

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

	<b>1st Half 2020 <u>US\$'000</u></b>	<b>1st Half 2019 <u>US\$'000</u></b>	<b>Change %</b>
Revenue	3,390,569	3,166,532	7.1
Gross Profit	388,538	344,568	12.8
EBITDA <sup>1</sup>	189,225	197,934	(4.4)
Underlying loss <sup>2</sup>	(11,377)	(15,338)	(25.8)
Net loss attributable to owners of the Company	(156,870)	(46,387)	238.2

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

**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 HALF YEAR ENDED 30 JUNE 2020**

	<b>1st Half 2020 <u>US\$'000</u></b>	<b>1st Half 2019 <u>US\$'000</u></b>	<b>Change %</b>
<b>Revenue</b>	3,390,569	3,166,532	7.1
Cost of sales	<u>(3,002,031)</u>	<u>(2,821,964)</u>	6.4
<b>Gross Profit</b>	<u>388,538</u>	<u>344,568</u>	12.8
<b>Operating expenses</b>			
Selling expenses	(238,931)	(173,240)	37.9
General and administrative expenses	<u>(137,910)</u>	<u>(150,203)</u>	(8.2)
Total operating expenses	<u>(376,841)</u>	<u>(323,443)</u>	16.5
<b>Operating profit</b>	<u>11,697</u>	<u>21,125</u>	(44.6)
<b>Other income/(expenses)</b>			
Financial income	7,328	10,801	(32.2)
Financial expenses	(70,277)	(81,859)	(14.1)
Share of results of associated companies, net of tax	1,026	3,097	(66.9)
Share of results of joint ventures, net of tax	(113)	(7,663)	(98.5)
Foreign exchange (loss)/gain	(48,253)	3,171	n.m.
Other operating (expense)/income	<u>(3,982)</u>	<u>15,017</u>	n.m.
	<u>(114,271)</u>	<u>(57,436)</u>	99.0
<b>Exceptional items</b>			
Impairment loss of investment in a joint venture	(5,372)	-	n.m.
Gain on disposal of subsidiaries	-	11,492	(100.0)
	<u>(5,372)</u>	<u>11,492</u>	n.m.
<b>Loss before tax</b>	<u>(107,946)</u>	<u>(24,819)</u>	334.9
Tax	<u>(38,515)</u>	<u>(10,503)</u>	266.7
<b>Loss for the period</b>	<u>(146,461)</u>	<u>(35,322)</u>	314.6
<b>Attributable to:</b>			
Owners of the Company	(156,870)	(46,387)	238.2
Non-controlling interests	<u>10,409</u>	<u>11,065</u>	(5.9)
	<u>(146,461)</u>	<u>(35,322)</u>	314.6

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR HALF YEAR ENDED 30 JUNE 2020**

	<b>1st Half 2020 <u>US\$'000</u></b>	<b>1st Half 2019 <u>US\$'000</u></b>
<b>Loss for the period</b>	<u>(146,461)</u>	<u>(35,322)</u>
<b>Other comprehensive income/(loss):</b>		
<u>Items that will not be reclassified subsequently to profit or loss:</u>		
Actuarial loss on post-employment benefits	(1,907)	(5,707)
Share of other comprehensive income of:		
A joint venture	-	1
Associated companies	2	-
Changes in fair value of financial assets at fair value through other comprehensive income	(48,314)	40,028
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation differences on consolidation	(15,050)	3,136
Share of other comprehensive (loss)/income of:		
Joint ventures	(2,020)	210
Associated companies	(104)	(291)
<b>Other comprehensive (loss)/income, net of tax</b>	<u>(67,393)</u>	<u>37,377</u>
<b>Total comprehensive (loss)/income for the period, net of tax</b>	<u>(213,854)</u>	<u>2,055</u>
<b>Total comprehensive (loss)/income attributable to:</b>		
Owners of the Company	(220,237)	(9,543)
Non-controlling interests	6,383	11,598
	<u>(213,854)</u>	<u>2,055</u>

**ADDITIONAL INFORMATION**

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

	<b>1st Half 2020 <u>US\$'000</u></b>	<b>1st Half 2019 <u>US\$'000</u></b>	<b>Change %</b>
<b>Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net loss from changes in fair value of biological assets and foreign exchange (loss)/gain and exceptional items ("EBITDA")</b>	189,225	197,934	(4.4)
Interest on borrowings	(68,726)	(81,081)	(15.2)
Depreciation and amortisation	(166,938)	(153,323)	8.9
Net loss from changes in fair value of biological assets	(7,882)	(3,012)	161.7
Foreign exchange (loss)/gain	(48,253)	3,171	n.m.
Exceptional items, net	(5,372)	11,492	n.m.
<b>Loss before tax</b>	<u>(107,946)</u>	<u>(24,819)</u>	334.9

Note: n.m. – not meaningful.

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

**UNAUDITED STATEMENTS OF FINANCIAL POSITION**

	Group		Company	
	As at 30/6/2020 <u>US\$'000</u>	As at 31/12/2019 <u>US\$'000</u>	As at 30/6/2020 <u>US\$'000</u>	As at 31/12/2019 <u>US\$'000</u>
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	299,939	209,614	781	58
Short-term investments	532,534	574,747	-	-
Trade receivables	455,483	500,663	-	-
Other current assets (note (a))	678,493	663,376	44	11
Inventories	861,945	1,014,557	-	-
	<u>2,828,394</u>	<u>2,962,957</u>	<u>825</u>	<u>69</u>
Non-Current Assets				
Long-term receivables and assets (note (b))	176,107	232,523	-	-
Long-term investments	1,264,113	1,236,858	209,080	184,445
Subsidiary companies	-	-	3,431,722	3,431,525
Associated companies	22,078	21,184	-	-
Joint ventures	152,586	185,199	-	-
Investment properties	102	105	-	-
Property, plant and equipment	2,644,199	2,689,806	-	-
Bearer plants	992,020	1,029,815	-	-
Deferred tax assets	208,623	232,667	-	-
Intangible assets	193,703	188,217	-	-
	<u>5,653,531</u>	<u>5,816,374</u>	<u>3,640,802</u>	<u>3,615,970</u>
<b>Total Assets</b>	<u><b>8,481,925</b></u>	<u><b>8,779,331</b></u>	<u><b>3,641,627</b></u>	<u><b>3,616,039</b></u>

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

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/6/2020 <u>US\$'000</u></b>	<b>As at 31/12/2019 <u>US\$'000</u></b>	<b>As at 30/6/2020 <u>US\$'000</u></b>	<b>As at 31/12/2019 <u>US\$'000</u></b>
<b>Liabilities and Equity</b>				
Current Liabilities				
Short-term borrowings	1,875,019	1,852,319	-	-
Bonds and notes payable	107,450	-	-	-
Lease liabilities	13,055	18,471	-	-
Trade payables	481,635	557,707	-	-
Other payables (note(c))	244,738	296,095	213,759	129,689
Taxes payable	12,331	12,513	-	-
	<u>2,734,228</u>	<u>2,737,105</u>	<u>213,759</u>	<u>129,689</u>
Non-Current Liabilities				
Bonds and notes payables	53,967	111,359	-	-
Long-term borrowings	1,086,653	1,141,217	-	-
Lease liabilities	21,041	20,425	-	-
Deferred tax liabilities	89,063	85,632	-	-
Long-term payables and liabilities	263,092	178,149	-	-
	<u>1,513,816</u>	<u>1,536,782</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,248,044</u>	<u>4,273,887</u>	<u>213,759</u>	<u>129,689</u>
Equity Attributable to Owners of the Company				
Issued capital	320,939	320,939	320,939	320,939
Share premium	1,216,095	1,216,095	1,850,965	1,850,965
Treasury shares	(37,517)	(31,726)	(37,517)	(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	(32,440)	(20,071)	-	-
Fair value reserve	116,877	165,191	(22,145)	(22,145)
PRC statutory reserve	4,221	3,820	-	-
Other reserve	27,047	29,731	-	-
	147,176	210,142	9,326	9,326
Retained earnings	<u>2,248,111</u>	<u>2,457,300</u>	<u>1,284,155</u>	<u>1,336,846</u>
	4,079,122	4,357,068	3,427,868	3,486,350
Non-Controlling Interests	154,759	148,376	-	-
Total Equity	<u>4,233,881</u>	<u>4,505,444</u>	<u>3,427,868</u>	<u>3,486,350</u>
<b>Total Liabilities and Equity</b>	<b><u>8,481,925</u></b>	<b><u>8,779,331</u></b>	<b><u>3,641,627</u></b>	<b><u>3,616,039</u></b>

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

**Note:**

## **(a) Other Current Assets**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/6/2020</b>	<b>As at 31/12/2019</b>	<b>As at 30/6/2020</b>	<b>As at 31/12/2019</b>
	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>
Prepaid expenses	49,782	21,376	43	10
Prepaid taxes	141,850	150,311	-	-
Deposits and advances to suppliers	143,515	152,816	-	-
Biological assets	56,422	64,304	-	-
Derivative receivable	106,376	104,169	-	-
Others	167,901	157,948	1	1
	665,846	650,924	44	11
Receivable from joint ventures	12,532	12,105	-	-
Receivable from related parties	115	347	-	-
	<u>678,493</u>	<u>663,376</u>	<u>44</u>	<u>11</u>

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

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/6/2020</b>	<b>As at 31/12/2019</b>	<b>As at 30/6/2020</b>	<b>As at 31/12/2019</b>
	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>
Loan receivable from joint ventures and an associated company	33,454	21,846	-	-
Tax recoverable	94,599	157,756	-	-
Advances for plasma plantations, net	3,276	4,608	-	-
Advances for projects	23,686	24,831	-	-
Land clearing	3,093	3,959	-	-
Advances for investment in land	1,495	1,495	-	-
Others	16,504	18,028	-	-
	<u>176,107</u>	<u>232,523</u>	<u>-</u>	<u>-</u>

## **(c) Other Payables**

	<b>Group</b>		<b>Company</b>	
	<b>As at 30/6/2020</b>	<b>As at 31/12/2019</b>	<b>As at 30/6/2020</b>	<b>As at 31/12/2019</b>
	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>	<b><u>US\$'000</u></b>
Advances and deposits	54,793	113,102	-	-
Accrued expenses	73,370	59,745	129	334
Payable to third parties	74,030	84,694	-	-
Others	33,314	31,654	7	7
	235,507	289,195	136	341
Payable to related parties	9,231	6,900	213,623	129,348
	<u>244,738</u>	<u>296,095</u>	<u>213,759</u>	<u>129,689</u>

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

	As at 30/6/2020 US\$'000			As at 31/12/2019 US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	1,207,760	787,764	1,995,524	1,190,330	680,460	1,870,790
Amount repayable after one year	866,785	294,876	1,161,661	893,818	379,183	1,273,001
<b>Total</b>	<b>2,074,545</b>	<b>1,082,640</b>	<b>3,157,185</b>	<b>2,084,148</b>	<b>1,059,643</b>	<b>3,143,791</b>

**Details of any collateral**

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

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

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR HALF YEAR ENDED 30 JUNE 2020**

	<b>1st Half 2020 US\$'000</b>	<b>1st Half 2019 US\$'000</b>
<b>Cash flows from operating activities</b>		
<b>Loss before tax</b>	<b>(107,946)</b>	<b>(24,819)</b>
Adjustments for:		
Depreciation	164,905	150,864
Amortisation	2,033	2,459
Net loss from changes in fair value of biological assets	7,882	3,012
Unrealised foreign exchange loss	23,731	2,123
Share of results of associated companies, net of tax	(1,026)	(3,097)
Share of results of joint ventures, net of tax	113	7,663
Gain on disposal of property, plant and equipment	(201)	(137)
Property, plant and equipment written off	473	470
Bearer plants written off	8	681
Inventories written off	-	362
Non-trade receivables written off	44	-
Allowance for/(Write-back of) impairment loss on:		
Inventories, net	4,163	(1,398)
Trade receivables, net	234	85
Impairment loss of investment in a joint venture	5,372	-
Gain on disposal of subsidiaries	-	(11,492)
Changes in fair value of financial assets at fair value through profit or loss	13,859	(4,681)
Interest income	(7,328)	(10,801)
Interest expense	68,726	81,081
<b>Operating cash flow before working capital changes</b>	<b>175,042</b>	<b>192,375</b>
Changes in operating assets and liabilities:		
Trade receivables	44,955	(1,643)
Other current assets	(30,163)	(27,116)
Inventories	148,559	66,830
Trade payables	(76,072)	12,313
Other payables	36,239	34,200
<b>Cash generated from operations</b>	<b>298,560</b>	<b>276,959</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR HALF YEAR ENDED 30 JUNE 2020 (cont'd)**

	<b>1st Half 2020 US\$'000</b>	<b>1st Half 2019 US\$'000</b>
<b>Cash generated from operations</b>	<b>298,560</b>	<b>276,959</b>
Interest received	5,252	5,834
Interest paid	(64,305)	(80,500)
Tax refund	55,503	7,261
<b>Net cash generated from operating activities</b>	<b>295,010</b>	<b>209,554</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment	1,956	8,310
Proceeds from disposal of bearer plants	480	283
Capital expenditure on property, plant and equipment	(64,200)	(111,676)
Capital expenditure on bearer plants	(17,496)	(13,537)
Investments in financial assets, net	(25,798)	(81,706)
Proceeds from/(Investments in) Plasma plantations, net	842	(1,055)
Net cash inflow from disposal of a subsidiary	-	9
Dividends received from a joint venture	3,569	-
Payments for deferred expenditure and intangible assets	(9,507)	(9,206)
Net increase in long-term receivables and assets	(12,043)	(16,424)
<b>Net cash used in investing activities</b>	<b>(122,197)</b>	<b>(225,002)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term borrowings	2,394,631	2,007,395
Proceeds from long-term borrowings	105,589	148,563
Proceeds from bonds issue	47,415	-
Payments of short-term borrowings	(2,406,826)	(1,806,172)
Payments of long-term borrowings	(151,983)	(337,988)
Payments of principal element of leases	(10,465)	(11,941)
Capital subscribed by non-controlling shareholders	-	11
Payments of dividends	(51,918)	(54,258)
Payments for shares buy back	(5,791)	-
Payments of deferred loan charges and loan administration costs	(3,140)	(2,502)
(Increase)/Decrease in cash in banks and time deposits pledged	(19,293)	15,862
<b>Net cash used in financing activities</b>	<b>(101,781)</b>	<b>(41,030)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>71,032</b>	<b>(56,478)</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>207,125</b>	<b>158,747</b>
<b>Cash and cash equivalents at the end of the period</b> (See Note below)	<b>278,157</b>	<b>102,269</b>

**Note:**

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

	<b>30/6/2020 US\$'000</b>	<b>30/6/2019 US\$'000</b>
Time deposits, cash and bank balances	299,939	120,426
Less: Cash in banks and time deposits pledged	(21,782)	(18,157)
	<b>278,157</b>	<b>102,269</b>



**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**

<b>The Group</b>	Attributable to Owners of the Company							Non-Controlling Interests	Total Equity
	Issued Capital	Share Premium	Treasury Shares	Other Paid-in Capital	Other Reserves	Retained Earnings	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance at 31 Dec 2019	320,939	1,216,095	(31,726)	184,318	210,142	2,457,300	4,357,068	148,376	4,505,444
(Loss)/Profit for the period	-	-	-	-	-	(156,870)	(156,870)	10,409	(146,461)
Other comprehensive loss	-	-	-	-	(62,966)	(401)	(63,367)	(4,026)	(67,393)
Total comprehensive loss for the period	-	-	-	-	(62,966)	(157,271)	(220,237)	6,383	(213,854)
Dividends paid for 2019	-	-	-	-	-	(51,918)	(51,918)	-	(51,918)
Shares buy back and held as treasury shares	-	-	(5,791)	-	-	-	(5,791)	-	(5,791)
Balance at 30 Jun 2020	320,939	1,216,095	(37,517)	184,318	147,176	2,248,111	4,079,122	154,759	4,233,881
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
(Loss)/Profit for the period	-	-	-	-	-	(46,387)	(46,387)	11,065	(35,322)
Other comprehensive income	-	-	-	-	36,844	-	36,844	533	37,377
Total comprehensive income for the period	-	-	-	-	36,844	(46,387)	(9,543)	11,598	2,055
Dividends paid for 2018	-	-	-	-	-	(54,258)	(54,258)	-	(54,258)
Dividends payable to non-controlling shareholders	-	-	-	-	-	-	-	(11,487)	(11,487)
Change in interests in subsidiaries	-	-	-	-	(151)	-	(151)	151	-
Capital subscribed by non-controlling shareholders	-	-	-	-	-	-	-	11	11
Balance at 30 Jun 2019	320,939	1,216,095	(31,726)	184,318	197,285	2,216,362	4,103,273	141,709	4,244,982

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

<b><u>The Company</u></b>	<b>Issued Capital US\$'000</b>	<b>Share Premium US\$'000</b>	<b>Treasury Shares US\$'000</b>	<b>Option Reserve US\$'000</b>	<b>Retained Earnings US\$'000</b>	<b>Total US\$'000</b>
Balance at 1 Jan 2020	320,939	1,850,965	(31,726)	9,326	1,336,846	3,486,350
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(773)	(773)
Shares buy back and held as treasury shares	-	-	(5,791)	-	-	(5,791)
Dividends paid for 2019	-	-	-	-	(51,918)	(51,918)
Balance at 30 Jun 2020	<u>320,939</u>	<u>1,850,965</u>	<u>(37,517)</u>	<u>9,326</u>	<u>1,284,155</u>	<u>3,427,868</u>
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	-	-	-	-	(589)	(589)
Dividends paid for 2018	-	-	-	-	(54,258)	(54,258)
Balance at 30 Jun 2019	<u>320,939</u>	<u>1,850,965</u>	<u>(31,726)</u>	<u>33,111</u>	<u>1,337,594</u>	<u>3,510,883</u>

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

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

	<b>As at</b>	
	<b>30 Jun 2020</b>	<b>30 Jun 2019</b>
Number/Percentage of treasury shares	145,475,500 / 1.1%	102,792,400 / 0.8%
Number of issued shares (excluding treasury shares)	12,692,073,056	12,734,756,156

Movements in the Company's issued share capital (excluding treasury shares) during the period ended 30 June 2020 were as follows:

	<b><u>Number of ordinary shares</u></b>
Balance as at 1 January 2020	12,734,756,156
Shares buy back and held as treasury shares	(42,683,100)
Balance as at 30 June 2020	<u>12,692,073,056</u>

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

The total number of issued shares excluding treasury shares as at 30 June 2020 and 31 December 2019 was 12,692,073,056 and 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.**

Movements in the Company's treasury shares during the period ended 30 June 2020 were as follows:

	<b><u>Number of ordinary shares</u></b>
Balance as at 1 January 2020	102,792,400
Shares buy back on 2 March 2020	1,300,000
Shares buy back on 3 March 2020	11,000,000
Shares buy back on 4 March 2020	8,000,000
Shares buy back on 5 March 2020	2,000,000
Shares buy back on 6 March 2020	4,000,000
Shares buy back on 9 March 2020	1,824,500
Shares buy back on 10 March 2020	3,308,600
Shares buy back on 13 March 2020	1,250,000
Shares buy back on 16 March 2020	10,000,000
Balance as at 30 June 2020	<u>145,475,500</u>

**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 2019.

**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 2020. 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 2019.

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**

Loss per ordinary share for the period after deducting any provision for preference dividends:-

- (i) Based on weighted average number of ordinary shares
  - Weighted average numbers of shares
- (ii) On a fully diluted basis
  - Weighted average numbers of shares

The Group	
1st Half 2020	1st Half 2019
(USD1.23cents)	(USD0.36cents)
12,707,708,547	12,734,756,156
Not applicable	Not applicable
Not applicable	Not applicable

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

Net asset value per ordinary share based on existing issued share capital of 12,692,073,056 (31 Dec 2019: 12,734,756,156) shares

The Group		The Company	
As at 30 Jun 2020	As at 31 Dec 2019	As at 30 Jun 2020	As at 31 Dec 2019
US\$0.33	US\$0.35	US\$0.27	US\$0.27

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

	1st Half 2020 US\$'000	1st Half 2019 US\$'000	Change %
<b>Revenue by segment</b>			
Plantations and palm oil mills	624,927	573,861	8.9
Palm, laurics and others	3,382,459	3,151,408	7.3
Inter-segment eliminations	(616,817)	(558,737)	10.4
<b>Total Revenue</b>	<u>3,390,569</u>	<u>3,166,532</u>	7.1
<b>EBITDA by segment</b>			
Plantations and palm oil mills	131,709	96,711	36.2
Palm, laurics and others	58,170	100,385	(42.1)
Inter-segment eliminations	(654)	838	n.m.
<b>Total EBITDA</b>	<u>189,225</u>	<u>197,934</u>	(4.4)

Notes:

- (1) EBITDA refers to earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net loss from changes in fair value of biological assets, foreign exchange (loss)/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 HALF YEAR ENDED 30 JUNE 2020**

Revenue of the Group was higher at US\$3,390.6 million for half year ended 30 June 2020 ("1H2020") in line with the higher crude palm oil ("CPO") prices. However, the operating performance of the Group was also affected by higher costs particularly the newly imposed CPO export tax and levy in Indonesia and foreign exchange loss. Accordingly, the Group recorded a lower EBITDA of US\$189.2 million and net loss of the period of US\$146.5 million in 1H2020.

### **PLANTATIONS AND PALM OIL MILLS**

Revenue from our plantations and palm oil mills segment increased by 8.9% to US\$624.9 million in 1H2020. This was mainly attributable to higher CPO prices during the current period, partially offset by the lower sales volume. The average international CPO (FOB Belawan) price for the current period was 24.4% higher at US\$616 per tonne as compared to US\$496 per tonne in the previous corresponding period ("1H2019"). Consequently, EBITDA from our plantations and palm oil mills segment increased by 36.2% to US\$131.7 million in 1H2020.

Our fresh fruit bunch ("FFB") and palm product output for 1H2020 were lower at 4,084,000 tonnes and 1,219,000 tonnes respectively as compared to 4,455,000 tonnes and 1,293,000 tonnes respectively in 1H2019, primarily affected by the dry weather conditions in 2019 as well as replanting programme.

### **PALM, LAURICS AND OTHERS**

Our palm, laurics and others segment refers to all processing and merchandising of palm and oilseeds product, oleo-chemicals and other vegetable oils, as well as production and distribution of other consumer products in China and Indonesia.

Revenue from this segment increased by 7.3% to US\$3,382.5 million in the current period 1H2020 mainly attributable to higher average selling prices, partially offset by lower sales volume affected by severe temporary logistics issues following the lockdown implemented during the COVID-19 global outbreak. Our downstream business was impacted by higher input prices due to the severe supply chain disruption and therefore recorded a lower EBITDA of US\$58.2 million in 1H2020 as compared to US\$100.4 million in 1H2019.

### **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 decreased from US\$71.1 million in 1H2019 to US\$62.9 million in the current period mainly due to lower interest rate on borrowings.

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

The Group recorded a net foreign exchange loss of US\$48.3 million in 1H2020 as compared to net gain of US\$3.2 million in 1H2019. The current period's loss was mainly attributable to unrealised translation loss and fair value loss on forward foreign currency contracts entered to hedge the currency exposure during the current period.

### **OTHER OPERATING (EXPENSE)/INCOME, NET**

Net other operating (expense)/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 net operating expense of US\$4.0 million in 1H2020 as compared to net income at US\$15.0 million in the previous corresponding period mainly due to higher loss from changes in fair value of biological assets and financial assets recorded in the current period.

### **EXCEPTIONAL ITEMS, NET**

The current period's exceptional loss related to impairment loss made on an investment in a joint venture, whereas the exceptional gain in 1H2019 related to gain on disposal of certain subsidiaries in Indonesia.

## TAX

Income tax comprised provision for current and deferred income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group. Despite higher loss before income tax, net tax expense was higher at US\$38.5 million in 1H2020 mainly due to higher deferred tax expenses recorded arising from the change in Indonesian income tax rate from 25% to 22%.

## REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2020

### ASSETS

The Group's total assets were lower at US\$8,481.9 million as at 30 June 2020 as compared to US\$8,779.3 million as at end 2019.

Total current assets decreased by US\$134.6 million to US\$2,828.4 million mainly due to lower inventory amount.

Total non-current assets decreased by US\$162.8 million to US\$5,653.5 million mainly due to lower book value of bearer plants, and property, plant and equipment due to depreciation expenses, as well as lower tax recoverable due to refund received during the current period.

### LIABILITIES

Total liabilities of the Group decreased marginally from US\$4,273.9 million as at end 2019 to US\$4,248.0 million as at 30 June 2020 mainly due to lower trade payables following settlement made during the current period.

## REVIEW OF CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2020

The Group recorded a higher net cash inflow for its operating activities (after payment of taxes and interest expenses) of US\$295.0 million in 1H2020 as compared to US\$209.6 million in the previous corresponding period. This was mainly due to lower working capital requirement for our downstream activities.

Net cash used in investing activities of US\$122.2 million was mainly related to capital expenditures on our property, plant and equipment, and bearer plants in line with the replanting activities.

Net cash used in financing activities of US\$101.8 million was mainly related to payments for dividends and share buy-back during the current period.

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

Not applicable.

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

The COVID-19 pandemic has created uncertainty and affected the global business sentiments and operating environment. Nonetheless, the outlook of CPO prices remains stable as production growth is expected to slow down given the industry replanting, drought conditions and lower fertiliser application by small players in 2019, while the demand for CPO is estimated to remain stable due to staple demand for food usage. The Group will continue to implement comprehensive measures to minimise the impact on our business operations and to optimise profit opportunities.

## 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 half year ended 30 June 2020 as the Company generally reviews its dividend distribution during the second half of the financial year.

## 13. Interested persons transactions disclosure

Name of interested person ("IP")	Nature of relationship	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 pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		1H2020	1H2020
		US\$	US\$
Asia Pulp & Paper Company Limited	#1	Nil	333,127
PT Asuransi Sinar Mas	#1	Nil	4,578,300
PT Bank Sinarmas Tbk	#1	Nil	18,918,548 *
PT Cakrawala Mega Indah	#1	Nil	4,995,243
PT Indah Kiat Pulp & Paper Tbk	#1	Nil	220,896
PT Rolimex Kimia Nusamas	#1	Nil	14,099,495
PT Roundhill Capital Indonesia	#1	Nil	8,817,078
PT Royal Oriental	#1	Nil	3,116,156
Sinarmas Land Limited	#1	Nil	356,724
<b>Total</b>		<b>Nil</b>	<b>55,435,567</b>

#### Notes:

#1 These IPs are regarded as associates of GAR's controlling shareholder under Chapter 9 of the Listing Manual on interested person transactions.

\* Principal amount of placements as at 30 June 2020 is approximately US\$11.59 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 half year ended 30 June 2020 unaudited financial results to be false or misleading.

On behalf of the board of directors

Franky Oesman Widjaja  
Director

Rafael Buhay Concepcion, Jr.  
Director

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

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

### BY ORDER OF THE BOARD

Rafael Buhay Concepcion, Jr.  
Director  
14 August 2020

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 14 August 2020 to the SGX