)
Amount due for settlement after 12 months			99	269
Net book value of assets under finance leases			294	347

32 Obligations under Finance Leases (cont'd)

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

	2015 US$'000	2014 US$'000
Indonesian rupiah	202	375
Singapore dollar	11	26
	213	401

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

	2015 %	2014 %
Indonesian rupiah	5.5 – 6.5	5.5 – 6.5
Singapore dollar	2.2	2.2

33 Bonds and Notes Payables

	2015 US$'000	2014 US$'000
Unsecured interest-bearing bonds (a)	72,490	80,385
Unsecured Islamic medium term notes (b)	846,456	846,456
Unsecured convertible bonds (c)	-	391,132
Unsecured multicurrency medium term notes (d)	247,524	113,550
	1,166,470	1,431,523
Less: Deferred bond charges	(198)	(1,554)
Add: Unamortised premium on notes	336	-
	1,166,608	1,429,969
Less: Current portion	(80,645)	(389,882)
Non-current portion	1,085,963	1,040,087

Movements in deferred bond charges are as follows:

	Note	2015 US$'000	2014 US$'000
Balance at the beginning of the year		1,554	3,318
Amortisation during the year	8	(1,356)	(1,764)
Balance at the end of the year		198	1,554
Less: Current portion		-	(1,250)
Non-current portion		198	304

33 Bonds and Notes Payables (cont'd)

Movements in unamortised premium on notes are as follows:

	Note	2015 US$'000	2014 US$'000
Balance at the beginning of the year		-	-
Additions during the year		422	-
Amortisation during the year	8	(86)	-
Balance at the end of the year		336	-

(a) In June 2012, a subsidiary has established a fixed rate IDR Bond Program ("Bond Program") of up to IDR3 trillion. As at 31 December 2015 and 2014, the outstanding bonds amounted to IDR1 trillion (2015: equivalent to US$72,490,000, 2014: equivalent to US$80,385,000) which comprise A series bonds of IDR900 billion due in July 2017 and B series bonds of IDR100 billion due in July 2019. These bonds bear interest at rates ranging from 9% to 9.25% per annum and are listed on the Indonesia Stock Exchange.

(b) In November 2012, a subsidiary has established a Ringgit-denominated Islamic medium term note ("IMTN") programme of up to RM5 billion under the laws of Malaysia. As at 31 December 2015, the outstanding IMTN comprises 4 tranches and bears profit rates ranging from 4.08% to 5.35% per annum. The scheduled maturities of the outstanding IMTN as at 31 December 2015 and 2014 are as follows:

Year	2015 US$'000	2014 US$'000
2016	80,645	80,645
2017	491,481	491,481
2018	156,590	156,590
2019	117,740	117,740
	846,456	846,456

(c) On 4 October 2012, the Company issued US$400 million 2.5% convertible bonds ("Bonds") due on 4 October 2017. The Bonds were listed and quoted on the Singapore Exchange on 5 October 2012. The Company will, at the option of the bondholders, redeem all or some of the Bonds on or after 4 October 2015 at the principal amount, plus interest accrued up to the date of redemption.

From May to September 2015, the Company repurchased US$116,000,000 of its Bonds. Such bonds were cancelled subsequent to the repurchases. The remaining US$283,000,000 and US$1,000,000 of the Bonds were redeemed in full on 5 October 2015 and 6 November 2015 respectively.

(d) In April 2014, a wholly-owned subsidiary, Golden Assets International Investment Pte. Ltd., has established a multicurrency medium term note ("MMTN") programme of up to US$1.5 billion under the laws of Singapore. As at 31 December 2015 and 2014, the outstanding Singapore dollar denominated MMTN comprises 2 tranches (2014: 1 tranche) with fixed coupon rates ranging from 4.2% to 5.5% (2014: 4.2%) per annum. The scheduled maturities of the outstanding MMTN as at 31 December 2015 and 2014 are as follows:

Year	2015 US$'000	2014 US$'000
2017	106,082	113,550
2018	141,442	-
	247,524	113,550

34 Long-Term Borrowings

	Note	2015 US$'000	2014 US$'000
Long-term borrowings:			
United States dollar		596,885	431,873
Singapore dollar		65,687	70,311
Indonesian rupiah		-	13,666
Indian rupee		2,478	6,331
Total long-term borrowings		665,050	522,181
Less: Current maturities of long-term borrowings	29	(150,406)	(133,645)
		514,644	388,536
Less: Unamortised loan charges		(2,182)	(1,286)
Non-current portion		512,462	387,250

Movements in unamortised loan charges are as follows:

	Note	2015 US$'000	2014 US$'000
Balance at the beginning of the year		3,247	4,477
Additions		4,716	2,997
Amortisation during the year	8	(3,363)	(4,212)
Translation adjustment		(22)	(15)
Balance at the end of the year		4,578	3,247
Less: Current portion	29	(2,396)	(1,961)
Non-current portion		2,182	1,286

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

	2015 US$'000	2014 US$'000
Secured borrowings	647,051	494,181
Unsecured borrowings	17,999	28,000
	665,050	522,181

Certain time deposits, short-term investments, trade receivables, inventories, property, plant and equipment and biological assets have been pledged to banks to obtain the Group's total secured borrowings as disclosed in their respective notes.

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

	2015 %	2014 %
United States dollar	2.2 – 5.0	1.9 – 5.0
Indonesian rupiah	-	10.0
Singapore dollar	2.2 – 3.3	1.7 – 2.3
Indian rupee	11.3	9.5 – 13.7

34 Long-Term Borrowings (cont'd)

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

The scheduled maturities of the Group's borrowings as at 31 December 2015 and 2014 are as follows:

	Original loan currency				U.S. Dollar Equivalent
Year	US$'000	IDR'000	S$'000	INR'000	US$'000
As at 31 December 2015					
Long-term borrowings repayable in:					
2016	148,345	-	-	137,434	150,406
2017	204,263	-	-	27,800	204,680
2018	143,513	-	92,881	-	209,200
2019	40,888	-	-	-	40,888
2020	53,888	-	-	-	53,888
Thereafter	5,988	-	-	-	5,988
Total	596,885	-	92,881	165,234	665,050
Current portion (Note 29)	(148,345)	-	-	(137,434)	(150,406)
Non-current portion	448,540	-	92,881	27,800	514,644
As at 31 December 2014					
Long-term borrowings repayable in:					
2015	117,204	170,000,000	-	173,467	133,645
2016	137,871	-	-	177,767	140,716
2017	148,146	-	-	44,466	148,857
2018	20,888	-	92,881	-	91,199
2019	888	-	-	-	888
Thereafter	6,876	-	-	-	6,876
Total	431,873	170,000,000	92,881	395,700	522,181
Current portion (Note 29)	(117,204)	(170,000,000)	-	(173,467)	(133,645)
Non-current portion	314,669	-	92,881	222,233	388,536

35 Long-Term Payables and Liabilities

	Note	2015 US$'000	2014 US$'000
Post employment benefits liability, denominated in Indonesian rupiah	38	63,929	70,383
Derivative payables, denominated in United Stated dollar	31	51,788	-
Rental deposits, denominated in Singapore dollar		276	374
Deferred rental income, denominated in United States dollar		4,748	5,934
		120,741	76,691

36 Issued Capital and Treasury Shares

	No. of ordinary shares		Amount	
	Issued capital	Treasury shares	Issued capital	Treasury shares
			US$'000	US$'000
Issued and fully paid:				
Balance at 31 December 2014 and 1 January 2015	12,837,548,556	-	320,939	-
Treasury shares purchased	-	(102,792,400)	-	(31,726)
Balance at 31 December 2015	12,837,548,556	(102,792,400)	320,939	(31,726)

The Company acquired 102,792,400 of its own shares in the open market during the current financial year. These shares are held as treasury shares. The total amount paid to acquire the shares of US$31,726,000 was presented as a component within shareholders' equity.

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

37 Dividends

	2015	2014
	US$'000	US$'000
Interim dividend of S$Nil (2014: S$0.00408) per share	-	39,650
Final dividend paid in respect of the previous year of S$0.00177 (2014: S$0.00515) per share	16,933	52,795
	16,933	92,445

At the Annual Meeting to be held on 21 April 2016, a final dividend (tax not applicable) of S$0.00502 per share, amounting to S$63,928,475.90 (equivalent to approximately US$45,211,000) will be recommended. These consolidated financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2016.

38 Post Employment Benefits Liability and Share-Based Payment

(a) Post Employment Benefits Liability

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

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

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

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

	2015	2014
Discount rate	9.0%	8.5%
Salary growth rate	8.0%	8.0%
Retirement age	55 years	55 years

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

	Note	2015 US$'000	2014 US$'000
Balance at the beginning of the year		70,383	54,706
Post employment benefits expense during the year recognised in the income statement		14,409	11,553
Post employment benefits (income)/expense during the year recognised in other comprehensive income		(13,651)	4,027
Payments made during the year		(374)	(285)
Under-provision in respect of prior years		86	-
Acquisition of subsidiaries	40a	-	1,660
Translation adjustment		(6,924)	(1,278)
Balance at the end of the year	35	63,929	70,383

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

	Note	2015 US$'000	2014 US$'000
Current service cost		6,654	6,771
Past service cost		2,432	192
Interest cost		5,323	4,590
Post employment benefits expense recognised in the income statement	10	14,409	11,553

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

	2015 US$'000	2014 US$'000
Actuarial gain/(loss) arising from changes in financial assumptions	3,765	(4,090)
Actuarial gain arising from experience adjustment	9,886	63
Post employment benefits income/(expense) recognised in other comprehensive income	13,651	(4,027)
Less: Deferred income tax	(3,415)	-
Net post employment benefits income/(expense) recognised in other comprehensive income	10,236	(4,027)

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

(b) Share-based Payment

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

As at 31 December 2015, no awards have been granted by the Company under the RSP.

39 **Financial Instruments**

Fair Value of Financial Instruments

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

The fair values of long-term receivables and long-term interest-bearing borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the end of the reporting period. As at 31 December 2015 and 2014, the carrying amounts of the long-term receivables and long-term interest-bearing borrowings approximate their fair values.

Fair Value Hierarchy

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

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

	Level 1	Level 2	Level 3	Total
	US$'000	US$'000	US$'000	US$'000
At 31 December 2015				
Available-for-sale financial assets	-	-	69,704	69,704
Financial assets at fair value through profit or loss held for trading	20,119	45,349	16,083	81,551
Derivative payable	-	(108,556)	-	(108,556)
	20,119	(63,207)	85,787	42,699
At 31 December 2014				
Financial assets at fair value through profit or loss held for trading	37,458	59,558	8,940	105,956
Derivative payable	-	(63,069)	-	(63,069)
	37,458	(3,511)	8,940	42,887

Note: Excluded available-for-sale financial assets stated at cost of US$609,214,000 (2014: US$624,720,000).

39 Financial Instruments (cont'd)

Methods and Assumptions Used to Determine Fair Values

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

Unquoted debt and equity securities:	The fair value is determined by reference to fund statements provided by non-related fund managers.
Forward currency contracts:	Fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles as at the reporting date.
Cross currency swap contracts:	Where available, quoted market prices are used as a measure of fair values for the outstanding contracts. Where the quoted market prices are not available, the fair values are determined by reference to valuation by non-related financial institutions by reference to the market prices of another contract that is substantially similar.

40 Business Combinations

(a) Acquisition of subsidiaries

During the financial year 2015, there were the following acquisitions of subsidiaries:

(i) In July 2015, the Group through its wholly-owned subsidiary, acquired 100% shareholding in Billford Investment Corporation Ltd, ("BIC"). Following the acquisition, BIC together with its subsidiaries, PT Nusatama Agung Kreasi, PT Kreasi Nusajaya Abadi and PT Dumai Mas Resources became subsidiaries of the Group.

From the date of acquisition, BIC does not contribute significantly to the Group's results for the financial year ended 31 December 2015. If the acquisition has been completed on 1 January 2015, management estimated there would have been no significant changes to the Group's revenue and profit before income tax.

(ii) In August 2015, the Group through its wholly-owned subsidiary, acquired 100% shareholding in Victory Oleo Holding GmbH ("VOH"). Following the acquisition, VOH together with its subsidiary, OLIQEM GmbH became subsidiaries of the Group.

From the date of acquisition, VOH has contributed revenue and loss before income tax of US$17,739,000 and US$45,000 respectively for the financial year ended 31 December 2015. If the acquisition has been completed on 1 January 2015, total Group's revenue and loss before income tax for the year would have been US$6,523,440,000 and US$52,468,000 respectively.

40 Business Combinations (cont'd)

(a) Acquisition of subsidiaries (cont'd)

The following summarise the major classes of consideration transferred, and the recognised fair value of identifiable assets acquired and liabilities assumed, which reasonably approximated their carrying amount, at the acquisition dates.

	BIC US$'000	VOH US$'000	Total US$'000
Property, plant and equipment	75,205	340	75,545
Cash and cash equivalents	7	1,009	1,016
Trade and other receivables	8	6,571	6,579
Borrowings	(3,753)	(559)	(4,312)
Trade and other payables	(2)	(8,469)	(8,471)
Taxes payable	-	(48)	(48)
Deferred tax liabilities	(17,852)	-	(17,852)
Net assets/(liabilities) acquired	53,613	(1,156)	52,457
Add: Goodwill (Note 28)	-	1,499	1,499
Consideration for acquisition	53,613	343	53,956
Less: Cash and cash equivalents acquired	(7)	(1,009)	(1,016)
Net cash outflow/(inflow) on acquisition	53,606	(666)	52,940

During the financial year 2014, there were the following acquisitions of subsidiaries:

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

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

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

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

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

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

40 Business Combinations (cont'd)

(a) Acquisition of subsidiaries (cont'd)

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

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

The following summarise the major classes of consideration transferred, and the recognised fair value of identifiable assets acquired and liabilities assumed, which reasonably approximated their carrying amount, at the acquisition dates.

	SDN US$'000	Integrated and Solid US$'000	GEFI US$'000	VTO US$'000	Total US$'000
Property, plant and equipment	7,742	4,532	20,445	35	32,754
Deferred charges	43	-	40	-	83
Brands and trademarks	405	-	-	-	405
Other non-current assets	149	-	1,351	-	1,500
Cash and cash equivalents	2,031	322	16,943	7,680	26,976
Short-term investment	-	-	35,011	-	35,011
Trade and other receivables	11,827	90	19,978	5,709	37,604
Inventories	4,153	-	25,102	20,622	49,877
Borrowings	(15,750)	-	(84,204)	-	(99,954)
Trade and other payables	(9,577)	-	(23,538)	(35,111)	(68,226)
Taxes payable	(1,267)	-	-	-	(1,267)
Deferred tax liabilities	(10)	-	(710)	-	(720)
Long-term payables and liabilities	(1,615)	-	(45)	-	(1,660)
Total identifiable net assets/(liabilities)	(1,869)	4,944	10,373	(1,065)	12,383
Less: Non-controlling interests' proportionate share of net assets	-	(544)	(2,943)	-	(3,487)
Net assets/(liabilities) acquired	(1,869)	4,400	7,430	(1,065)	8,896
Add: Goodwill (Note 28)	16,639	-	18,185	1,633	36,457
Consideration for acquisition	14,770	4,400	25,615	568	45,353
Less: Cash and cash equivalents acquired	(2,031)	(322)	(16,943)	(7,680)	(26,976)
Net cash outflow/ (inflow) on acquisition	12,739	4,078	8,672	(7,112)	18,377

40 Business Combinations (cont'd)

(b) Deconsolidation of subsidiaries

In September 2014, the Group disposed its 50% equity interest in Sinarmas Cepsa Pte. Ltd. ("SCPL") for a cash consideration of US$5,700,000. Following the transaction, SCPL together with its group subsidiaries, became the Group's joint ventures and ceased as subsidiaries of the Group. The Group recognised a gain on deconsolidation of US$7,586,000 in the consolidated income statement for this transaction. An analysis of assets and liabilities of SCPL and its subsidiaries as at the date of deconsolidation were as follows:

	Fair Value US$'000
Property, plant and equipment	68,150
Other non-current assets	38
Cash and cash equivalents	14,724
Other receivables	2,491
Other payables	(87,257)
Taxes payable	(32)
Net liabilities derecognised	(1,886)
Gain on deconsolidation	7,586
Proceeds from disposal	5,700
Less: Cash and cash equivalents of deconsolidated subsidiaries	(14,724)
Cash flow effect arising from deconsolidation	(9,024)

(c) In November 2014, the Group through its wholly-owned subsidiary, acquired the remaining 51% equity interest in PT Dian Ciptamas Agung for a total cash consideration of IDR765,000,000 (equivalent to US$63,000). Following the transaction, PT Dian Ciptamas Agung became a wholly-owned subsidiary of the Group. The Group recognised a decrease in other reserves of US$148,000 and an increase in non-controlling interests of US$85,000.

41 Operating Segment Information

For management purposes, the Group is organised into business units based on their products and has four reportable operating segments as follows:

Plantation and palm oil mills - comprises the products from upstream business;

Palm and laurics - comprises the processing and merchandising of palm based products, i.e. bulk and branded as well as oleochemicals;

Oilseeds - comprises the processing and merchandising of oilseeds based products, i.e. bulk and branded; and

Others - comprises the production and distribution of food and consumer products in China and Indonesia.

41 Operating Segment Information (cont'd)

2015	Plantation and palm oil mills US$'000	Palm and laurics US$'000	Oilseeds US$'000	Others US$'000	Eliminations US$'000	Total US$'000
Revenue from external customers	77,099	5,609,441	630,272	193,239	-	6,510,051
Inter-segment sales	1,425,890	4,542	13,826	2	(1,444,260)	-
Total revenue	1,502,989	5,613,983	644,098	193,241	(1,444,260)	6,510,051
EBITDA	415,315	108,726	11,284	4,958	1,381	541,664
Other information						
Capital expenditure	244,123	195,651	1,000	3,299	-	444,073
Unallocated capital expenditure						5,339
Total capital expenditure						449,412
Depreciation and amortisation	(96,577)	(62,614)	(11,952)	(4,804)	-	(175,947)
Net loss from changes in fair value of biological assets	(197,677)	-	-	-	-	(197,677)
Interest on borrowings	(49,113)	(69,553)	(9,908)	(26)	-	(128,600)
Share of results of associated companies, net of tax	619	349	-	-	-	968
Share of results of joint ventures, net of tax	(553)	6,780	(222)	1,822	-	7,827
Assets						
Segment assets	11,380,609	2,808,798	405,199	220,713	(1,851,598)	12,963,721
Investment in associated companies	2,611	6,945	-	-	-	9,556
Investment in joint ventures	2,217	34,692	339	18,523	-	55,771
Unallocated assets						1,566,541
Total assets						14,595,589
Liabilities						
Segment liabilities	(3,394,903)	(2,712,120)	(161,353)	(189,461)	2,298,910	(4,158,927)
Unallocated liabilities						(1,688,496)
Total liabilities						(5,847,423)

41 Operating Segment Information (cont'd)

2014	Plantation and palm oil mills US$'000	Palm and laurics US$'000	Oilseeds US$'000	Others US$'000	Eliminations US$'000	Total US$'000
Revenue from external customers	112,491	6,461,564	845,365	199,889	-	7,619,309
Inter-segment sales	1,814,367	2,998	-	999	(1,818,364)	-
Total revenue	1,926,858	6,464,562	845,365	200,888	(1,818,364)	7,619,309
EBITDA	561,028	57,569	(60,257)	7,734	(183)	565,891
Other information						
Capital expenditure	213,732	235,399	5,388	670	-	455,189
Unallocated capital expenditure						2,529
Total capital expenditure						457,718
Depreciation and amortisation	(87,735)	(45,667)	(10,440)	(4,959)	-	(148,801)
Net loss from changes in fair value of biological assets	(133,757)	-	-	-	-	(133,757)
Interest on borrowings	(49,887)	(57,225)	(11,874)	(146)	-	(119,132)
Share of results of associated companies, net of tax	(158)	55	-	-	-	(103)
Share of results of joint ventures, net of tax	(728)	621	(342)	-	-	(449)
Assets						
Segment assets	11,462,126	2,821,322	412,962	280,273	(1,910,947)	13,065,736
Investment in associated companies	2,701	5,730	-	-	-	8,431
Investment in joint ventures	2,885	52,804	478	-	-	56,167
Unallocated assets						1,536,287
Total assets						14,666,621
Liabilities						
Segment liabilities	(3,350,741)	(2,625,128)	(115,727)	(215,301)	2,382,630	(3,924,267)
Unallocated liabilities						(1,924,033)
Total liabilities						(5,848,300)

41 Operating Segment Information (cont'd)

A reconciliation of total EBITDA to total (loss)/profit before income tax is as follows:

	2015 US$'000	2014 US$'000
EBITDA for reportable segments	540,283	566,074
Other EBITDA	1,381	(183)
Net loss from changes in fair value of biological assets	(197,677)	(133,757)
Depreciation and amortisation	(175,947)	(148,801)
Foreign exchange loss	(91,783)	(13,816)
Interest on borrowings	(128,600)	(119,132)
Exceptional item	-	7,586
(Loss)/Profit before income tax	(52,343)	157,971

Revenue based on geographical location of customers is as follows:

	2015 US$'000	2014 US$'000
China	1,269,784	1,706,676
Indonesia	631,727	830,301
India	926,742	766,098
Rest of Asia	2,189,152	2,751,163
Europe	1,138,331	1,227,592
Others	354,315	337,479
Consolidated revenue	6,510,051	7,619,309

The following is an analysis of the carrying amount of non-current non-financial assets, analysed by the geographical areas in which the assets are located:

	2015 US$'000	2014 US$'000
Indonesia	10,522,869	10,362,526
China	262,875	291,150
Singapore	133,684	125,322
India	38,180	39,843
Others	29,846	26,249
Total non-current non-financial assets	10,987,454	10,845,090

42 Related Party Transactions

(a) In addition to the related party information disclosed elsewhere in the consolidated financial statements, significant transactions with related parties, on terms agreed between parties, are as follows:

	2015 US$'000	2014 US$'000
(i) Sale of services		
Rental income from related parties	182	192
Rental income from joint ventures	679	124
Service fee income from joint ventures	96	30
(ii) Purchase of goods and services		
Insurance premium to a related party	7,248	5,668
Purchase of agricultural products from associated companies	160	166
Purchase of non-palm oil products from related parties	22,654	25,779
Freight and related expenses to joint ventures	239,842	224,414
Rental and service charge expense to related parties	12,030	8,119
Toll manufacturing expense to an associated company	-	214
Transport and port expense to related parties	1,971	1,721
Advisory fee to a related party	74	236
Acquisition of subsidiaries from a related party	-	4,400
(iii) Dividend income from a joint venture	5,500	1,000

(b) The key management personnel remuneration is as follows:

	2015 US$'000	2014 US$'000
Directors of the holding company	4,422	4,217
Other key management personnel	4,900	4,487

Included in the above remuneration are post employment benefits of US$34,942 for the current financial year (2014: US$35,522).

43 Financial Risk Management

(a) Capital Risk Management

The Group manages its capital to safeguard the Group's ability to continue as a going concern in order to maximise the return to shareholders and benefits for other stakeholders through the optimisation of the debts and equity balance. The Group's overall strategy remains unchanged since 2014. Neither the Group nor the Company is subject to externally imposed capital requirements. The Group monitors capital using net debts-to-equity ratio and adjusted net debts-to-equity ratio.

Net debts-to-equity ratio equals net debts divided by total equity. Total equity comprises share capital, share premium, reserves, retained earnings and non-controlling interests. The Group's net debts include borrowings, bonds and notes payables and obligations under finance leases net of cash and cash equivalents.

43 Financial Risk Management (cont'd)

(a) Capital Risk Management (cont'd)

	2015 US$'000	2014 US$'000
Total debts	3,045,385	3,068,701
Cash and cash equivalents	(243,616)	(329,560)
Net debts	2,801,769	2,739,141
Total equity	8,748,166	8,818,321
Net debts-to-equity ratio (times)	0.32	0.31

Adjusted net debts-to-equity ratio equals adjusted net debts divided by total equity attributable to owners of the Company. Adjusted net debts comprise net debts (as defined above) less liquid working capital. Liquid working capital includes short-term investments, trade receivables, advances and deposits to suppliers and inventories (excluding consumables) less trade payables and advances from customers.

	2015 US$'000	2014 US$'000
Net debts	2,801,769	2,739,141
Liquid working capital:		
Short-term investments	(258,882)	(261,166)
Trade receivables	(462,152)	(525,816)
Inventories (excluding consumables)	(634,062)	(700,375)
Advances and deposits to suppliers	(178,888)	(209,539)
Trade payables	612,040	543,197
Advances from customers	27,747	40,086
Adjusted net debts	1,907,572	1,625,528
Equity attributable to the owners of the Company	8,659,693	8,728,503
Adjusted net debts-to-equity ratio (times)	0.22	0.19

The directors of the Company review the capital structure on a semi-annual basis. As a part of the review, the directors of the Company consider the cost of capital and the risks associated with each class of capital. Accordingly, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-back as well as the issue of new debt or the redemption of existing debt.

(b) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk, price risk), credit risk, liquidity risk, and cash flow risk. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group may use relevant financial instruments to manage certain risks. Such financial instruments are not held for trade or speculative purposes.

43 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(i) Interest Rate Risk

The Group's exposure to cash flow and fair value interest rate risk arises primarily on its existing interest-bearing borrowings. Cash flow interest rate risk is the risk that the future cash flow of borrowings at variable rate will fluctuate because of changes to market interest rates. Fair value interest rate risk is the risk that the fair values of borrowings at fixed rate will fluctuate because of changes to market interest rates. The interest rate that the Group will be able to obtain on debt financing will depend on market conditions at that time, and may differ from the rates the Group has secured currently.

As at the end of the current reporting period, if interest rates on net financial liabilities at variable rate had been 0.5% lower with all other variables held constant, loss before income tax would have been lower by approximately US$7,076,000 and total equity for the year would have been higher by approximately US$5,506,000, as a result of lower interest expense and vice versa. As at the end of the previous reporting period, if interest rates on net financial liabilities at variable rate had been 0.5% lower with all other variables held constant, profit before income tax and total equity for the year would have been higher by approximately US$5,536,000 and US$4,372,000 respectively, as a result of lower interest expense and vice versa. This analysis is prepared assuming the amount of net financial liabilities outstanding at the end of the reporting period was outstanding for the whole year.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the interest rates and repayment terms are disclosed in the respective notes to the consolidated financial statements. The tables below set out the interest rate profile of the Group's interest-bearing financial instruments at carrying amount.

	2015 US$'000	2014 US$'000
Financial Assets		
Variable rate	434,544	514,697
Fixed rate	266,215	324,617
Non-interest bearing	1,315,873	1,339,354
	2,016,632	2,178,668
Financial Liabilities		
Variable rate	1,845,264	1,618,563
Fixed rate	1,568,774	1,697,104
Non-interest bearing	471,790	496,022
	3,885,828	3,811,689

(ii) Foreign Currency Risk

The Group operates in several countries. Entities within the Group regularly transact in currencies other than their respective functional currency ("foreign currency") such as Indonesian rupiah ("IDR"), the Chinese renminbi ("RMB") and the United States dollar ("USD") which is also the Group's presentation currency.

Sales to domestic customers within Indonesia and China are denominated in their local currencies, while export sales for most of the Group's products and cost of certain key purchases are quoted in United States dollar. Purchases and operating expenses in Indonesia and China are mainly denominated in their local currencies. To the extent that the revenue and purchases of the Group are denominated in different currencies, and may not evenly match in terms of quantum and/or timing, the Group has exposure to foreign currency risk.

43 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk (cont'd)

The Group seeks to manage its foreign currency exposure by constructing a natural hedge where it matches revenue and expenses in any single currency or through financial instruments, such as forward exchange contracts and cross currency swap contracts. The Group is also exposed to currency translation risk arising from its net investments in foreign operations. These net investments are not hedged as currency positions in these foreign operations are considered long-term in nature.

As at the end of the current reporting period, if IDR and RMB strengthen/weaken against USD by 5% with all other variables, including interest rates remain constant, the Group's loss before income tax would have decreased/increased by US$25,100,000 and US$4,934,000 respectively.

As at the end of the previous reporting period, if IDR and RMB strengthen/weaken against USD by 5% with all other variables, including interest rates remain constant, the Group's profit before income tax would have increased/decreased by US$22,886,000 and US$6,121,000 respectively.

(iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. As the Group's products are related to commodities, it is exposed to price risk in the commodities market. The Group monitors the market closely to ensure that the risk exposure to the volatility of the commodities is kept at minimum level. No sensitivity analysis is presented as management believes that price risk is not significant.

(iv) Significant Concentrations of Credit Risk

Concentrations of credit risk exists when changes in economic, industry or geographical factors similarly affect counterparties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counterparties and customers.

(v) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performs ongoing credit evaluation of its customers' financial conditions. Customers may be required to provide security in terms of cash deposits or letters of credit.

Cash and cash equivalents mainly comprise deposits with reputable banks with acceptable credit ratings.

43 **Financial Risk Management** (cont'd)

(b) Financial Risk Management (cont'd)

(vi) Credit Risk (cont'd)

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period is the carrying amount of each class of assets in the statement of financial position, except as follows:

	2015	2014
	US$'000	US$'000
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
- Total facilities	610,695	530,608
- Total outstanding	199,100	111,467

(vi) Liquidity Risk

To manage liquidity risk, the Group maintains a level of cash and cash equivalents and funding facilities deemed adequate by management to finance its operations. In assessing the adequacy of the facilities, management reviews its working capital requirements. The table below analyses the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows:

	Less than 1 year	1 to 5 years	Over 5 years	Total
	US$'000	US$'000	US$'000	US$'000
At 31 December 2015				
Debts*	1,522,158	1,669,722	6,094	3,197,974
Other financial liabilities	788,655	51,788	-	840,443
Financial guarantee contracts	4,335	20,716	174,049	199,100
Total Financial Liabilities	2,315,148	1,742,226	180,143	4,237,517
At 31 December 2014				
Debts*	1,723,230	1,513,948	7,216	3,244,394
Other financial liabilities	742,988	-	-	742,988
Financial guarantee contracts	2,891	9,540	99,036	111,467
Total Financial Liabilities	2,469,109	1,523,488	106,252	4,098,849

* including principal and estimated interest until maturity.

44 Significant Commitments

Operating lease commitments

At the end of the reporting period, the commitment in respect of non-cancellable operating leases for the rental of office premises and properties with a term of more than one year are as follows. The leases have varying terms, escalation clauses and renewal rights.

	2015 US$'000	2014 US$'000
Within one year	15,645	6,544
Between one year to five years	24,852	10,610
After five years	240	648
Minimum lease payments paid under operating leases	17,331	9,062

Capital expenditure commitment

At the end of the reporting period, the estimated significant expenditure committed but not provided for in the consolidated financial statements are as follows:

	2015 US$'000	2014 US$'000
Capital expenditure	45,599	37,650

45 Group Companies

The details of the subsidiaries are as follows:

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	Effective interest of the Company 2014 %
Subsidiaries held by the Company				
Asia Integrated Agri Resources Limited	Investment holding	Bermuda	100.00	100.00
Asia Palm Oil Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Blue Sky Golden Energy Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Easton Capital Resources Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Agri Capital Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Agri International Finance Ltd (b1)	Treasury management	Mauritius	100.00	100.00
Golden Agri International Finance (2) Ltd (b2)	Treasury management	British Virgin Islands	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	2014 %
Subsidiaries held by the Company (cont'd)				
Golden Agri International (Mauritius) Ltd (b1)	Investment holding and business and management consultancy services	Mauritius	100.00	100.00
Golden Agri International Pte Ltd	Trading in crude palm oil and related products	Singapore	100.00	100.00
Golden Agri International Trading Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri Investment (S) Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Agri (Labuan) Ltd (b1)	Trading in crude palm oil and related products and treasury management	Malaysia	100.00	100.00
Golden Asset Capital Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Assets International Finance Limited	Treasury management	British Virgin Islands	100.00	100.00
Golden Assets International Investment Pte. Ltd.	Treasury management and business and management consultancy services	Singapore	100.00	100.00
Golden Capital Resources (S) Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Funds & Investment Management Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Logistics International Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Golden Oleo Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Madascar Investment Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Purimas Sasmita ("Purimas") (b1),(a)	Investment holding, building management services, business and management consultancy and trading	Indonesia	100.00	100.00
Sinarmas Food Pte. Ltd. (b3)	Investment holding	Singapore	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	Effective interest of the Company 2014 %
Subsidiaries held through subsidiaries				
PT Abadimas Investama (b1)	Investment holding and business and management consultancy services	Indonesia	100.00	100.00
Aerolink Investment Ltd	Investment holding	Singapore	100.00	100.00
AFP Agri-Resources Trading (M) Sdn. Bhd. (b1)	Investment holding	Malaysia	100.00	100.00
AFP International Trading (Shanghai) Co., Ltd (b9)	Trading in edible oils and its related products	People's Republic of China	100.00	100.00
PT Aditunggal Mahajaya (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrokarya Primalestari (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Mandiri (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agrolestari Sentosa (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Agropalma Sejahtera (b1)	Investment holding	Indonesia	100.00	100.00
PT Aimer Sawitmas (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Alam Sumber Rahmat (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.48	97.48
Aurea Investment Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Aurorea Investment Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Aurea Resource Trading Company Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Bangun Nusa Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Belino Investments Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Berau Sarana Jaya (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Bhakti Manunggal Karya (b5)	Training services	Indonesia	100.00	100.00

45 **Group Companies** (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	2014 %
Subsidiaries held through subsidiaries (cont'd)				
Billford Investment Corporation Ltd. (Note 40a),(b1)	Investment holding	Malaysia	100.00	-
PT Bina Kreasi Teknologi (b3)	Investment holding, trading and the provision of services in technology products	Indonesia	100.00	100.00
PT Binasawit Abadipratama (b8)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Blue Sky Golden FPS Ltd (b2)	Investment holding	British Virgin Islands	100.00	100.00
Blue Sky Golden Fulcrum Ltd (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Buana Adhitama (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Buana Artha Sejahtera (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Buana Indah Mandiri (b5)	Transportation services	Indonesia	100.00	100.00
PT Buana Wiralestari Mas (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumi Persada Sejahtera (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Bumi Sawit Permai (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumipalma Lestaripersada (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Bumipermai Lestari (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Cahayanusa Gemilang (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Citra Bhakti Mandiri (b8)	Investment holding	Indonesia	100.00	100.00
PT Dami Mas Sejahtera (b8)	Production and sale of oil palm seeds	Indonesia	100.00	100.00
PT Dian Ciptamas Agung (b3)	Shipping and/or related business	Indonesia	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	Effective interest of the Company 2014 %
Subsidiaries held through subsidiaries (cont'd)				
PT Djuandasawit Lestari (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Dragon Capital Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Dumai Mas Resources (Note 40a),(b5)	Producer of edible oil and fat	Indonesia	100.00	-
Eco Investment Ltd (b2)	Investment holding	Malaysia	100.00	100.00
Enterprise Capital Corporation (b2)	Investment holding	Malaysia	100.00	100.00
Florentina International Holdings Limited (b1)	Investment holding	Mauritius	100.00	100.00
PT Forestalestari Dwikarya (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Smart Trac Resources Trading Limited *(formerly known as "GAI Trading (HK) Limited")* (b4)	Trading	Hong Kong	100.00	100.00
GAR Pakistan (Pvt.) Limited (b1)	Export, import, transportation, management and trading	Pakistan	100.00	100.00
Gemini Edibles & Fats India Private Limited (b13)	Trading, manufacturing and marketing of edible oils and fats	India	75.02	75.02
PT Genta Mas Perkasa (b5)	Investment holding	Indonesia	100.00	100.00
PT Global Media Telekomindo (b3)	Telecommunication and multimedia services	Indonesia	100.00	100.00
Goederhand Finance B.V. (b2)	Treasury management	The Netherlands	100.00	100.00
Golden Adventure (GSW) Pte. Ltd.	Ownership of shipping vessel(s)	Singapore	70.00	70.00
Golden Agri International India Holding Pte. Ltd.	Investment holding and provision of management and consultancy services	Singapore	100.00	100.00
Golden Agri International (L) Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International (M) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	2014 %
Subsidiaries held through subsidiaries (cont'd)				
Golden Agri International (M) Trading Sdn. Bhd. (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International Trading (Cayman) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International Trading (Mauritius) Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Golden Agri Plaza Pte. Ltd.	Commercial and industrial real estate management and property investment	Singapore	100.00	100.00
Golden Agri Resources (India) Private Limited (b1)	Trading and refining of crude palm oil and related products	India	100.00	100.00
Golden Agri-Resources Nigeria Limited (b3)	Importing, marketing and distributing palm oil products	Federal Republic of Nigeria	100.00	100.00
Golden Agri Resources & Technology (M) Sdn. Bhd. (b1)	Owner and construction of bulking stations, export, import, administration of transportation services, management and trading	Malaysia	100.00	100.00
Golden Agri SEA (Labuan) Ltd (b1)	Trading in crude palm oil and its related products	Malaysia	100.00	100.00
Golden Agri Trading (L) Ltd (b1)	Trading in edible oils and its related products	Malaysia	100.00	100.00
Golden Airlines Limited (b4)	Leasing of aircraft(s) under its ownership	Hong Kong	100.00	100.00
Golden Avenue (GSW) Pte. Ltd.	Ownership of shipping vessel(s)	Singapore	70.00	70.00
Golden Funds & Investment Services Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
Golden Maritime Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Natural Resources (HK) Investment Co. Limited (b4)	Investment holding	Hong Kong	100.00	100.00
GP Pakistan (Mauritius) Limited (b1)	Investment holding	Mauritius	100.00	100.00
PT Griyagraha Sarimakmur (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	Effective interest of the Company 2014 %
Subsidiaries held through subsidiaries (cont'd)				
GSW 2 Pte. Ltd. (b3),(e)	Dormant	Singapore	-	70.00
Harford Holdings Limited (b2)	Investment holding	British Virgin Islands	100.00	100.00
Huafeng Foodstuff (Fuxin) Co., Ltd (b9)	Manufacturing and sale of processed instant noodles, snack products and beverages	People's Republic of China	100.00	100.00
Huafeng Foodstuff (Xian Yang) Co., Ltd (b9)	Manufacturing and sale of processed instant noodles, snack products and beverages	People's Republic of China	100.00	100.00
PT Indokarya Mas Sejahtera (b1)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
Integrated Advance IT Services Sdn. Bhd. (b1),(c)	IT consultancy, IT application design, development and maintenance services and provision of facilities for data centre resources and other IT outsourced activities	Malaysia	100.00	-
Integrated Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Ivo Mas Tunggal (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Ivomas Oil & Fat (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Ivomas Tunggal Lestari (b1)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00
PT Kartika Prima Cipta (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kencana Graha Permai (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Kreasi Mas Indah (b1)	Producer of beverage products	Indonesia	100.00	100.00
PT Kreasi Nusajaya Abadi (Note 40a),(b3)	Producer of edible oil and fat	Indonesia	100.00	-
PT Kresna Duta Agroindo (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	2014 %
Subsidiaries held through subsidiaries (cont'd)				
PT Kurnia Cakra Sakti (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Langgeng Subur (b1)	Cultivation of ornamental plants	Indonesia	97.20	97.20
Madascar Capital Pte. Ltd.	Investment holding	Singapore	100.00	100.00
PT Mantap Andalan Unggul (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Maskapai Perkebunan Leidong West Indonesia (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Meganusa Intisawit (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Meganusa Karya Langgeng (b5)	Investment holding and business and management consultancy	Indonesia	100.00	100.00
PT Mitra Ekasukses Abadi (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Mitrakarya Agroindo (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Nabati Energi Mas (b1)	Production of palm oil based bio-diesel and other renewable resources based bio-fuel	Indonesia	97.20	97.20
Ningbo Shining Gold Cereal Oil Port Co., Ltd	Port and storage facilities	People's Republic of China	81.73	81.73
Ningbo Shining Gold Cereal Oil Storage Co., Ltd	Provide services in port loading, storage, packaging and transportation	People's Republic of China	81.73	81.73
PT Nusantara Candra (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Nusatama Agung Kreasi (Note 40a),(b3)	Producer of edible oil and fat	Indonesia	100.00	-
PT Oleokimia Sejahtera Mas (b8)	Refinery operation	Indonesia	100.00	100.00
OLIQEM GmbH (Note 40a),(b18)	Trade and distribution of oleochemical products	Germany	100.00	-

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	Effective interest of the Company 2014 %
Subsidiaries held through subsidiaries (cont'd)				
PT Paramitra Agung Cemerlang (b1)	Provision of shipping and chartering services	Indonesia	100.00	100.00
PT Paramitra Internusa Pratama (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Pelangi Sungai Siak (b3)	Oil palm cultivation and palm oil producer	Indonesia	82.62	82.62
PT Persada Graha Mandiri (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Perusahaan Perkebunan Panigoran (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Pratama Ronaperintis (b3)	Investment holding	Indonesia	68.04	68.04
PT Propertindo Prima (b1)	Transportation services	Indonesia	97.20	97.20
PT Putra Manunggal Abadi (b8)	Investment holding	Indonesia	100.00	100.00
PT Rama Flora Sejahtera (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Ramajaya Pramukti (b1)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Rapid Growth Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Rawa Bangunyaman (b3)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sangatta Andalan Utama (b3)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Satrindo Jaya Agropalma (b5)	Transportation services	Indonesia	100.00	100.00
PT Satya Kisma Usaha (b1)	Oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Sawit Mas Sejahtera (b5)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sawitakarya Manunggul (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
Shining Gold Foodstuffs (Ningbo) Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	100.00	100.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	2014 %
Subsidiaries held through subsidiaries (cont'd)				
Shining Gold Oilseed Crushing (Ningbo) Co., Ltd	Manufacturing of crude vegetable oil	People's Republic of China	100.00	100.00
Silverand Holdings Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Sinar Kencana Inti Perkasa (b8)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Sinar Mas Agro Resources and Technology Tbk ("SMART") (b1)	Investment holding, oil palm cultivation and palm oil producer, refinery and producer of consumer cooking oil, shortening and margarine	Indonesia	97.20	97.20
PT Sinar Mas Digital Ventures (b3)	Provision of investment, consultancy and management services in information technology	Indonesia	100.00	100.00
Sinar Mas Natural Resources (China) Investment Co., Ltd (b10)	Investment holding	People's Republic of China	100.00	100.00
PT Sinarmas Bio Energy (b3),(c)	Production of palm oil based bio-diesel and other renewable resources based energy	Indonesia	97.20	-
PT Sinarmas Cakrawala Persada (b1)	Investment holding	Indonesia	100.00	100.00
Sinarmas Corporate Management (Shanghai) Co., Ltd (b9)	Provision of management and consultancy services	People's Republic of China	100.00	100.00
Sinarmas Digital Ventures (HK) Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Sinarmas Digital Ventures (SG) Pte. Ltd.	Investment holding and treasury management	Singapore	100.00	100.00
PT Sinarmas Distribusi Nusantara (b1)	Distributor of fast moving consumer products	Indonesia	100.00	100.00
Sinarmas Food (Hong Kong) Co., Limited (b4)	Investment holding	Hong Kong	100.00	100.00
Sinarmas Food (Shaoguan) Co., Ltd (b9),(c)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	-

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	Effective interest of the Company 2014 %
Subsidiaries held through subsidiaries (cont'd)				
Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	100.00	100.00
Sinarmas Natural Resources (Tianjin) Investment Co. Limited (b3),(c)	Investment holding	Hong Kong	100.00	-
PT Sinarmas Surya Sejahtera (b3),(c)	Sale of food products	Indonesia	100.00	-
PT Sinar Mas Super Air (b5)	Aerial manuring	Indonesia	99.02	99.02
Sinarkonex Korea Co., Ltd (b3)	Dormant	Korea	70.00	70.00
PT Soci Mas (b1)	Oleochemical industries	Indonesia	97.23	97.23
Solid Growth Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Sterling International Investment Ltd (b3)	Investment holding	Malaysia	100.00	100.00
Straits Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Sumber Indahperkasa (b5)	Oil palm cultivation and palm oil producer	Indonesia	100.00	100.00
PT Swakarya Adhi Usaha (b5)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00
PT Tapian Nadenggan (b1)	Investment holding, oil palm cultivation and palm oil producer	Indonesia	97.20	97.20
PT Tarunacipta Kencana (b1)	Ownership and operation of marine cargo	Indonesia	100.00	100.00
Tianjin Decoris Investment and Consultancy Co., Ltd (b11)	Investment holding and business consultancy services	People's Republic of China	100.00	100.00
Tianjin Mundus Investment and Consultancy Co., Ltd (b11)	Investment holding and business consultancy services	People's Republic of China	100.00	100.00
PT Tradisi Mas Sejahtera (b3)	Investment holding	Indonesia	62.50	62.50
PT Tradisi Sawit Mandiri Utama (b3)	Oil palm cultivation and palm oil producer	Indonesia	85.00	85.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	2014 %
Subsidiaries held through subsidiaries (cont'd)				
PT Trans Indojaya Mas (b5),(d)	Transportation services	Indonesia	-	99.03
PT Universal Transindo Mas (b5)	Transportation services	Indonesia	99.03	99.03
PT Usaha Malindo Jaya (b5)	Construction service	Indonesia	100.00	100.00
Victory Oleo Holding GmbH (Note 40a),(b6)	Distribution of oleochemical products	Germany	100.00	-
Victory Tropical Oil B.V. (b2)	Investment holding and finance	The Netherlands	100.00	100.00
Victory Tropical Oil USA, Inc. (b2)	Trading in tropical oils and their by-products	United States of America	100.00	100.00
Windflower Investments Limited (b2)	Investment holding and treasury management	British Virgin Islands	100.00	100.00
Wuhan Jin Ding Foodstuff Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00
Zhongshan Huifeng Investment Advisory Co., Ltd (b9)	Dormant	People's Republic of China	100.00	100.00
Zhuhai Huafeng Film Co., Ltd (b9)	Dormant	People's Republic of China	85.00	85.00
Zhuhai Huafeng Printing Co., Ltd (b9)	Dormant	People's Republic of China	85.00	85.00
Zhuhai Huafeng Food Industry (Group) Co., Ltd (b9)	Manufacturing and sale of food products and instant noodles	People's Republic of China	100.00	100.00
Zhuhai Huafeng Foodstuff Co., Ltd (b9)	Manufacturing and sale of instant noodles	People's Republic of China	100.00	100.00
Zhuhai Shining Gold Oil and Fats Industry Co., Ltd	Refinery of palm and vegetable oil	People's Republic of China	85.00	85.00

45 Group Companies (cont'd)

Name of company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2015 %	Effective interest of the Company 2014 %
The Group's associated companies are:				
PT Catur Paramita (b3)	Property owner for education purposes	Indonesia	36.21	36.21
PT Duta Anugerah Indah (b16)	Television broadcasting which focuses on education and in the humanitarian field	Indonesia	28.08	28.08
PT Hortimart Agrogemilang (b3)	Production and sale of seeds	Indonesia	38.01	38.01
PT Sinar Meadow International Indonesia (b5)	Production of special vegetable oil and fat	Indonesia	50.00	50.00
The Group's joint ventures are:				
Golden Stena Bulk IMOIIMAX I Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX III Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX VII Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX VIII Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX IX Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Bulk IMOIIMAX X Limited (b7)	Ownership of shipping vessel(s)	Cyprus	50.00	50.00
Golden Stena Weco Pte. Ltd.	Transportation services	Singapore	50.00	50.00
Jetlane Holdings Limited (b12)	Investment holding	British Virgin Islands	50.00	50.00
Nuova Energia S.r.l. (b17)	Building and operation of wind power farms	Italy	50.00	50.00
Sinarmas LDA Maritime Pte. Ltd. (b14)	Shipping and logistics business	Singapore	50.00	50.00
GSW F-Class Pte. Ltd. *(formerly known as "Shining Sunrise 2013 Pte. Ltd.")*	Investment holding and ownership of vessel(s)	Singapore	50.00	50.00
Sinarmas Cepsa Pte. Ltd (b15)	Investment holding	Singapore	50.00	50.00
PT Super Wahana Tehno (b1)	Production and distribution of bottled ionised mineral water	Indonesia	48.60	48.60

45 Group Companies (cont'd)

Notes:

(a) 86.04% of the share capital of Purimas is directly held by the Company and the remaining 13.96% of the share capital is held by Silverand Holdings Ltd.

(b) The above group companies are audited by Moore Stephens LLP, Singapore except for group companies that are indicated below:

(1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.

(2) Statutory audit not required by law in its country of incorporation.

(3) Statutory audit is not required as the subsidiary is newly incorporated/inactive.

(4) Audited by TCL & Company, Certified Public Accountants (Practising).

(5) Audited by Tanubrata Sutanto Fahmi & Rekan (BDO).

(6) Audited by MIZ GmbH.

(7) Audited by PricewaterhouseCoopers Ltd.

(8) Audited by Purwantono, Suherman & Surja (Ernst & Young).

(9) Audited by Zhonghua Certified Public Accountants LLP, PRC.

(10) Audited by Beijing Dongshen Dingli International CPA, PRC.

(11) Audited by Tianjin Chengtai CPAs Ltd.

(12) Audited by KAP Drs. Ferdinand.

(13) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member and Walker Chandiok & Co LLP for the financial year 2015 and 2014 respectively.

(14) Audited by Paul Wan & Co.

(15) Audited by Ernst & Young LLP.

(16) Audited by KAP Handoko & Suparmun.

(17) Audited by PricewaterhouseCoopers SpA.

(18) Audited by Wir Treuhand GmbH.

45 Group Companies (cont'd)

Notes: (cont'd)

(c) During the current financial year, the following new companies have been incorporated:

Subsidiaries	Initial Issued and Paid-up Capital
Integrated Advance IT Services Sdn. Bhd.	2 ordinary shares of RM1 each
Sinarmas Natural Resources (Tianjin) Investment Co. Limited	1 ordinary share of HK$1
PT Sinarmas Bio Energy	10,000 shares of IDR1,000,000 each
PT Sinarmas Surya Sejahtera	1,000 shares of IDR1,000,000 each
	Registered capital
Sinarmas Food (Shaoguan) Co., Ltd	US$7,260,000

(d) During the current financial year, PT Trans Indojaya Mas was liquidated, and goodwill previously recognised on the initial acquisition of the company of US$419,000 was written off.

(e) During the current financial year, GSW 2 Pte. Ltd. was struck off.

(f) As at 31 December 2015, the accumulated non-controlling interests is US$88,473,000 (2014: US$89,818,000), of which US$72,275,000 (2014: US$73,811,000) is for 2.8% non-controlling interests in SMART and its subsidiaries ("SMART Group"). The non-controlling interests in respect of other subsidiaries are individually not material.

The following table summarises the financial information relating to SMART Group which has non-controlling interests that are material to the Group:

	SMART Group	
	2015	2014
	US$'000	US$'000
Non-current assets	3,506,769	3,479,409
Current assets	847,305	846,610
Non-current liabilities	(927,469)	(859,956)
Current liabilities	(794,727)	(779,172)
Revenue	2,750,481	2,730,242
(Loss)/Profit for the year	(57,640)	156,236
Total comprehensive (loss)/income	(52,551)	155,313
(Loss)/Profit allocated to NCI	(1,611)	4,368
Dividends paid to NCI	60	34
Cash inflows from operating activities	48,667	144,275
Cash outflows from investing activities	(170,369)	(144,909)
Cash inflows from financing activities	103,985	97,063
Net (decrease)/increase in cash and cash equivalents	(17,717)	96,429

Financial Statements

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2015

Contents

COMMENTARY OF THE DIRECTORS

The directors present their commentary, together with the audited financial statements of Golden Agri-Resources Ltd (the "Company") for the financial year ended 31 December 2015.

PRINCIPAL ACTIVITY

The Company was incorporated on 15 October 1996 and its principal activity is that of an investment holding company.

RESULTS AND DIVIDENDS

The Company's total comprehensive loss for the year ended 31 December 2015 was US$6,080,000 (2014: US$1,595,000).

At the Annual Meeting to be held on 21 April 2016, a final dividend (tax not applicable) of S$0.00502 per share, amounting to S$63,928,475.90 (equivalent to approximately US$45,211,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2016.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS

The independent auditors, Moore Stephens, have expressed their willingness to continue in office and will be automatically reappointed under the Mauritian Companies Act 2001 at the next Annual Meeting.

CERTIFICATE FROM THE SECRETARY

We certify, to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Golden Agri-Resources Ltd under the Mauritian Companies Act 2001 for the financial year ended 31 December 2015.

CORPORATE SECRETARY
CIM CORPORATE SERVICES LTD
Les Cascades Building,
Edith Cavell Street,
Port Louis,
MAURITIUS

Date: 18 March 2016

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

This report is made solely to the members of **Golden Agri-Resources Ltd**, the **"Company"**, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Report on the Financial Statements

We have audited the financial statements of the Company, set out on pages 152 to 172, which comprise the statement of financial position at 31 December 2015 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

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

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

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

Opinion

In our opinion, the financial statements on pages 152 to 172 give a true and fair view of the financial position of the Company at 31 December 2015 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

We have no relationship with or interests in the Company other than in our capacity as auditors.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Moore Stephens
Chartered Accountants

Ashvin Mawven, ACA
Licensed by FRC

Port Louis, Mauritius
Date: 18 March 2016

STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
Administrative expenses		(1,152)	(3,786)
Financial income	6	10,669	13,436
Financial expenses	7	(16,705)	(22,508)
Foreign exchange gain/(loss), net		293	(137)
Gain on disposal of a subsidiary		-	11,400
Loss before income tax	8	(6,895)	(1,595)
Income tax	9	815	-
Loss for the year, representing total comprehensive loss for the year		(6,080)	(1,595)

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

STATEMENT OF FINANCIAL POSITION

AS AT 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
Current assets			
Cash and cash equivalents	10	95	612
Other current assets	11	9	52
		104	664
Non-current assets			
Interest in subsidiaries	12	2,097,665	2,575,107
Long-term investments	13	323,550	332,500
		2,421,215	2,907,607
Total Assets		2,421,319	2,908,271
Current liabilities			
Accrued operating expenses		275	301
Other payables	14	33	42,225
Loans and advances from subsidiaries, unsecured	15	31,203	30,345
Bonds payable	16	-	389,882
		31,511	462,753
Non-current liability			
Deferred tax liability	9	-	973
Total Liabilities		31,511	463,726
Equity			
Issued capital	17	320,939	320,939
Share premium		1,850,965	1,850,965
Treasury shares	17	(31,726)	-
Option reserve		31,471	31,469
Retained earnings		218,159	241,172
		2,389,808	2,444,545
Total Liabilities and Equity		2,421,319	2,908,271

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

RAFAEL BUHAY CONCEPCION, JR.
Director

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

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 DECEMBER 2015

	Issued Capital US$'000	Share Premium US$'000	Treasury Shares US$'000	Option Reserve US$'000	Retained Earnings US$'000	Total US$'000
Balance at 1 January 2015	320,939	1,850,965	-	31,469	241,172	2,444,545
Dividends paid (Note 19)	-	-	-	-	(16,933)	(16,933)
Shares buy back and held as treasury shares (Note 17)	-	-	(31,726)	-	-	(31,726)
Redemption of convertible bonds	-	-	-	2	-	2
Total comprehensive loss for the year	-	-	-	-	(6,080)	(6,080)
Balance at 31 December 2015	320,939	1,850,965	(31,726)	31,471	218,159	2,389,808
Balance at 1 January 2014	320,939	1,850,965	-	31,469	335,212	2,538,585
Dividends paid (Note 19)	-	-	-	-	(52,795)	(52,795)
Dividends payable (Note 19)	-	-	-	-	(39,650)	(39,650)
Total comprehensive loss for the year	-	-	-	-	(1,595)	(1,595)
Balance at 31 December 2014	320,939	1,850,965	-	31,469	241,172	2,444,545

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

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 DECEMBER 2015

	Note	2015 US$'000	2014 US$'000
Cash flows from operating activities			
Loss before income tax		(6,895)	(1,595)
Adjustments for:			
Amortisation of deferred bond charges	16	1,250	1,667
Interest expense		15,455	20,841
Interest income		(10,669)	(13,436)
Gain on disposal of a subsidiary		-	(11,400)
Operating cash flow before working capital changes		(859)	(3,923)
Changes in operating assets and liabilities:			
Accrued operating expenses		(26)	(229)
Other payables		(42)	(224)
Other current assets		43	95
Cash used in operations		(884)	(4,281)
Interest paid		(9,572)	(10,000)
Interest received		20	-
Net cash used in operating activities		(10,436)	(14,281)
Cash flows from investing activities			
Proceeds from disposal of a subsidiary		-	11,400
Repayment of loans and advances to subsidiaries		488,091	25,341
Proceeds from long-term investments		8,950	30,900
Net cash generated from investing activities		497,041	67,641
Cash flows from financing activities			
Proceeds from/(Repayment of) loans and advances from subsidiaries, net		810	(132)
Payments of dividends		(56,583)	(52,795)
Payments of shares buy back		(31,726)	-
Payments for redemption and repurchase of bonds		(399,623)	-
Net cash used in financing activities		(487,122)	(52,927)
Net (decrease)/increase in cash and cash equivalents		(517)	433
Cash and cash equivalents at the beginning of the year		612	179
Cash and cash equivalents at the end of the year	10	95	612

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

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

1 General

Golden Agri-Resources Ltd ("GAR" or the "Company") was incorporated in Mauritius on 15 October 1996 under Section 19 of the Companies Act 1984 as a private company limited by shares and was granted an offshore certificate under Section 16(4) of the Mauritius Offshore Business Activities ("MOBA") Act 1992 on 16 October 1996. On 9 July 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited ("SGX-ST").

The Companies Act 1984 and the MOBA Act 1992 had been repealed and replaced by the Companies Act 2001 and the Financial Services ("FS") Act 2007 respectively. With effect from 1 December 2001, "offshore companies" are referred to as "Global Business Licence Category 1 ("GBL1") companies".

The registered office of the Company is c/o CIM CORPORATE SERVICES LTD, Les Cascades Building, Edith Cavell Street, Port Louis, Mauritius. The principal activity of the Company is that of an investment holding company.

The financial statements were authorised for issue by the Board of Directors on 18 March 2016.

2 New and Revised International Financial Reporting Standards ("IFRSs")

(a) Adoption of improvements to IFRSs

The accounting policies adopted are consistent with those of the previous financial year except that in the current year, the Company has adopted all the amendments to IFRSs issued that are relevant to its operations and effective for annual periods beginning on 1 January 2015. The adoption of these amendments to IFRSs has had no material financial impact on the financial performance and financial position of the Company.

(b) New and revised IFRSs issued but not yet effective

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

Description	Effective for annual periods beginning on or after
IFRS 9, *Financial Instruments*	1 January 2018
IFRS 15, *Revenue from Contracts with Customers*	1 January 2018
Amendment to IAS 1, *Presentation of Financial Statements: Disclosure Initiative*	1 January 2016
Amendment to IAS 7, *Statement of Cash Flows*	1 January 2016
Amendment to IAS 12, *Income taxes – Recognition of deferred tax assets for unrealised losses*	1 January 2017
Amendment to IAS 27, *Equity Method in Separate Financial Statements*	1 January 2016
Improvement to IFRSs (2014)	
• IFRS 7, *Financial Instruments: Disclosure*	1 January 2016

2 New and Revised International Financial Reporting Standards ("IFRSs") (cont'd)

(b) New and revised IFRSs issued but not yet effective (cont'd)

The directors expect the adoption of the new and amendments to IFRSs above (except IFRS 9 and IFRS 15) will have no material financial impact on the financial statements in the period of initial application. The Company is in the processing of assessing the impact of IFRS 9 and IFRS 15 on the financial statements.

3 Summary of Accounting Policies

(a) Basis of Preparation

The financial statements, which are expressed in United States dollar, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of IFRSs.

The preparation of financial statements in conformity with IFRSs requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement and complexity are disclosed in Note 5 to the financial statements.

(b) Functional and Presentation Currency

The functional and presentation currency of the Company is the United States dollar, the currency of the primary economic environment in which the Company operates. All financial information presented in United States dollar have been rounded to the nearest thousand, unless otherwise stated.

(c) Foreign Currencies

Transactions in a currency other than the functional currency ("foreign currency") are translated into United States dollar at the rates of exchange prevailing at the time the transactions are entered into. At the end of each reporting period, monetary assets and liabilities denominated in foreign currencies are translated into United States dollar at exchange rates prevailing at such date. Exchange differences arising from the settlement of foreign currency transactions and from translation of foreign currency denominated monetary assets and liabilities are taken to the profit or loss.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Currency translation differences on monetary items are recognised as part of the fair value gain or loss in the profit or loss, except for differences arising from translation of available-for-sale financial assets, which are recognised in other comprehensive income.

3 Summary of Accounting Policies (cont'd)

(d) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is recognised in the profit or loss as follows:

(i) Interest income from time deposits and other financial assets are recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

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

(e) Income Tax

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

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

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

Deferred income tax liabilities are recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is charged or credited to the profit or loss, except when it relates to items charged or credited directly to equity, in which case the deferred income tax is also dealt with in equity. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Tax rates enacted or substantively enacted by the end of each reporting period are used to determine deferred tax.

(f) Cash and Cash Equivalents

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

(g) Investment in Subsidiaries

Subsidiaries are entities over which the Company has control. The Company controls an entity if and only if it has power over the entity and when it is exposed to, or has rights to variable returns from its involvement with the entity, and has the ability to use its power over the entity to affect those returns. The Company will re-assess whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control.

Investment in subsidiaries is stated at cost less any accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. On disposal of such investment, the difference between disposal proceeds and the carrying amounts of the investments are recognised in the profit or loss.

3 Summary of Accounting Policies (cont'd)

(h) Financial Instruments and Equity

The Company classifies its non-derivative financial assets in the following categories: loans and receivables and available-for-sale financial assets. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. The Company's loans and receivables comprise non-trade receivables and cash and cash equivalents.

Receivables are measured at initial recognition at fair value which is normally the face value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

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

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. Financial liabilities include other payables and non-trade payable, loans and advances from subsidiaries and convertible bonds payable.

Non-trade payables and other payables are stated at face value which is the fair value of the debts. Where the effect of time value of money is material, the liabilities are the present values of the expenditures expected to be required to settle the obligation.

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

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

3 Summary of Accounting Policies (cont'd)

(h) Financial Instruments and Equity (cont'd)

The Company's own ordinary shares, which are re-acquired by the Company and held as treasury shares, are recognised at cost and deducted from equity. No gain or loss is recognised in the income statement on the purchase, sale, re-issuance or cancellation of equity shares. Any difference between the carrying amount of treasury shares and the consideration received, if re-issued, is recognised directly in equity as gain or loss on re-issuance of treasury shares.

(i) Impairment of Non-Financial Assets

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

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

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

(j) Borrowing Costs

Borrowing costs are recognised in the profit or loss in the period in which they are incurred. Borrowing costs consist of interest and other similar cost that incurred in connection with the borrowing of funds.

(k) Dividend Distribution

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

3 **Summary of Accounting Policies** (cont'd)

(l) Financial Guarantees

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

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

4 **Financial Risk Management**

(a) Capital Risk Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders through the optimisation of the debts and equity balance. The Company's overall strategy remains unchanged since 2014.

The Company is not subjected to externally imposed capital requirements.

The capital structure of the Company consists of equity attributable to owners of the Company (which includes all components of equity) and net debts (which includes loans and advances from subsidiaries and bonds payable, net of cash and cash equivalents).

The debts-to-equity ratio as at 31 December 2015 and 2014 are as follows:

	2015 US$'000	2014 US$'000
Loans and advances from subsidiaries	31,203	30,345
Bonds payable	-	389,882
Less: Cash and cash equivalents	(95)	(612)
Net debts	31,108	419,615
Equity	2,389,808	2,444,545
Debts-to-equity ratio (times)	0.01	0.17

4 Financial Risk Management (cont'd)

(b) Financial Risk Management

The Company's activities exposed it to a variety of financial risks, including the effects of changes in interest rate risk, foreign currency risk, credit risk and liquidity risk arising in the normal course of the Company's business. The Company's risk management strategy seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Interest Rate Risk

The Company's exposure to interest rate risk arises from its loans and advances to and from subsidiaries and bonds payable. Cash flow interest rate risk is the risk that the future cash flow of borrowings at variable rate will fluctuate because of changes to market interest rates. Fair value interest rate risk is the risk that the fair values of borrowings at fixed rate will fluctuate because of changes to market interest rates. The Company constantly reviews its debt portfolio and monitors the changes in interest rate environment to ensure that interest receipts and payments are within acceptable level. Information relating to the interest rates and terms of repayment of interest-bearing financial assets and liabilities are disclosed in their respective notes to the financial statements.

The table below set out the interest rate profile of interest-bearing financial assets and liabilities at carrying amount:

	2015	2014
	US$'000	US$'000
Financial Assets at Variable Rates		
Cash and cash equivalents	95	612
Financial Assets at Fixed Rates		
Other financial assets	106,264	511,203
Financial Liabilities at Variable Rates		
Other financial liabilities	7,630	7,607
Financial Liabilities at Fixed Rates		
Bonds payable	-	389,882

(ii) Foreign Currency Risk

The Company's foreign currency exposure arises mainly from the exchange rate movements of the Singapore dollar and the United States dollar which is also the Company's functional currency.

As at the end of the reporting period, substantively all the Company's net monetary assets and liabilities are denominated in United States dollar, hence the Company does not have any significant exposure to foreign currency risk.

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(iii) Credit Risk

The Company's policy is to enter into transactions with creditworthy counterparties so as to mitigate any significant credit risk. Bank balances were placed in financial institutions which are regulated and are monitored closely by the Company on an on-going basis.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position, except as follows:

	2015	2014
	US$'000	US$'000
Corporate guarantees provided to financial institutions on borrowings of subsidiaries:		
- Total facilities	2,201,889	1,859,537
- Total outstanding	1,233,652	1,209,244
Corporate guarantees provided to financial institutions on borrowings of joint ventures and entities owned by investees and joint ventures:		
- Total facilities	610,695	530,608
- Total outstanding	199,100	111,467

As at the end of the reporting period, the Company does not have any significant concentration of credit risk.

(iv) Liquidity Risk

To manage liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows. The Company relies on funds from subsidiaries as a significant source of liquidity.

The table below analyses the maturity profile of the Company's borrowings and financial guarantees provided to financial institutions on borrowings that shows the remaining contractual maturities:

	Less than 1 year	1 to 5 years	Over 5 years	Total
At 31 December 2015	US$'000	US$'000	US$'000	US$'000
Financial guarantee contracts	936,330	318,181	178,241	1,432,752
At 31 December 2014				
Bonds payable	407,667	-	-	407,667
Financial guarantee contracts	849,572	372,103	99,036	1,320,711

5 Critical Accounting Estimate and Assumption

The Company makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experiences and other factors, including expectations of future events that are believed to be reasonable under the circumstances. In the preparation of these financial statements, there were no critical accounting estimates and assumptions made in the process of applying the Company's accounting policies that have a significant effect on the amounts recognised in the financial statements at the end of the reporting period that have a significant risk of causing a material adjustment to the carrying amount of assets and liabilities within the next financial year. Set out below is the critical judgement made in applying the Company's accounting policy.

Impairment of Assets

The Company reviews the carrying amounts of the assets as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount or value in use is estimated. Determining the value in use of long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Company's financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Company believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment charges.

For the current financial year, there is no impairment loss recognised in the financial statements.

6 Financial Income

	2015 US$'000	2014 US$'000
Interest income from:		
- loans to subsidiaries	10,649	13,436
- cash and cash equivalents	20	-
	10,669	13,436

7 Financial Expenses

	2015 US$'000	2014 US$'000
Interest expenses on:		
- convertible bonds	15,407	20,804
- loans from subsidiaries	48	37
	15,455	20,841
Amortisation of deferred bond charges	1,250	1,667
	16,705	22,508

8 Loss before Income Tax

This is arrived at after charging:

	2015 US$'000	2014 US$'000
Audit fees paid/payable to auditors	174	189
Non-audit services paid/payable to auditors	-	-
Staff costs*	362	642

* This represents short-term employment benefits paid to key management personnel who are also directors.

Share-based Payment

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

As at 31 December 2015, no awards have been granted by the Company under the RSP.

9 Income Tax

	2015 US$'000	2014 US$'000
Current income tax expense	-	-
Deferred income tax	815	-
Income tax credit	815	-

The reconciliation of the current year tax credit and the product of accounting profit multiplied by the Mauritius statutory tax rate is as follows:

	2015 US$'000	2014 US$'000
Loss before income tax	(6,895)	(1,595)
Tax calculated at tax rate of 15% (2014: 15%)	(1,034)	(239)
Expenses not deductible for tax purposes	631	2,216
Income not subject to tax	(46)	(1,715)
Utilisation of previously unrecognised deferred tax assets	(366)	(262)
	(815)	-

The Company, being a GBL1 company for the purpose of the FS Act 2007 (see Note 1), is taxed in Mauritius at a fixed rate of 15% (2014: 15%). It is, however, entitled to a tax credit equivalent to the higher of the foreign taxes paid and 80% (2014: 80%) of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3%. Interest income from any bank under the Banking Act 2004 is exempt from tax and there is no tax on capital gains in Mauritius.

9 Income Tax (cont'd)

	2015 US$'000	2014 US$'000
Deferred tax liability arising from convertible bonds:		
Balance at the beginning of the year	973	973
Redemption of convertible bonds:		
- Recognised in the profit or loss	(815)	-
- Recognised in equity	(158)	-
Balance at the end of the year	-	973

At 31 December 2015, the Company had accumulated tax losses of US$2,708,000 (2014: US$5,146,000) and is therefore not liable to income tax. The deferred tax asset arising from these unutilised tax losses has not been recognised in the financial statements in accordance with the accounting policy in Note 3(e) to the financial statements.

The amount and expiry dates of unutilised tax losses for which no deferred tax asset is recognised is as follows:

	2015 US$'000	2014 US$'000
Expiry dates:		
31 December 2016	-	1,098
31 December 2017	2,708	4,048
	2,708	5,146

10 Cash and Cash Equivalents

	2015 US$'000	2014 US$'000
Cash at banks are denominated in:		
- Singapore dollar	56	255
- United States dollar	39	357
	95	612

11 Other Current Assets

	2015 US$'000	2014 US$'000
Prepaid expenses denominated in:		
- United States dollar	5	48
- Singapore dollar	3	4
Deposit denominated in United States dollar	1	-
	9	52

12 Interest in Subsidiaries

	2015 US$'000	2014 US$'000
Investment in unquoted equity shares, at cost	826,575	826,575
Loans and advances to subsidiaries, unsecured	1,271,090	1,748,532
	2,097,665	2,575,107

The loans to subsidiaries included US$106,264,000 (2014: US$511,203,000) which bears interest at 3.0% (2014: 1.0% - 3.0%) per annum. The fair value of loans and advances is not determinable as the timing of the future cash flows arising from this amount is not likely to be in the near future and cannot be measured reliably, hence this amount is recognised at transaction price.

The loans and advances to subsidiaries are denominated in the following currencies:

	2015 US$'000	2014 US$'000
United States dollar	1,270,641	1,747,820
Singapore dollar	406	665
Malaysian ringgit	12	15
Chinese renminbi	31	32
	1,271,090	1,748,532

Details of the direct subsidiaries held by the Company are as follows:

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of effective interest held by the Company 2015 %	2014 %	Cost of investment 2015 US$'000	2014 US$'000
Asia Integrated Agri Resources Limited (a)(i) Bermuda	Investment holding	100	100	98,000	98,000
Asia Palm Oil Investment Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Blue Sky Golden Energy Ltd Mauritius	Investment holding	100	100	-*	-*
Easton Capital Resources Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Agri Capital Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Agri International Finance Ltd Mauritius	Treasury management	100	100	-*	-*
Golden Agri International Finance (2) Ltd (a)(ii) British Virgin Islands	Treasury management	100	100	-*	-*

12 Interest in Subsidiaries (cont'd)

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of effective interest held by the Company 2015	2014	Cost of investment 2015	2014
		%	%	US$'000	US$'000
Golden Agri International (Mauritius) Ltd Mauritius	Investment holding and business and management and consultancy services	100	100	-*	-*
Golden Agri International Pte Ltd (a)(i) Singapore	Trading in crude palm oil and related products	100	100	14,614	14,614
Golden Agri International Trading Ltd (a)(i) Malaysia	Trading in crude palm oil and related products	100	100	-*	-*
Golden Agri Investment (S) Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Golden Agri (Labuan) Ltd (a)(i) Malaysia	Trading in crude palm oil and related products and treasury management	100	100	-*	-*
Golden Asset Capital Investment Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Golden Assets International Finance Limited (a)(i) British Virgin Islands	Treasury management	100	100	1	1
Golden Assets International Investment Pte. Ltd. (a)(i) Singapore	Treasury management and business and management consultancy services	100	100	-*	-*
Golden Capital Resources (S) Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Funds & Investment Management Pte. Ltd. (a)(i) Singapore	Investment holding and treasury management	100	100	-*	-*
Golden Funds & Investment Services Pte. Ltd. (a)(i),(c) Singapore	Investment holding and treasury management	100	100	-	-*
Golden Logistics International Limited (a)(iii) Hong Kong	Investment holding	100	100	-*	-*
Golden Oleo Pte. Ltd. (a)(i) Singapore	Investment holding	100	100	-*	-*
Madascar Investment Ltd Mauritius	Investment holding	100	100	67,600	67,600

12 Interest in Subsidiaries (cont'd)

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of effective interest held by the Company		Cost of investment	
		2015	2014	2015	2014
		%	%	US$'000	US$'000
PT Purimas Sasmita (a)(i),(b) Indonesia	Investment holding, building management services, business and management consultancy and trading	100	100	646,360	646,360
Sinarmas Food Pte. Ltd. (a)(iv) Singapore	Investment holding	100	100	-*	-*
				826,575	826,575

* Cost of investment is less than US$1,000.

Notes:

(a) The above subsidiaries are audited by Moore Stephens, Mauritius except for subsidiaries that are indicated below:

(i) Audited by member firms of Moore Stephens International Limited of which Moore Stephens, Mauritius is a member.
(ii) No statutory audit required by law in its country of incorporation.
(iii) Audited by other firm of accountants, TCL & Company, Certified Public Accountants (Practising).
(iv) Statutory audit is not required as the subsidiary is inactive.

(b) 86.04% of the share capital in PT Purimas Sasmita is directly held by the Company and the remaining 13.96% of the share capital is held by Silverand Holdings Ltd.

(c) During the current financial year, the Company transferred its entire shareholding in the issued capital of Golden Funds & Investment Services Pte. Ltd. to Golden Natural Resources (HK) Investment Co. Limited, an indirect subsidiary of the Company, for a consideration of US$1.

13 Long-Term Investments

	2015	2014
	US$'000	US$'000
Available-for-sale financial asset:		
- Unquoted fund at cost, denominated in United States dollars	323,550	332,500

14 Other Payables

	2015 US$'000	2014 US$'000
Interim dividend payable	-	39,650
Payable to a related party	28	63
Payable to third parties	5	12
Total other payables denominated in Singapore dollar	33	39,725
Interest payable on convertible bonds, denominated in United States dollar	-	2,500
	33	42,225

The above non-trade payable to a related party is unsecured, interest-free and repayable on demand.

As at 31 December 2015 and 2014, the carrying amounts of the above payables approximate their fair values due to the relatively short-term maturity of these balances.

15 Loans and Advances from Subsidiaries, Unsecured

The unsecured loans and advances from subsidiaries, denominated in United States dollar, included US$7,630,000 (2014: US$7,607,000) which bears interest at rate ranging from 0.5% to 0.7% (2014: 0.4% to 0.5%) per annum and are repayable on demand. The carrying amounts of these loans approximate their fair values due to the relatively short-term maturity of these balances.

16 Bonds Payable

	2015 US$'000	2014 US$'000
Unsecured convertible bonds	-	391,132
Less: Deferred bond charges	-	(1,250)
	-	389,882

Movements in deferred bond charges are as follows:

	2015 US$'000	2014 US$'000
Balance at the beginning of the year	1,250	2,917
Amortisation during the year	(1,250)	(1,667)
Balance at the end of the year	-	1,250

On 4 October 2012, the Company issued US$400 million 2.5% convertible bonds ("Bonds") due on 4 October 2017. The Bonds were listed and quoted on the Singapore Exchange on 5 October 2012. The Company will, at the option of the bondholders, redeem all or some of the Bonds on or after 4 October 2015 at the principal amount, plus interest accrued up to the date of redemption.

From May to September 2015, the Company repurchased US$116,000,000 of its Bonds. Such bonds were cancelled subsequent to the repurchases. The remaining US$283,000,000 and US$1,000,000 of the Bonds were redeemed in full on 5 October 2015 and 6 November 2015 respectively.

17 Issued Capital and Treasury Shares

	No. of ordinary shares		Amount	
	Issued capital	Treasury shares	Issued capital	Treasury shares
			US$'000	US$'000
Issued and fully paid:				
Balance at 31 December 2014				
and 1 January 2015	12,837,548,556	-	320,939	-
Treasury shares purchased	-	(102,792,400)	-	(31,726)
Balance at 31 December 2015	12,837,548,556	(102,792,400)	320,939	(31,726)

The Company acquired 102,792,400 of its own shares in the open market during the current financial year. These shares are held as treasury shares. The total amount paid to acquire the shares of US$31,726,000 was presented as a component within shareholders' equity.

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

18 Related Party Transactions

(a) A related party is a person or entity that is related to the reporting entity. A person is considered to be related if that person has the ability to control or jointly control the reporting entity, exercise significant influence over the reporting entity in making financial and operating decisions, or is a member of the key management personnel of the reporting entity or its parent. An entity is related to the reporting entity if they are members of the same group, an associate, a joint venture, or provides key management personnel services to the reporting entity or to the parent of the reporting entity. An entity is also considered to be related if it is controlled or jointly controlled by the same person who has significant influence over the reporting entity or is a member of the key management personnel of the reporting entity.

(b) In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related party, on terms agreed between parties, are as follows:

	2015	2014
	US$'000	US$'000
Advisory fee to a related party	74	236

19 Dividends

	2015 US$'000	2014 US$'000
Interim dividend of S$Nil (2014: S$0.00408) per share	-	39,650
Final dividend paid in respect of the previous year of S$0.00177 (2014: S$0.00515) per share	16,933	52,795
	16,933	92,445

At the Annual Meeting to be held on 21 April 2016, a final dividend (tax not applicable) of S$0.00502 per share, amounting to S$63,928,475.90 (equivalent to approximately US$45,211,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2016.

SHAREHOLDING STATISTICS

AS AT 8 MARCH 2016

STATED CAPITAL	: US$2,140,178,246.55
NUMBER OF SHARES ISSUED (EXCLUDING TREASURY SHARES)	: 12,734,756,156
NUMBER/PERCENTAGE OF TREASURY SHARES	: 102,792,400 / 0.81%
CLASS OF SHARES	: Ordinary shares of US$0.025 each
VOTING RIGHTS	: One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 – 99	578	1.37	26,072	0.00
100 – 1,000	3,767	8.96	2,057,083	0.02
1,001 – 10,000	16,994	40.40	104,844,537	0.82
10,001 – 1,000,000	20,596	48.97	1,118,663,022	8.78
1,000,001 & ABOVE	126	0.30	11,509,165,442	90.38
Total	**42,061**	**100.00**	**12,734,756,156**	**100.00**

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
RAFFLES NOMINEES (PTE) LTD	3,018,419,502	23.70
DBS NOMINEES PTE LTD	2,107,923,292	16.55
MASSINGHAM INTERNATIONAL LTD	1,788,937,305	14.05
UOB KAY HIAN PTE LTD	1,477,553,224	11.60
CITIBANK NOMINEES S'PORE PTE LTD	994,795,732	7.81
HSBC (SINGAPORE) NOMINEES PTE LTD	478,688,819	3.76
GOLDEN MOMENT LIMITED	475,000,000	3.73
UNITED OVERSEAS BANK NOMINEES PTE LTD	306,970,027	2.41
DBSN SERVICES PTE LTD	230,828,016	1.81
BNP PARIBAS SECURITIES SERVICES SINGAPORE	81,521,461	0.64
BANK OF S'PORE NOMINEES PTE LTD	61,218,937	0.48
DB NOMINEES (S) PTE LTD	46,471,772	0.36
DBS VICKERS SECURITIES (S) PTE LTD	33,192,925	0.26
MORGAN STANLEY ASIA (S'PORE) SECURITIES PTE LTD	30,991,450	0.24
OCBC SECURITIES PRIVATE LTD	22,422,318	0.18
BNP PARIBAS NOMINEES S'PORE PTE LTD	21,501,925	0.17
MAYBANK KIM ENG SECURITIES PTE LTD	18,395,211	0.14
PHILLIP SECURITIES PTE LTD	17,819,791	0.14
CIMB SECURITIES (S'PORE) PTE LTD	17,801,355	0.14
CILIANDRA FANGIONO OR FANG ZHIXIANG	13,700,000	0.11
TOTAL	11,244,153,062	88.28

SHAREHOLDING STATISTICS

AS AT 8 MARCH 2016

SUBSTANTIAL SHAREHOLDERS

Name	Direct Interest	Percentage % [1]	Deemed Interest	Percentage % [1]	Total Percentage (Direct and Deemed Interest) % [1]
	No. of Shares in which they have an Interest				
MASSINGHAM INTERNATIONAL LTD ("MIL")	4,686,067,235	36.80	–	–	36.80
GOLDEN MOMENT LIMITED ("Golden Moment")	1,250,000,000	9.81	–	–	9.81
FLAMBO INTERNATIONAL LIMITED ("Flambo")[2]	476,130,662	3.74	5,936,067,235	46.61	50.35
THE WIDJAJA FAMILY MASTER TRUST(2) ("WFMT(2)")[3]	–	–	6,412,197,897	50.35	50.35
SILCHESTER INTERNATIONAL INVESTORS LLP ("SII")[4]	–	–	1,406,952,500	11.05	11.05

Notes:

1 Percentage is calculated based on 12,734,756,156 issued shares (excluding treasury shares).

2 The deemed interest of Flambo arises from its interest in 4,686,067,235 shares and 1,250,000,000 shares held by its wholly–owned subsidiaries, MIL and Golden Moment respectively in the Company.

3 The deemed interest of WFMT(2) arises from its interest in 4,686,067,235 shares held by MIL, 1,250,000,000 shares held by Golden Moment and 476,130,662 shares held by Flambo in the Company.

4 The deemed interest of SII, based on the last notification to the Company on 25 August 2015, arises from its acting as the fully discretionary investment manager for a number of commingled funds.

Based on the information available to the Company as at 8 March 2016, approximately 38.57%[1] of the issued shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual of the Singapore Exchange Securities Trading Limited is complied with.

NOTICE OF ANNUAL MEETING

NOTICE IS HEREBY GIVEN that an Annual Meeting of Golden Agri–Resources Ltd (the **"Company"**) will be held on **Thursday, 21 April 2016 at 9.00 a.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2015 together with the Directors' and Auditors' Reports thereon. **(Resolution 1)**

2. To declare a final dividend of S$0.00502 per ordinary share for the year ended 31 December 2015. **(Resolution 2)**

3. To approve Directors' Fees of S$345,898 for the year ended 31 December 2015. (FY2014: S$333,926) **(Resolution 3)**

4. To re–elect the following Directors retiring by rotation pursuant to Article 90 of the Constitution of the Company:

   a) Mr Frankle (Djafar) Widjaja *{please see note 1}* **(Resolution 4)**
   b) Mr Rafael Buhay Concepcion, Jr. *{please see note 2}* **(Resolution 5)**

5. To re–appoint Mr Hong Pian Tee retiring pursuant to Section 138 (6) of The Companies Act 2001 of Mauritius to hold office until the next Annual Meeting of the Company. *{please see note 3}* **(Resolution 6)**

6. To re–appoint Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration. **(Resolution 7)**

AS SPECIAL BUSINESS

7. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

<u>Renewal of Share Issue Mandate</u>

7A. "That pursuant to The Companies Act 2001 of Mauritius and the Listing Rules of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to allot and issue (including the allotment and issue of shares and convertible securities pursuant to offers, agreements or options made or granted by the Company while this authority remains in force) or otherwise dispose of shares in the Company (including making and granting offers, agreements and options which would or which might require shares and convertible securities to be allotted, issued or otherwise disposed of) at any time, whether during the continuance of such authority or thereafter, to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit without first offering such shares and convertible securities to the members of the Company provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the issued share capital of the Company (excluding treasury shares) at the date of this Resolution, and provided further that where members of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro–rata basis, then the shares and convertible securities to be issued under such circumstances shall not exceed twenty percent (20%) of the issued share capital of the Company (excluding treasury shares) at the date of this Resolution." *{please see note 4}* **(Resolution 8)**

Renewal of Share Purchase Mandate

7B. "(a) That for the purposes of The Companies Act 2001 of Mauritius, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares (**"Shares"**) in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or prices as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) market purchases (each a **"Market Purchase"**) on the Singapore Exchange Securities Trading Limited (**"SGX–ST"**); and/or

(ii) off–market purchases (each an **"Off–Market Purchase"**) effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Companies Act, Chapter 50 of Singapore,

and otherwise in accordance with all other laws, regulations and rules of the SGX–ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the **"Share Purchase Mandate"**);

(b) That unless varied or revoked by the Company in members meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual Meeting of the Company is held or required by law to be held; or

(ii) the date on which the purchases or acquisitions of Shares, pursuant to the Share Purchase Mandate are carried out to the full extent mandated; or

(iii) the date on which the authority in the Share Purchase Mandate is varied or revoked;

(c) That in this Resolution:

"Prescribed Limit" means ten percent (10%) of the issued ordinary share capital of the Company (excluding treasury shares) as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase: 105% of the Average Closing Price

(ii) in the case of an Off–Market Purchase: 120% of the Highest Last Dealt Price

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5–day period;

“Highest Last Dealt Price” means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off–Market Purchase; and

“day of the making of the offer” means the day on which the Company announces its intention to make an offer for the purchase of Shares from shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off–Market Purchase; and

(d) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution.” *{please see note 5}* **(Resolution 9)**

<u>**Renewal of Interested Person Transactions Mandate**</u>

7C. “(a) That pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company, its subsidiaries and associated companies that are not listed on the Singapore Exchange Securities Trading Limited or an approved exchange, provided that the Company and its subsidiaries (the **“Group”**), or the Group and its interested person(s), has control over the associated companies, or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in Appendix 2 to this Notice of Annual Meeting *{please see note 6}*, with any party who is of the class of Interested Persons described in the said Appendix 2, provided that such transactions are carried out in the ordinary course of business and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the said Appendix 2 (the **“IPT Mandate”**);

(b) That the IPT Mandate shall, unless revoked or varied by the Company in members meeting, continue in force until the next Annual Meeting of the Company; and

(c) That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.” *{please see note 6A}* **(Resolution 10)**

By Order of the Board

Rafael Buhay Concepcion, Jr.
Director
4 April 2016
Singapore

Notes:

A member entitled to attend and vote at the Annual Meeting is entitled to appoint no more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the mailing address of the Company at 108 Pasir Panjang Road #06–00, Golden Agri Plaza, Singapore 118535 not later than 48 hours before the Annual Meeting.

Additional Notes relating to the Notice of Annual Meeting:

1. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2015 for further information on Mr Frankle (Djafar) Widjaja.

2. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2015 for further information on Mr Rafael Buhay Concepcion, Jr.

3. Mr Hong Pian Tee if re–appointed, will continue to serve as Chairman of the Audit Committee. Mr Hong is considered to be independent. Please refer to sections on Board of Directors and Corporate Governance Report in the Annual Report 2015 for further information on Mr Hong.

4. The Ordinary Resolution 8 proposed in item 7A above, if passed, is to empower the Directors to issue shares and convertible securities in the capital of the Company not exceeding fifty percent (50%) of the issued capital of the Company (excluding treasury shares) at the time this Resolution is passed. For issue of shares and convertible securities other than on a pro–rata basis to shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty percent (20%) of the issued capital of the Company (excluding treasury shares).

   The percentage of issued capital is based on the Company's issued capital (excluding treasury shares) after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or any employee share options on issue or vesting of share awards outstanding or subsisting at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

5. The Ordinary Resolution 9 proposed in item 7B above, if passed, is to renew for another year, up to the next Annual Meeting of the Company, the mandate for share purchase as described in Appendix 1 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next Annual Meeting.

6. The mandate for transactions with Interested Persons as described in Appendix 2 to this Notice of Annual Meeting includes the placement of deposits by the Company with financial institutions in which Interested Persons have an interest.

6A. The Ordinary Resolution 10 proposed in item 7C above, if passed, is to renew for another year, up to the next Annual Meeting of the Company, the mandate for transactions with Interested Persons as described in Appendix 2 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next Annual Meeting.

Personal data privacy:

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents) for the purpose of the processing and administration by the Company (or its agents) of proxies and representatives appointed for the Annual Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual Meeting (including any adjournment thereof), and in order for the Company (or its agents) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "**Purposes**"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in the Republic of Mauritius)

IMPORTANT

1. For investors who have used their CPF monies to buy shares of Golden Agri-Resources Ltd, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM
ANNUAL MEETING

I/We, ______________________________ (Name)

______________________________(NRIC/Passport/Company Registration Number)

of______________________________ (Address)

being a member/members of Golden Agri-Resources Ltd (the "**Company**") hereby appoint:

Name	Address	NRIC / Passport / Company Registration Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate):

or failing him/her, the Chairman of the Annual Meeting of the Company (the "**AM**") as my/our proxy/proxies to attend and vote for me/us on my/our behalf at the AM to be held on **Thursday, 21 April 2016 at 9.00 a.m.** at PARKROYAL on Beach Road, Grand Ballroom, Level 1, 7500 Beach Road, Singapore 199591 and at any adjournment thereof. I/We direct my/our proxy/proxies to vote for or against the resolution as set out in the Notice of AM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies may vote or abstain from voting at his/their discretion, as he/they may on any other matter arising at the AM.

Note: The Chairman of the AM will be exercising his right under Article 60(a) of the Constitution of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the AM and at any adjournment thereof. Accordingly, each resolution at the AM will be voted on by way of poll.

No.	Resolutions	*No. of votes "For"	*No. of votes "Against"
	ORDINARY BUSINESS		
1	Adoption of Reports and Audited Financial Statements		
2	Declaration of Final Dividend		
3	Approval of Directors' Fees for the year ended 31 December 2015		
4	Re-election of Mr Frankle (Djafar) Widjaja		
5	Re-election of Mr Rafael Buhay Concepcion, Jr.		
6	Re-appointment of Mr Hong Pian Tee		
7	Re-appointment of Auditors		
	SPECIAL BUSINESS		
8	Renewal of Share Issue Mandate		
9	Renewal of Share Purchase Mandate		
10	Renewal of Interested Person Transactions Mandate		

* If you wish to exercise all your votes "For" or "Against" the relevant resolution, please indicate "X" within the relevant box provided. Alternatively, if you wish to exercise your votes for both "For" and "Against" the relevant resolution, please indicate the number of votes as appropriate in the boxes provided.

Dated this _______ day of _________________ 2016.

Total Number of Shares Held

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Fold along this line. Glue and seal firmly.

3rd fold and glue all side firmly. Stapling & spot sealing is disallowed

ANNUAL MEETING
PROXY FORM

Affix
Stamp
Here

The Company Secretary
GOLDEN AGRI-RESOURCES LTD
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

3rd fold and glue all side firmly. Stapling & spot sealing is disallowed

Fold along this line

Notes

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in the Constitution of the Company), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this proxy form will be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's mailing address at 108 Pasir Panjang Road #06-00, Golden Agri Plaza, Singapore 118535 not less than 48 hours before the time set for the AM.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

Fold along this line

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AM.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the AM, as certified by The Central Depository (Pte) Limited to the Company.

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