**First Quarter Financial Statement And Dividend Announcement**

## FINANCIAL HIGHLIGHTS

| | 1st Qtr 2015 US$'000 | 1st Qtr 2014 US$'000 | Change % |
|---|---|---|---|
| Revenue | 1,553,338 | 1,914,182 | (18.9) |
| Gross Profit | 237,054 | 389,548 | (39.1) |
| EBITDA | 126,405 | 200,312 | (36.9) |
| Core net profit attributable to owners of the Company | 52,030 | 100,624 | (48.3) |
| Core net profit per share (USD cents) | 0.41 | 0.78 | (48.3) |

**PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**1(a) An income statement and statement of comprehensive income for the group together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED CONSOLIDATED INCOME STATEMENT**
**FOR THE PERIOD ENDED 31 MARCH 2015**

| | 1st Qtr 2015 US$'000 | 1st Qtr 2014 US$'000 | Change % |
|---|---|---|---|
| **Revenue** | 1,553,338 | 1,914,182 | (18.9) |
| Cost of sales | (1,316,284) | (1,524,634) | (13.7) |
| **Gross profit** | 237,054 | 389,548 | (39.1) |
| | | | |
| **Operating expenses** | | | |
| Selling expenses | (101,166) | (169,578) | (40.3) |
| General and administrative expenses | (67,978) | (63,454) | 7.1 |
| Total operating expenses | (169,144) | (233,032) | (27.4) |
| | | | |
| **Operating profit** | 67,910 | 156,516 | (56.6) |
| | | | |
| **Other income/(expenses)** | | | |
| Financial income | 8,107 | 5,002 | 62.1 |
| Financial expenses | (31,933) | (28,734) | 11.1 |
| Share of results of associated companies, net of tax | (56) | 16 | n.m. |
| Share of results of joint ventures, net of tax | 1,779 | (582) | n.m. |
| Foreign exchange (loss)/gain, net | (34,960) | 3,183 | n.m. |
| Other operating income, net | 11,667 | 4,164 | 180.2 |
| | (45,396) | (16,951) | 167.8 |
| | | | |
| **Profit before tax** | 22,514 | 139,565 | (83.9) |
| Tax | (5,304) | (35,469) | (85.0) |
| **Profit for the period** | 17,210 | 104,096 | (83.5) |
| | | | |
| **Attributable to:** | | | |
| Owners of the Company | 17,187 | 103,866 | (83.5) |
| Non-controlling interests | 23 | 230 | (90.0) |
| | 17,210 | 104,096 | (83.5) |

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**
**FOR THE PERIOD ENDED 31 MARCH 2015**

| | 1st Qtr 2015 US$'000 | 1st Qtr 2014 US$'000 |
|---|---|---|
| **Profit for the period** | 17,210 | 104,096 |
| **Other comprehensive income/(loss):** | | |
| Items that may be reclassified subsequently to profit or loss: | | |
| Foreign currency translation differences on consolidation | (4,891) | (3,556) |
| Changes in fair value of cash flow hedges | (1,656) | - |
| Changes in fair value of available-for-sale financial assets | 6,164 | - |
| | (383) | (3,556) |
| Items that will not be reclassified subsequently to profit or loss: | | |
| Actuarial gain on post-employment benefits | 441 | - |
| **Other comprehensive income/(loss), net of tax** | 58 | (3,556) |
| **Total comprehensive income for the period, net of tax** | 17,268 | 100,540 |
| **Total comprehensive income attributable to:** | | |
| Owners of the Company | 17,242 | 100,579 |
| Non-controlling interests | 26 | (39) |
| | 17,268 | 100,540 |

**ADDITIONAL INFORMATION**

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

| | 1st Qtr 2015 US$'000 | 1st Qtr 2014 US$'000 | Change % |
|---|---|---|---|
| **Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange (loss)/gain, and share of results of associated companies and joint ventures ("EBITDA")** | 126,405 | 200,312 | (36.9) |
| Interest on borrowings | (31,012) | (27,671) | 12.1 |
| Depreciation and amortisation | (39,642) | (35,693) | 11.1 |
| Foreign exchange (loss)/gain, net | (34,960) | 3,183 | n.m. |
| Share of results of associated companies, net of tax | (56) | 16 | n.m. |
| Share of results of joint ventures, net of tax | 1,779 | (582) | n.m. |
| **Profit before tax** | 22,514 | 139,565 | (83.9) |

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**

| | Group | | Company | |
|---|---|---|---|---|
| | As at | | As at | |
| | 31/3/2015 US$'000 | 31/12/2014 US$'000 | 31/3/2015 US$'000 | 31/12/2014 US$'000 |
| **Assets** | | | | |
| Current Assets | | | | |
| Cash and cash equivalents | 235,740 | 329,560 | 349 | 612 |
| Short-term investments | 290,769 | 261,166 | - | - |
| Trade receivables | 431,704 | 525,816 | - | - |
| Other current assets (note (a)) | 925,634 | 827,109 | 73 | 52 |
| Inventories | 805,223 | 850,723 | - | - |
| | 2,689,070 | 2,794,374 | 422 | 664 |
| Non-Current Assets | | | | |
| Long-term receivables and assets (note (b)) | 350,267 | 360,593 | - | - |
| Long-term investments | 817,828 | 804,318 | 304,100 | 332,500 |
| Subsidiary companies | - | - | 2,547,007 | 2,575,107 |
| Associated companies | 8,350 | 8,431 | - | - |
| Joint ventures | 52,723 | 56,167 | - | - |
| Investment properties | 1,205 | 1,227 | - | - |
| Property, plant and equipment | 2,590,277 | 2,551,664 | - | - |
| Biological assets | 7,922,752 | 7,902,105 | - | - |
| Deferred tax assets | 41,374 | 27,036 | - | - |
| Deferred charges | 7,992 | 8,332 | - | - |
| Brands and trademarks | 329 | 353 | - | - |
| Goodwill | 152,021 | 152,021 | - | - |
| | 11,945,118 | 11,872,247 | 2,851,107 | 2,907,607 |
| **Total Assets** | **14,634,188** | **14,666,621** | **2,851,529** | **2,908,271** |

**UNAUDITED STATEMENTS OF FINANCIAL POSITION** (cont'd)

| | Group | | Company | |
|---|---|---|---|---|
| | As at | | As at | |
| | 31/3/2015 US$'000 | 31/12/2014 US$'000 | 31/3/2015 US$'000 | 31/12/2014 US$'000 |
| **Liabilities and Equity** | | | | |
| Current Liabilities | | | | |
| Short-term loans | 1,325,314 | 1,251,081 | - | - |
| Bonds payable | 393,109 | 389,882 | 393,109 | 389,882 |
| Trade payables | 471,821 | 543,197 | - | - |
| Other payables (note(c)) | 316,048 | 286,720 | 35,917 | 72,871 |
| Taxes payable | 38,758 | 29,554 | - | - |
| Obligations under finance leases | 126 | 132 | - | - |
| | 2,545,176 | 2,500,566 | 429,026 | 462,753 |
| Non-Current Liabilities | | | | |
| Obligations under finance leases | 212 | 269 | - | - |
| Bonds and notes payables | 1,031,696 | 1,040,087 | - | - |
| Long-term borrowings | 332,045 | 387,250 | - | - |
| Deferred tax liabilities | 1,837,834 | 1,843,437 | 973 | 973 |
| Long-term payables | 72,299 | 76,691 | - | - |
| | 3,274,086 | 3,347,734 | 973 | 973 |
| Total Liabilities | 5,819,262 | 5,848,300 | 429,999 | 463,726 |
| Equity Attributable to Owners of the Company | | | | |
| Issued capital | 320,939 | 320,939 | 320,939 | 320,939 |
| Share premium | 1,216,095 | 1,216,095 | 1,850,965 | 1,850,965 |
| Treasury shares | (20,663) | - | (20,663) | - |
| Other paid-in capital | 184,318 | 184,318 | - | - |
| Other reserves | | | | |
| Option reserve | 31,469 | 31,469 | 31,469 | 31,469 |
| Currency translation reserve | 7,399 | 12,293 | - | - |
| Fair value reserve | 6,164 | - | - | - |
| PRC statutory reserve | 3,820 | 3,820 | - | - |
| Hedging reserve | (2,288) | (632) | - | - |
| Other reserve | (1,368) | (1,809) | - | - |
| | 45,196 | 45,141 | 31,469 | 31,469 |
| Retained earnings | 6,979,197 | 6,962,010 | 238,820 | 241,172 |
| | 8,725,082 | 8,728,503 | 2,421,530 | 2,444,545 |
| Non-Controlling Interests | 89,844 | 89,818 | - | - |
| Total Equity | 8,814,926 | 8,818,321 | 2,421,530 | 2,444,545 |
| **Total Liabilities and Equity** | **14,634,188** | **14,666,621** | **2,851,529** | **2,908,271** |

**UNAUDITED STATEMENTS OF FINANCIAL POSITION** (cont'd)

**Note:**

**(a) Other Current Assets**

| | Group | | Company | |
|---|---|---|---|---|
| | As at | | As at | |
| | 31/3/2015 US$'000 | 31/12/2014 US$'000 | 31/3/2015 US$'000 | 31/12/2014 US$'000 |
| Prepaid expenses | 48,004 | 28,685 | 73 | 52 |
| Prepaid taxes, net | 205,898 | 253,798 | - | - |
| Deposits and advances to suppliers | 433,005 | 370,928 | - | - |
| Others | 83,873 | 86,837 | - | - |
| | 770,780 | 740,248 | 73 | 52 |
| Receivable from joint ventures | 154,850 | 86,829 | - | - |
| Receivable from related parties | 4 | 32 | - | - |
| | 925,634 | 827,109 | 73 | 52 |

**(b) Long-Term Receivables and Assets**

| | Group | | Company | |
|---|---|---|---|---|
| | As at | | As at | |
| | 31/3/2015 US$'000 | 31/12/2014 US$'000 | 31/3/2015 US$'000 | 31/12/2014 US$'000 |
| Loan to joint ventures | 39,451 | 94,231 | - | - |
| Tax recoverable | 97,953 | 101,572 | - | - |
| Advances for project plasma plantations | 22,342 | 21,621 | - | - |
| Advances for projects | 66,519 | 75,576 | - | - |
| Land clearing | 97,416 | 40,117 | - | - |
| Advances for investments in land | 2,759 | 2,759 | - | - |
| Others | 23,827 | 24,717 | - | - |
| | 350,267 | 360,593 | - | - |

**(c) Other Payables**

| | Group | | Company | |
|---|---|---|---|---|
| | As at | | As at | |
| | 31/3/2015 US$'000 | 31/12/2014 US$'000 | 31/3/2015 US$'000 | 31/12/2014 US$'000 |
| Advances from customers | 21,995 | 40,086 | - | - |
| Accrued expenses | 67,017 | 46,843 | 332 | 301 |
| Payable to third parties | 70,250 | 65,192 | 5,000 | 2,500 |
| Derivative payable | 127,055 | 63,069 | - | - |
| Interim dividends payable | - | 39,650 | - | 39,650 |
| Others | 25,507 | 29,654 | 5 | 12 |
| | 311,824 | 284,494 | 5,337 | 42,463 |
| Related parties | 4,224 | 2,226 | 30,580 | 30,408 |
| | 316,048 | 286,720 | 35,917 | 72,871 |

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

| | As at 31/3/2015 US$'000 | | | As at 31/12/2014 US$'000 | | |
|---|---|---|---|---|---|---|
| | Secured | Unsecured | Total | Secured | Unsecured | Total |
| Amount repayable in one year or less, or on demand | 958,613 | 759,936 | 1,718,549 | 997,735 | 643,360 | 1,641,095 |
| Amount repayable after one year | 320,367 | 1,043,586 | 1,363,953 | 369,519 | 1,058,087 | 1,427,606 |
| **Total** | **1,278,980** | **1,803,522** | **3,082,502** | **1,367,254** | **1,701,447** | **3,068,701** |

**Details of any collateral**

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

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE PERIOD ENDED 31 MARCH 2015**

| | 1st Qtr 2015 US$'000 | 1st Qtr 2014 US$'000 |
|---|---|---|
| **Cash flows from operating activities** | | |
| **Profit before tax** | **22,514** | **139,565** |
| Adjustments for: | | |
| Depreciation | 39,246 | 35,145 |
| Amortisation | 396 | 548 |
| Unrealised foreign exchange loss/(gain), net | 13,189 | (8,014) |
| Share of results of associated companies, net of tax | 56 | (16) |
| Share of results of joint ventures, net of tax | (1,779) | 582 |
| Loss/(Gain) on disposal of property, plant and equipment | 368 | (117) |
| Property, plant and equipment written off | 286 | 236 |
| Write-back of impairment loss on inventories, net | (1,086) | (754) |
| Changes in fair value of financial assets at fair value through profit or loss | (5,390) | (539) |
| Interest income | (8,107) | (5,002) |
| Interest expense | 31,012 | 27,671 |
| **Operating cash flow before working capital changes** | **90,705** | **189,305** |
| Changes in operating assets and liabilities: | | |
| Trade receivables | 94,130 | (33,553) |
| Other current assets | (88,402) | (21,634) |
| Inventories | 46,594 | 95,984 |
| Trade payables | (71,376) | (42,088) |
| Other payables | 54,439 | (1,437) |
| **Cash generated from operations** | **126,090** | **186,577** |
| Interest received | 3,402 | 827 |
| Interest paid | (22,295) | (16,369) |
| Tax refund | 25,111 | 3,426 |
| **Net cash generated from operating activities** | **132,308** | **174,461** |

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**
**FOR THE PERIOD ENDED 31 MARCH 2015** (cont'd)

| | 1st Qtr 2015 US$'000 | 1st Qtr 2014 US$'000 |
|---|---|---|
| **Cash flows from investing activities** | | |
| Proceeds from sale of property, plant and equipment | 1,916 | 309 |
| Proceeds from sale of biological assets | 1,022 | 365 |
| Capital expenditure on property, plant and equipment | (84,073) | (78,992) |
| Acquisition and capital expenditure on biological assets | (21,234) | (5,811) |
| Investments in short-term investments, net | (27,605) | (65,423) |
| Investments in long-term investments, net | (3,954) | (40,939) |
| Additional investment in a joint venture | - | (1,000) |
| Investments in Plasma/KKPA Program plantations, net | (1,846) | (2,985) |
| Dividend received from a joint venture | 2,000 | - |
| Payments for deferred expenditure | (52) | (10) |
| Net (increase)/decrease in long-term receivables and assets | (55,615) | 5,802 |
| **Net cash used in investing activities** | **(189,441)** | **(188,684)** |
| **Cash flows from financing activities** | | |
| Proceeds from short-term loans | 614,247 | 650,076 |
| Payments of short-term loans | (574,863) | (576,860) |
| Payments of long-term borrowings | (15,667) | (73,094) |
| Payments of obligations under finance leases | (63) | (4) |
| Payments of dividends | (39,650) | - |
| Payments for shares buy back | (20,663) | - |
| Deferred loan charges and long-term bank loan administration costs | (28) | (255) |
| (Increase)/Decrease in cash in banks and time deposits pledged | (2,409) | 5,031 |
| **Net cash (used in)/generated from financing activities** | **(39,096)** | **4,894** |
| **Net decrease in cash and cash equivalents** | **(96,229)** | **(9,329)** |
| **Cash and cash equivalents at the beginning of the period** | **322,646** | **321,854** |
| **Cash and cash equivalents at the end of the period** (See Note below) | **226,417** | **312,525** |

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

| | 31/3/2015 US$'000 | 31/3/2014 US$'000 |
|---|---|---|
| Time deposits, cash and bank balances | 235,740 | 313,126 |
| Less: Cash in banks and time deposits pledged | (9,323) | (601) |
| | 226,417 | 312,525 |

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

| | <---------- Attributable to Owners of the Company ----------> | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **The Group** | 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 as at 1 Jan 2015 | 320,939 | 1,216,095 | - | 184,318 | 45,141 | 6,962,010 | 8,728,503 | 89,818 | 8,818,321 |
| Profit for the period | - | - | - | - | - | 17,187 | 17,187 | 23 | 17,210 |
| Other comprehensive income | - | - | - | - | 55 | - | 55 | 3 | 58 |
| Total comprehensive income for the period | - | - | - | - | 55 | 17,187 | 17,242 | 26 | 17,268 |
| Shares buy back and held as treasury shares | - | - | (20,663) | - | - | - | (20,663) | - | (20,663) |
| Balance as at 31 Mar 2015 | 320,939 | 1,216,095 | (20,663) | 184,318 | 45,196 | 6,979,197 | 8,725,082 | 89,844 | 8,814,926 |
| Balance as at 1 Jan 2014 | 320,939 | 1,216,095 | - | 184,318 | 56,597 | 6,942,606 | 8,720,555 | 82,818 | 8,803,373 |
| Profit for the period | - | - | - | - | - | 103,866 | 103,866 | 230 | 104,096 |
| Other comprehensive loss | - | - | - | - | (3,287) | - | (3,287) | (269) | (3,556) |
| Total comprehensive (loss)/income for the period | - | - | - | - | (3,287) | 103,866 | 100,579 | (39) | 100,540 |
| Balance as at 31 Mar 2014 | 320,939 | 1,216,095 | - | 184,318 | 53,310 | 7,046,472 | 8,821,134 | 82,779 | 8,903,913 |

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

| **The Company** | Issued Capital | Share Premium | Treasury Shares | Option Reserve | Retained Earnings | Total |
|---|---|---|---|---|---|---|
| | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 | US$'000 |
| Balance as at 1 Jan 2015 | 320,939 | 1,850,965 | - | 31,469 | 241,172 | 2,444,545 |
| Loss for the period, representing total comprehensive loss for the period | - | - | - | - | (2,352) | (2,352) |
| Shares buy back and held as treasury shares | - | - | (20,663) | - | - | (20,663) |
| Balance as at 31 Mar 2015 | 320,939 | 1,850,965 | (20,663) | 31,469 | 238,820 | 2,421,530 |
| Balance as at 1 Jan 2014 | 320,939 | 1,850,965 | - | 31,469 | 335,212 | 2,538,585 |
| Loss for the period, representing total comprehensive loss for the period | - | - | - | - | (2,876) | (2,876) |
| Balance as at 31 Mar 2014 | 320,939 | 1,850,965 | - | 31,469 | 332,336 | 2,535,709 |

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

The number of issued ordinary shares (excluding treasury shares) of the Company were as follows:

| | As at | |
|---|---|---|
| | **31 Mar 2015** | **31 Mar 2014** |
| Number of issued shares (excluding treasury shares) | 12,769,326,156 | 12,837,548,556 |
| Number of new shares that may be issued on the conversion of outstanding convertible bonds | 573,747,126 | 566,005,216 |

The Company did not have treasury shares as at 31 March 2014. Movements in the Company's issued share capital (excluding treasury shares) during the period ended 31 March 2015 were as follows:

| | **Number of ordinary shares** |
|---|---|
| Balance as at 1 January 2015 | 12,837,548,556 |
| Shares buy back and held as treasury shares | (68,222,400) |
| Balance as at 31 March 2015 | 12,769,326,156 |

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

The total number of issued shares excluding treasury shares as at 31 March 2015 and 31 December 2014 were 12,769,326,156 and 12,837,548,556 respectively.

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

Movements in the Company's treasury shares during the quarter ended 31 March 2015 were as follows:

| | Number of ordinary shares |
|---|---|
| Balance as at 1 January 2015 | - |
| Shares buy back on 27 March 2015 | 68,222,400 |
| Balance as at 31 March 2015 | 68,222,400 |

The Company did not hold any treasury shares as at 31 December 2014.

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

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

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

Not applicable.

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

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

Except for the above, the Group has adopted accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2014.

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

Same as disclosed in Note 4 above.

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

| | The Group | |
|---|---|---|
| | 1st Qtr 2015 | 1st Qtr 2014 |
| Earnings per ordinary share for the period after deducting any provision for preference dividends:- | | |
| (i) Based on weighted average number of ordinary shares | USD0.13cents | USD0.81cents |
| - Weighted average numbers of shares | 12,834,516,449 | 12,837,548,556 |
| (ii) On a fully diluted basis | Not applicable | Not applicable |
| - Weighted average numbers of shares | Not applicable | Not applicable |

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

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

| | The Group | | The Company | |
|---|---|---|---|---|
| | As at 31 Mar 2015 | As at 31 Dec 2014 | As at 31 Mar 2015 | As at 31 Dec 2014 |
| Net asset value per ordinary share based on existing issued share capital of 12,769,326,156 (31 Dec 2014: 12,837,548,556) shares | US$0.68 | US$0.68 | US$0.19 | US$0.19 |

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

| ***Revenue by segment*** | **1st Qtr 2015 US$'000** | **1st Qtr 2014 US$'000** | **Change %** |
|---|---|---|---|
| Plantation and palm oil mills | 340,911 | 501,046 | (32.0) |
| Palm and laurics | 1,400,646 | 1,635,883 | (14.4) |
| Oilseeds | 134,473 | 210,920 | (36.2) |
| Others | 50,079 | 46,588 | 7.5 |
| Inter-segment eliminations | (372,771) | (480,255) | (22.4) |
| **Total Revenue** | 1,553,338 | 1,914,182 | (18.9) |
| | | | |
| ***EBITDA by segment*** | | | |
| Plantation and palm oil mills | 100,579 | 171,588 | (41.4) |
| Palm and laurics | 21,604 | 29,628 | (27.1) |
| Oilseeds | 2,303 | (3,272) | n.m. |
| Others | 766 | 2,480 | (69.1) |
| Eliminations | 1,153 | (112) | n.m. |
| **Total EBITDA** | 126,405 | 200,312 | (36.9) |

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

## REVIEW OF PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2015

The Group recorded revenue of US$1,553.3 million and EBITDA of US$126.4 million for the 3-month period ended 31 March 2015 ("1Q2015"). The decrease in revenue and EBITDA was primarily attributable to lower average crude palm oil ("CPO") prices and lower production output during the current period.

### PLANTATION AND PALM OIL MILLS

Revenue from plantation and palm oil mills segment decreased by 32.0% to US$340.9 million mainly due to weaker average CPO prices and lower production output affected by dry weather conditions experienced in certain regions of Indonesia last year. The average international CPO (FOB Belawan) price reduced by 26.5% from US$865 per tonne in the corresponding period last year ("1Q2014") to US$636 per tonne. Our fresh fruit bunch ("FFB") and total palm production decreased to 2,114,000 tonnes and 634,000 tonnes respectively, as compared to 2,243,000 tonnes and 691,000 tonnes in 1Q2014.

The lower CPO prices and higher production costs per tonne has resulted in a decrease in EBITDA from plantation and palm oil mills segment from US$171.6 million to US$100.6 million in 1Q2015.

**PALM AND LAURICS**

Revenue from palm and laurics segment decreased by 14.4% to US$1,400.6 million in 1Q2015 mainly due to lower average selling price in line with the lower international CPO prices despite higher sales volume achieved. EBITDA from palm and laurics segment decreased from US$29.6 million in 1Q2014 to US$21.6 million mainly affected by the lower refining margin. However, EBITDA improved by 115.7% as compared to the last quarter of 2014.

**OILSEEDS**

Revenue from oilseeds segment decreased by 36.2% to US$134.5 million in 1Q2015 mainly due to lower average selling prices and lower crushing volume during the current period. Conversely, oilseeds segment recorded a positive EBITDA of US$2.3 million for the current period as compared to a negative EBITDA of US$3.3 million in 1Q2014, following the improved crushing margin since the last quarter of last year.

**SELLING EXPENSES**

Selling expenses comprised mainly export tax, transportation and freight, advertising and promotion, and salaries. The significant reduction in selling expenses to US$101.2 million was mainly due to an effective 0% export tax rate during the current quarter in line with lower CPO prices, partially offset by increases in freight costs in line with higher volume shipped, as well as marketing and promotion expenses.

**GENERAL AND ADMINSTRATIVE EXPENSES**

General and administrative expenses of US$68.0 million comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. Increase in general and administrative expenses was mainly due to higher salaries and related expenses.

**FINANCIAL EXPENSES, NET**

Net financial expenses of US$23.8 million (1Q2014: US$23.7 million) comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges.

**FOREIGN EXCHANGE (LOSS)/GAIN, NET**

The Group recorded a net foreign exchange loss of US$35.0 million in 1Q2015 as compared to net gain of US$3.2 million in 1Q2014. The current period's loss was mainly attributable to translation loss on Indonesian Rupiah ("IDR") denominated monetary assets as IDR weakened against USD during the current period and fair value loss on forward foreign currency contracts entered to hedge the currency exposure of IDR.

**OTHER OPERATING INCOME, NET**

Net other operating income of US$11.7 million comprised mainly income from sales of seedlings and other materials, rental and changes in fair value of financial assets. Higher net other operating income in the current period was mainly due to increase in net gain from changes in fair value of financial assets in line with higher market prices.

**TAX**

Income tax comprised provision for current and deferred income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group. Tax expense was lower at US$5.3 million in 1Q2015 in line with lower profits recorded.

## REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2015

### ASSETS

Total assets of the Group decreased by US$32.4 million from US$14,666.6 million as at 31 December 2014 to US$14,634.2 million as at 31 March 2015 mainly attributable to lower trade receivables and inventories.

Trade receivables were lower by US$94.1 million in line with the lower revenue recorded for the current period.

Inventories were lower by US$45.5 million mainly due to lower inventory level in our oilseeds segment as well as lower unit prices.

### LIABILITIES

Compared to the previous year end, total liabilities of the Group was marginally lower at US$5,819.3 million as at 31 March 2015. The decrease in trade payables due to settlement made during 1Q2015 was partially offset by higher other payables mainly due to changes in fair value of forward foreign currency contracts and cross currency contracts entered to hedge our currency exposure.

## REVIEW OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2015

The Group generated a lower cash inflows of US$132.3 million from its operating activities during the current period. Net cash used in investing activities of US$189.4 million was mainly for capital expenditures on property, plant and equipment, acquisition and capital expenditure incurred for biological assets and land clearing, as well as increase in short-term investments.

Net cash used in financing activities of US$39.1 million was mainly related to payments for dividends and shares bought back and held as treasury shares, net of proceeds from loans during the current period.

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

Not applicable.

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

The Group's operating performance will continue to be affected by fluctuating commodity prices, sustainability of the global economic recovery, climatic conditions, as well as developments in Indonesia and China. The palm oil industry is expected to benefit from the proposed implementation of biofuel policy in Indonesia which will increase the demand of CPO. Going forward, we will focus on improving our yield and cost efficiency, as well as optimising the integration of our downstream value chain. The operating environment for our oilseeds segment is expected to remain challenging while we continue to review our business strategy and manage flexible production in our existing facilities in order to improve operating performance.

## 11. Dividend

### *(a) Current Financial Period Reported On*

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

### *(b) Corresponding Period of the Immediately Preceding Financial Year*

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

### *(c) Date payable*

Not applicable.

### *(d) Books closure date*

Not applicable.

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

No dividend has been declared for the quarter ended 31 March 2015.

## 13. Interested persons transactions disclosure

| Name of interested person | Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) | Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000) |
|---|---|---|
| | **1Q2015** | **1Q2015** |
| | US$ | US$ |
| Muktar Widjaja | 173,583 | Nil |
| Ningbo Asia Pulp & Paper Co., Ltd | Nil | 83,039 |
| PT Asuransi Sinar Mas | Nil | 2,987,031 |
| PT Bank Sinarmas* | Nil | 4,252,444 |
| PT Cakrawala Mega Indah | Nil | 942,485 |
| PT Rolimex Kimia Nusamas | 5,000,000 | 1,952,946 |
| PT Royal Oriental | Nil | 7,388,429 |
| PT Sinar Jati Mitra | Nil | 433,643 |
| **Total** | **5,173,583** | **18,040,017** |

Note:
* Principal amount as at 31 March 2015 is approximately US$3.3 million.

## PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Not applicable.

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

Not applicable.

### 16. A breakdown of sales

Not applicable.

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

Not applicable.

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

We, Simon Lim and Rafael Buhay Concepcion, Jr., being two directors of Golden Agri-Resources Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the first quarter ended 31 March 2015 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim
Director

Rafael Buhay Concepcion, Jr.
Director

12 May 2015

**BY ORDER OF THE BOARD**

Rafael Buhay Concepcion, Jr.
Director
12 May 2015

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 12 May 2015 to the SGX