GOLDEN AGRI-RESOURCES LTD

First Quarter Financial Statement And Dividend Announcement

FINANCIAL HIGHLIGHTS

	1st Qtr 2019 US$'000	1st Qtr 2018 US$'000	Change %
Revenue	1,617,295	1,816,172	(11.0)
Gross Profit	192,762	248,120	(22.3)
EBITDA[1]	120,639	121,134	(0.4)
Underlying profit [2]	11,768	24,788	(52.5)
Underlying profit per share (USD cents)	0.09	0.19	(52.5)
Net profit attributable to owners of the Company	18,314	11,851	54.5

Notes:

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

(2) Net profit attributable to owners of the Company excluding net effect of net gain or loss from changes in fair value of biological assets and depreciation of bearer plants, exceptional item and other non-operating items (foreign exchange gain or loss, net tax impact from tax-based asset revaluations, and other deferred tax income or expense).

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 2019

	1st Qtr 2019 US$'000	1st Qtr 2018 US$'000	Change %
Revenue	1,617,295	1,816,172	(11.0)
Cost of sales	(1,424,533)	(1,568,052)	(9.2)
Gross profit	192,762	248,120	(22.3)
Operating expenses			
Selling expenses	(90,532)	(131,280)	(31.0)
General and administrative expenses	(70,566)	(76,012)	(7.2)
Total operating expenses	(161,098)	(207,292)	(22.3)
Operating profit	31,664	40,828	(22.4)
Other income/(expenses)			
Financial income	5,800	9,238	(37.2)
Financial expenses	(41,823)	(37,218)	12.4
Share of results of associated companies, net of tax	2,931	(112)	n.m.
Share of results of joint ventures, net of tax	(2,929)	(3,011)	(2.7)
Foreign exchange gain	18,207	5,073	258.9
Other operating income	8,447	2,634	220.7
	(9,367)	(23,396)	(60.0)
Exceptional item			
Gain on disposal of a subsidiary	11,449	-	n.m.
Profit before tax	33,746	17,432	93.6
Tax	(7,624)	(4,002)	90.5
Profit for the period	26,122	13,430	94.5
Attributable to:			
Owners of the Company	18,314	11,851	54.5
Non-controlling interests	7,808	1,579	394.5
	26,122	13,430	94.5

Note:
(1) n.m. – not meaningful.

UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2019

	1st Qtr 2019 US$'000	1st Qtr 2018 US$'000
Profit for the period	26,122	13,430
Other comprehensive income/(loss):		
Items that will not be reclassified subsequently to profit or loss:		
Share of other comprehensive income/(loss) of a joint venture	1	(44)
Changes in fair value of financial assets at fair value through other comprehensive income	7,285	-
Items that may be reclassified subsequently to profit or loss:		
Foreign currency translation differences on consolidation	3,008	2,107
Share of other comprehensive income/(loss) of:		
Joint ventures	380	(596)
Associates	(763)	-
Changes in fair value of available-for-sale financial assets	-	(1,469)
Other comprehensive income/(loss), net of tax	9,911	(2)
Total comprehensive income for the period, net of tax	36,033	13,428
Total comprehensive income attributable to:		
Owners of the Company	27,574	12,298
Non-controlling interests	8,459	1,130
	36,033	13,428

ADDITIONAL INFORMATION

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

	1st Qtr 2019 US$'000	1st Qtr 2018 US$'000	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain/(loss) from changes in fair value of biological assets, foreign exchange gain and exceptional item ("EBITDA")	120,639	121,134	(0.4)
Interest on borrowings	(41,275)	(36,533)	13.0
Depreciation and amortisation	(76,295)	(71,431)	6.8
Net gain/(loss) from changes in fair value of biological assets	1,021	(811)	n.m.
Foreign exchange gain	18,207	5,073	258.9
Exceptional item	11,449	-	n.m.
Profit before tax	33,746	17,432	93.6

Note:
(1) n.m. – not meaningful.

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at 31/3/2019 US$'000	As at 31/12/2018 US$'000	As at 31/3/2019 US$'000	As at 31/12/2018 US$'000
Assets				
Current Assets				
Cash and cash equivalents	221,888	192,766	88	88
Short-term investments	340,455	351,855	-	-
Trade receivables	492,068	533,692	-	-
Other current assets (note (a))	799,236	804,835	81	11
Inventories	961,040	1,002,350	-	-
	2,814,687	2,885,498	169	99
Non-Current Assets				
Long-term receivables and assets (note (b))	303,393	323,525	-	-
Long-term investments	1,202,363	1,077,772	185,065	175,065
Subsidiary companies	-	-	3,431,433	3,431,355
Associated companies	19,642	17,546	-	-
Joint ventures	85,893	88,723	-	-
Investment properties	113	112	-	-
Property, plant and equipment	2,628,536	2,624,108	-	-
Bearer plants	1,075,647	1,092,166	-	-
Right-of-use assets	41,870	-	-	-
Deferred tax assets	241,205	244,023	-	-
Intangible assets	177,595	192,107	-	-
	5,776,257	5,660,082	3,616,498	3,606,420
Total Assets	**8,590,944**	**8,545,580**	**3,616,667**	**3,606,519**

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at 31/3/2019 US$'000	As at 31/12/2018 US$'000	As at 31/3/2019 US$'000	As at 31/12/2018 US$'000
Liabilities and Equity				
Current Liabilities				
Short-term borrowings	1,615,377	1,376,266	-	-
Bonds and notes payable	124,757	124,640	-	-
Lease liabilities	20,284	-	-	-
Trade payables	651,042	683,349	-	-
Other payables (note(c))	313,291	287,748	51,102	40,789
Taxes payable	15,457	18,899	-	-
	2,740,208	2,490,902	51,102	40,789
Non-Current Liabilities				
Bonds and notes payables	110,702	109,971	-	-
Long-term borrowings	1,133,900	1,399,212	-	-
Lease liabilities	23,050	-	-	-
Deferred tax liabilities	76,274	78,080	-	-
Long-term payables and liabilities	162,116	157,335	-	-
	1,506,042	1,744,598	-	-
Total Liabilities	4,246,250	4,235,500	51,102	40,789
Equity Attributable to Owners of the Company				
Issued capital	320,939	320,939	320,939	320,939
Share premium	1,216,095	1,216,095	1,850,965	1,850,965
Treasury shares	(31,726)	(31,726)	(31,726)	(31,726)
Other paid-in capital	184,318	184,318	-	-
Other reserves				
Option reserve	31,471	31,471	31,471	31,471
Currency translation reserve	(14,728)	(16,702)	-	-
Fair value reserve	113,973	106,688	1,640	1,640
PRC statutory reserve	3,820	3,820	-	-
Other reserve	35,316	35,315	-	-
	169,852	160,592	33,111	33,111
Retained earnings	2,335,321	2,318,426	1,392,276	1,392,441
	4,194,799	4,168,644	3,565,565	3,565,730
Non-Controlling Interests	149,895	141,436	-	-
Total Equity	4,344,694	4,310,080	3,565,565	3,565,730
Total Liabilities and Equity	**8,590,944**	**8,545,580**	**3,616,667**	**3,606,519**

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	Group		Company	
	As at 31/3/2019	As at 31/12/2018	As at 31/3/2019	As at 31/12/2018
	US$'000	US$'000	US$'000	US$'000
Prepaid expenses	40,796	21,370	80	10
Prepaid taxes	109,431	117,481	-	-
Deposits and advances to suppliers	208,084	243,802	-	-
Biological assets	64,810	63,789	-	-
Derivative receivable	118,538	102,742	-	-
Others	151,121	152,546	1	1
	692,780	701,730	81	11
Receivable from joint ventures	70,956	68,230	-	-
Receivable from related parties	35,500	34,875	-	-
	799,236	804,835	81	11

(b) Long-Term Receivables and Assets

	Group		Company	
	As at 31/3/2019	As at 31/12/2018	As at 31/3/2019	As at 31/12/2018
	US$'000	US$'000	US$'000	US$'000
Loan receivable from joint ventures and an associated company	81,677	80,793	-	-
Tax recoverable	175,086	204,729	-	-
Advances for plasma plantations, net	2,709	2,651	-	-
Advances for projects	20,556	12,290	-	-
Land clearing	1,835	1,894	-	-
Advances for investment in land	1,495	1,495	-	-
Others	20,035	19,673	-	-
	303,393	323,525	-	-

(c) Other Payables

	Group		Company	
	As at 31/3/2019	As at 31/12/2018	As at 31/3/2019	As at 31/12/2018
	US$'000	US$'000	US$'000	US$'000
Advances and deposits	156,217	138,665	-	-
Accrued expenses	58,410	52,038	324	324
Payable to third parties	66,226	63,189	-	-
Others	28,009	30,251	7	7
	308,862	284,143	331	331
Payable to related parties	4,429	3,605	50,771	40,458
	313,291	287,748	51,102	40,789

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

	As at 31/3/2019 US$'000			As at 31/12/2018 US$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	1,000,305	760,113	1,760,418	847,888	653,018	1,500,906
Amount repayable after one year	983,253	284,399	1,267,652	1,219,203	289,980	1,509,183
Total	**1,983,558**	**1,044,512**	**3,028,070**	**2,067,091**	**942,998**	**3,010,089**

Details of any collateral

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

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2019

	1st Qtr 2019 US$'000	1st Qtr 2018 US$'000
Cash flows from operating activities		
Profit before tax	**33,746**	**17,432**
Adjustments for:		
Net (gain)/loss from changes in fair value of biological assets	(1,021)	811
Depreciation	75,050	70,731
Amortisation	1,245	700
Unrealised foreign exchange gain	(1,388)	(5,654)
Share of results of associated companies, net of tax	(2,931)	112
Share of results of joint ventures, net of tax	2,929	3,011
(Gain)/Loss on disposal of property, plant and equipment	(137)	473
Bearer plants and property, plant and equipment written off	267	221
(Write-back of)/Allowance for impairment loss on:		
Inventories, net	(199)	(4,209)
Trade receivables, net	91	15
Gain on disposal of a subsidiary	(11,449)	-
Changes in fair value of financial assets at fair value through profit or loss	2,095	2,841
Interest income	(5,800)	(9,238)
Interest expense	41,275	36,533
Operating cash flow before working capital changes	**133,773**	**113,779**
Changes in operating assets and liabilities:		
Trade receivables	7,503	(41,465)
Other current assets	(9,781)	(151,189)
Inventories	26,139	(83,519)
Net assets for disposal group held for sale	-	76,412
Trade payables	13,189	102,545
Other payables	36,595	9,432
Cash generated from operations	**207,418**	**25,995**
Interest received	3,622	7,904
Interest paid	(45,024)	(37,010)
Tax refund/(paid)	23,528	(10,083)
Net cash generated from/(used in) operating activities	**189,544**	**(13,194)**

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE PERIOD ENDED 31 MARCH 2019

	1st Qtr 2019 US$'000	1st Qtr 2018 US$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	7,955	4,490
Proceeds from disposal of bearer plants	285	280
Capital expenditure on property, plant and equipment	(56,730)	(39,754)
Capital expenditure on bearer plants	(7,304)	(4,728)
Investment in financial assets, net	(60,172)	(101,375)
Investment in an associated company	-	(1,164)
Investments in Plasma/KKPA Program plantations, net	(19)	(818)
Dividend received from a joint venture	-	4,743
Payments for deferred expenditure and intangible assets	(4,160)	(1,471)
Net (increase)/decrease in long-term receivables and assets	(9,627)	1,373
Net cash used in investing activities	**(129,772)**	**(138,424)**
Cash flows from financing activities		
Proceeds from short-term borrowings	1,038,103	1,357,647
Proceeds from long-term borrowings	55,671	161,500
Payments of short-term borrowings	(816,987)	(1,359,915)
Payments of long-term borrowings	(300,797)	(147,597)
Proceeds from notes issue	-	112,613
Payments of principal element of leases	(5,253)	-
Payments of deferred loan charges and bank loan administration costs	(1,387)	(1,073)
Decrease in cash in banks and time deposits pledged	16,994	20,841
Net cash (used in)/generated from financing activities	**(13,656)**	**144,016**
Net increase/(decrease) in cash and cash equivalents	**46,116**	**(7,602)**
Cash and cash equivalents at the beginning of the period	**158,747**	**127,198**
Cash and cash equivalents at the end of the period (See Note below)	**204,863**	**119,596**

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

	31/3/2019 US$'000	31/3/2018 US$'000
Time deposits, cash and bank balances	221,888	117,979
Less: Cash in banks and time deposits pledged	(17,025)	(12,412)
	204,863	105,567
Cash and bank balances included in disposal group held for sale	-	14,029
	204,863	119,596

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 at 31 Dec 2018	320,939	1,216,095	(31,726)	184,318	160,592	2,318,426	4,168,644	141,436	4,310,080
Effect of adoption of IFRS 16	-	-	-	-	-	(1,419)	(1,419)	-	(1,419)
Balance at 1 Jan 2019	320,939	1,216,095	(31,726)	184,318	160,592	2,317,007	4,167,225	141,436	4,308,661
Profit for the period	-	-	-	-	-	18,314	18,314	7,808	26,122
Other comprehensive income	-	-	-	-	9,260	-	9,260	651	9,911
Total comprehensive income for the period	-	-	-	-	9,260	18,314	27,574	8,459	36,033
Balance at 31 Mar 2019	320,939	1,216,095	(31,726)	184,318	169,852	2,335,321	4,194,799	149,895	4,344,694
Balance at 1 Jan 2018 as previously announced	320,939	1,216,095	(31,726)	184,318	51,055	2,265,011	4,005,692	101,570	4,107,262
Profit for the period	-	-	-	-	-	11,851	11,851	1,579	13,430
Other comprehensive income/(loss)	-	-	-	-	447	-	447	(449)	(2)
Total comprehensive income for the period	-	-	-	-	447	11,851	12,298	1,130	13,428
Balance at 31 Mar 2018	320,939	1,216,095	(31,726)	184,318	51,502	2,276,862	4,017,990	102,700	4,120,690

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	Other Reserves	Retained Earnings	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1 Jan 2019	320,939	1,850,965	(31,726)	33,111	1,392,441	3,565,730
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(165)	(165)
Balance at 31 Mar 2019	320,939	1,850,965	(31,726)	33,111	1,392,276	3,565,565
Balance at 1 Jan 2018 as previously announced	320,939	1,850,965	(31,726)	31,471	48,203	2,219,852
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(126)	(126)
Balance at 31 Mar 2018	320,939	1,850,965	(31,726)	31,471	48,077	2,219,726

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

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

	As at	
	31 Mar 2019	**31 Dec 2018**
Number/Percentage of treasury shares	102,792,400 / 0.8%	102,792,400 / 0.8%
Number of issued shares (excluding treasury shares)	12,734,756,156	12,734,756,156

There were no movements in the Company's issued share capital (excluding treasury shares) since 31 December 2018.

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

The total number of issued shares excluding treasury shares as at 31 March 2019 and 31 December 2018 respectively was 12,734,756,156 ordinary shares.

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

There were no changes in the number of ordinary shares held as treasury shares by the Company since 31 December 2018.

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

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

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

Not applicable.

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

Except as disclosed in Note 5 below, the Group has applied the same accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2018.

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

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

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

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

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

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

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

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

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

	The Group	
	1st Qtr 2019	1st Qtr 2018
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on weighted average number of shares	USD0.14cents	USD0.09cents
- Weighted average number of shares	12,734,756,156	12,734,756,156
(ii) On a fully diluted basis	Not applicable	Not applicable

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

	The Group		The Company	
	As at 31 Mar 2019	As at 31 Dec 2018	As at 31 Mar 2019	As at 31 Dec 2018
Net asset value per ordinary share based on existing issued share capital of 12,734,756,156 shares	US$0.33	US$0.33	US$0.28	US$0.28

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

Revenue by segment	**1st Qtr 2019 US$'000**	**1st Qtr 2018 US$'000**	**Change %**
Plantations and palm oil mills	307,808	342,822	(10.2)
Palm, laurics and others	1,609,658	1,804,752	(10.8)
Inter-segment eliminations	(300,171)	(331,402)	(9.4)
Total Revenue	1,617,295	1,816,172	(11.0)
EBITDA by segment			
Plantations and palm oil mills	60,800	94,834	(35.9)
Palm, laurics and others	59,333	28,014	111.8
Inter-segment eliminations	506	(1,714)	n.m.
Total EBITDA	120,639	121,134	(0.4)

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

REVIEW OF PERFORMANCE FOR THREE MONTHS ENDED 31 MARCH 2019

The Group recorded lower revenue of US$1,617.3 million for the three months ended 31 March 2019 ("1Q2019") as compared to US$1,816.2 million in the corresponding period in 2018 ("1Q2018") mainly due to softer crude palm oil ("CPO") prices. Despite lower revenue, EBITDA of the Group remained constant at US$120.6 million in 1Q2019 mainly attributable to better performance of our palm, laurics and others segment.

PLANTATIONS AND PALM OIL MILLS

Revenue from our plantation and palm oil mills segment decreased by 10.2% to US$307.8 million in 1Q2019. This was mainly attributable to the lower CPO prices during the current period, partially offset by the higher sales volume. The average international CPO (FOB Belawan) price for the current period was 20.6% lower at US$512 per tonne as compared to US$645 per tonne in 1Q2018. Consequently, EBITDA from our plantations and palm oil mills segment decreased by 35.9% to US$60.8 million in 1Q2019.

Fresh fruit bunch ("FFB") and total palm product output for the current period were higher at 2,174,000 tonnes and 629,000 tonnes respectively as compared to 2,125,000 tonnes and 612,000 tonnes respectively in 1Q2018.

PALM, LAURICS AND OTHERS

Our palm, laurics and others segment refers to all processing and merchandising of palm and oilseeds product, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and food and beverages in Indonesia. Revenue from this segment was lower by 10.8% to US$1,609.7 million in 1Q2019. This was mainly attributable to lower CPO prices and lower sales volume for oilseeds in China, which was offset by the strong demand for biodiesel in Indonesia. Despite lower prices, EBITDA increased from US$28.0 million in 1Q2018 to US$59.3 million in the current period with higher EBITDA margin due to additional contribution from biodiesel and the removal of export levy in Indonesia.

FINANCIAL EXPENSES, NET

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. Net financial expenses increased from US$28.0 million in 1Q2018 to US$36.0 million in the current period mainly due to higher borrowing cost which is in line with higher interest rate and higher average total borrowings in the current year.

FOREIGN EXCHANGE GAIN, NET

Net foreign exchange gain was higher at US$18.2 million in 1Q2019 as compared to US$5.1 million in 1Q2018. The current period's gain was mainly attributable to fair value gain on forward foreign currency contracts entered to hedge the currency exposure during the current period.

OTHER OPERATING INCOME

Net other operating income comprised mainly changes in fair value of biological assets (agricultural produce) and financial assets, income from sales of seedlings and other materials, as well as rental income. The Group recorded higher net other operating income of US$8.4 million in the current period mainly due to higher gain from disposal of other material and by-products and gain from changes in fair value of biological assets

EXCEPTIONAL ITEM

Exceptional item in the current period related to gain on disposal of a subsidiary in Indonesia.

TAX

Income tax comprised provision for current and deferred income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group. Net tax expense increased from US$4.0 million to US$7.6 million in 1Q2019 mainly due to higher deferred tax expenses as compared to deferred tax income in 1Q2018.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2019

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

ASSETS

The Group's total assets increased from US$8,545.6 million as at end 2018 to US$8,590.9 million as at 31 March 2019. This increase was mainly due to recognition of right-of-use assets and additional investments in logistics and technology related investments, partially offset with lower trade receivables.

LIABILITIES

Total liabilities of the Group increased from US$4,235.5 million as at end 2018 to US$4,246.3 million as at 31 March 2019. This was mainly attributable to recognition of lease liabilities and increase in advances and deposits received from customers, partially offset with lower trade payables.

REVIEW OF CASH FLOWS FOR THREE MONTHS ENDED 31 MARCH 2019

The Group recorded a net cash inflow for its operating activities (after payment of taxes and interest expenses) of US$189.5 million in 1Q2019 as compared to a net cash outflow in the previous corresponding period. This was mainly due to better operating results and lower working capital requirement for our downstream activities.

Net cash used in investing activities of US$129.8 million was mainly related to capital expenditures on our property, plant and equipment, and additional investment in long-term investments.

Net cash used in financing activities of US$13.7 million was mainly related to repayment of borrowings (net of proceeds) 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

Weather conditions, supply and demand for CPO and other competing seed oils, and developments in government policy of the countries we operate in or trade with will continue to have an impact on the prices for commodities including CPO. We expect the demand growth for CPO to remain stable underpinned by global food and energy demand, particularly the increase in biodiesel consumption in Indonesia. However, given the increasing supply of CPO, the price of CPO is expected to be range-bound.

The Group will continue to enhance its integrated operation capabilities in an efficient and innovative way, so as to optimise profit opportunities across the value chain, as well as to improve its yield, cost efficiency and sustainability initiatives.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommended, a statement to that effect and the reason(s) for the decision

No dividend has been declared for the quarter ended 31 March 2019 as the Company generally review its dividend distribution during the second half of the financial year.

13. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the 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)
	1Q2019	**1Q2019**
	US$	US$
PT Asuransi Sinar Mas	-	193,555
PT Bank Sinarmas Tbk	-	4,886,286*
PT Cakrawala Mega Indah	-	21,438,090
PT Golden Energy Mines Tbk	-	599,659
PT Maritim Sinar Utama	-	672,267
PT Rolimex Kimia Nusamas	-	2,738,510
PT Roundhill Capital Indonesia	-	2,272,078
PT Sinar Jati Mitra	-	476,772
PT Sinar Mas Tjipta	-	770,000
Total	**-**	**34,047,217**

Note:

* Principal amount of placements as at 31 March 2019 is approximately US$4.89 million.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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

Not applicable.

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

Not applicable.

16. A breakdown of sales

Not applicable.

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

Not applicable.

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

We, Franky Oesman Widjaja and Rafael Buhay Concepcion, Jr., being two directors of Golden Agri-Resources Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the first quarter ended 31 March 2019 unaudited financial results to be false or misleading.

On behalf of the board of directors

Franky Oesman Widjaja Director	Rafael Buhay Concepcion, Jr. Director

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

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

BY ORDER OF THE BOARD

Rafael Buhay Concepcion, Jr.
Director
14 May 2019

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