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First Quarter Financial Statement And Dividend Announcement

FINANCIAL HIGHLIGHTS

	1st Qtr 2017 <u>US\$'000</u>	1st Qtr 2016 <u>US\$'000</u>	Change %
Revenue	2,046,446	1,493,603	37.0
Gross Profit	290,937	262,368	10.9
EBITDA ¹	182,780	141,875	28.8
Underlying profit ²	83,598	49,309	69.5
Underlying profit per share (USD cents)	0.66	0.39	69.5
Net Profit attributable to owners of the Company	37,552	94,091	(60.1)

Notes:

- (1) Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net (loss)/gain from changes in fair value of biological assets and foreign exchange (loss)/gain.
- (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 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 2017**

	1st Qtr 2017 <u>US\$'000</u>	1st Qtr 2016 <u>US\$'000</u>	Change %
Revenue	2,046,446	1,493,603	37.0
Cost of sales	<u>(1,755,509)</u>	<u>(1,231,235)</u>	42.6
Gross profit	<u>290,937</u>	<u>262,368</u>	10.9
Operating expenses			
Selling expenses	(141,508)	(152,125)	(7.0)
General and administrative expenses	<u>(73,366)</u>	<u>(69,778)</u>	5.1
Total operating expenses	<u>(214,874)</u>	<u>(221,903)</u>	(3.2)
Operating profit	<u>76,063</u>	<u>40,465</u>	88.0
Other income/(expenses)			
Financial income	6,684	5,890	13.5
Financial expenses	(35,469)	(32,184)	10.2
Share of results of associated companies, net of tax	580	(26)	n.m.
Share of results of joint ventures, net of tax	1,609	3,527	(54.4)
Foreign exchange (loss)/gain	(1,155)	51,883	n.m.
Other operating income	5,489	9,557	(42.6)
	<u>(22,262)</u>	<u>38,647</u>	n.m.
Profit before tax	53,801	79,112	(32.0)
Tax	<u>(15,545)</u>	<u>14,488</u>	n.m.
Profit for the period	<u>38,256</u>	<u>93,600</u>	(59.1)
Attributable to:			
Owners of the Company	37,552	94,091	(60.1)
Non-controlling interests	<u>704</u>	<u>(491)</u>	n.m.
	<u>38,256</u>	<u>93,600</u>	(59.1)

Notes:

(1) n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2017**

	1st Qtr 2017 <u>US\$'000</u>	1st Qtr 2016 <u>US\$'000</u>
Profit for the period	<u>38,256</u>	<u>93,600</u>
Other comprehensive income/(loss):		
<u>Items that may be reclassified subsequently to profit or loss:</u>		
Foreign currency translation differences on consolidation	2,739	2,817
Share of other comprehensive income of a joint venture	453	1,055
Changes in fair value of cash flow hedges	(69)	742
Changes in fair value of available-for-sale financial assets	<u>(9,574)</u>	<u>(1,653)</u>
Other comprehensive (loss)/income, net of tax	<u>(6,451)</u>	<u>2,961</u>
Total comprehensive income for the period, net of tax	<u>31,805</u>	<u>96,561</u>
Total comprehensive income attributable to:		
Owners of the Company	31,036	97,017
Non-controlling interests	<u>769</u>	<u>(456)</u>
	<u>31,805</u>	<u>96,561</u>

ADDITIONAL INFORMATION

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

	1st Qtr 2017 <u>US\$'000</u>	1st Qtr 2016 <u>US\$'000</u>	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net (loss)/gain from changes in fair value of biological assets and foreign exchange (loss)/gain ("EBITDA")	182,780	141,875	28.8
Interest on borrowings	(35,164)	(31,417)	11.9
Depreciation and amortisation	(91,773)	(85,395)	7.5
Net (loss)/gain from changes in fair value of biological assets	(887)	2,166	n.m.
Foreign exchange (loss)/gain	<u>(1,155)</u>	<u>51,883</u>	n.m.
Profit before tax	<u>53,801</u>	<u>79,112</u>	(32.0)

Notes:

(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 31/3/2017 <u>US\$'000</u>	As at 31/12/2016 <u>US\$'000</u>	As at 31/3/2017 <u>US\$'000</u>	As at 31/12/2016 <u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	189,961	153,007	129	77
Short-term investments	203,683	201,972	-	-
Trade receivables	564,694	561,411	-	-
Other current assets (note (a))	929,177	892,529	54	19
Inventories	1,030,714	967,138	-	-
	<u>2,918,229</u>	<u>2,776,057</u>	<u>183</u>	<u>96</u>
Non-Current Assets				
Long-term receivables and assets (note (b))	258,922	253,008	-	-
Long-term investments	846,450	847,370	334,485	333,300
Subsidiary companies	-	-	2,038,893	2,040,149
Associated companies	10,744	10,158	-	-
Joint ventures	64,454	62,112	-	-
Investment properties	980	986	-	-
Property, plant and equipment	2,777,080	2,788,483	-	-
Bearer plants	1,063,136	1,101,374	-	-
Deferred tax assets	294,662	301,860	-	-
Intangible assets	165,890	165,007	-	-
	<u>5,482,318</u>	<u>5,530,358</u>	<u>2,373,378</u>	<u>2,373,449</u>
Total Assets	<u>8,400,547</u>	<u>8,306,415</u>	<u>2,373,561</u>	<u>2,373,545</u>

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at 31/3/2017 US\$'000	As at 31/12/2016 US\$'000	As at 31/3/2017 US\$'000	As at 31/12/2016 US\$'000
Liabilities and Equity				
Current Liabilities				
Short-term loans	858,444	1,112,377	-	-
Bonds and notes payable	665,671	661,379	-	-
Trade payables	689,751	575,940	-	-
Other payables (note (c))	425,528	348,945	30,618	30,594
Taxes payable	19,411	16,375	-	-
Obligations under finance lease	51	84	-	-
	<u>2,658,856</u>	<u>2,715,100</u>	<u>30,618</u>	<u>30,594</u>
Non-Current Liabilities				
Bonds and notes payable	425,134	420,158	-	-
Long-term borrowings	988,745	872,373	-	-
Deferred tax liabilities	111,068	117,627	-	-
Long-term payables and liabilities	88,988	85,206	-	-
	<u>1,613,935</u>	<u>1,495,364</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>4,272,791</u>	<u>4,210,464</u>	<u>30,618</u>	<u>30,594</u>
Equity Attributable to Owners of the Company				
Issued capital	320,939	320,939	320,939	320,939
Share premium	1,216,095	1,216,095	1,850,965	1,850,965
Treasury shares	(31,726)	(31,726)	(31,726)	(31,726)
Other paid-in capital	184,318	184,318	-	-
Other reserves				
Option reserve	31,471	31,471	31,471	31,471
Currency translation reserve	(9,782)	(12,909)	-	-
Fair value reserve	(4,755)	4,819	-	-
PRC statutory reserve	3,820	3,820	-	-
Hedging reserve	299	368	-	-
Other reserve	27,656	27,656	-	-
	48,709	55,225	31,471	31,471
Retained earnings	2,346,451	2,308,899	171,294	171,302
	<u>4,084,786</u>	<u>4,053,750</u>	<u>2,342,943</u>	<u>2,342,951</u>
Non-controlling Interests	42,970	42,201	-	-
Total Equity	<u>4,127,756</u>	<u>4,095,951</u>	<u>2,342,943</u>	<u>2,342,951</u>
Total Liabilities and Equity	<u>8,400,547</u>	<u>8,306,415</u>	<u>2,373,561</u>	<u>2,373,545</u>

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	Group		Company	
	As at	As at	As at	As at
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
Prepaid expenses	51,936	22,485	53	18
Prepaid taxes, net	149,425	211,711	-	-
Deposits and advances to suppliers	341,922	269,567	-	-
Biological assets	84,279	85,166	-	-
Derivative receivable	-	17,264	-	-
Others	89,628	88,022	1	1
	<u>717,190</u>	<u>694,215</u>	<u>54</u>	<u>19</u>
Receivable from joint ventures	211,944	198,272	-	-
Receivable from related parties	43	42	-	-
	<u>929,177</u>	<u>892,529</u>	<u>54</u>	<u>19</u>

(b) Long-Term Receivables and Assets

	Group		Company	
	As at	As at	As at	As at
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
Loan receivable from joint ventures	23,470	21,000	-	-
Tax recoverable	155,842	163,472	-	-
Advances for project plasma plantations	19,788	18,992	-	-
Advances for projects	24,443	21,802	-	-
Land clearing	1,709	1,968	-	-
Advances for investments in land	2,759	2,759	-	-
Others	30,911	23,015	-	-
	<u>258,922</u>	<u>253,008</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	Group		Company	
	As at	As at	As at	As at
	31/3/2017	31/12/2016	31/3/2017	31/12/2016
	US\$'000	US\$'000	US\$'000	US\$'000
Advances and deposits	121,910	87,577	-	-
Accrued expenses	70,665	55,381	281	280
Payable to third parties	198,430	176,053	-	-
Others	29,390	25,256	6	5
	<u>420,395</u>	<u>344,267</u>	<u>287</u>	<u>285</u>
Payable to related parties	5,133	4,678	30,331	30,309
	<u>425,528</u>	<u>348,945</u>	<u>30,618</u>	<u>30,594</u>

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

	As at 31/3/2017 US\$'000			As at 31/12/2016 US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	536,432	987,734	1,524,166	716,429	1,057,411	1,773,840
Amount repayable after one year	988,745	425,134	1,413,879	872,373	420,158	1,292,531
Total	1,525,177	1,412,868	2,938,045	1,588,802	1,477,569	3,066,371

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 THE PERIOD ENDED 31 MARCH 2017**

	1st Qtr 2017 US\$'000	1st Qtr 2016 US\$'000
Cash flows from operating activities		
Profit before tax	53,801	79,112
Adjustments for:		
Net loss/(gain) from changes in fair value of biological assets	887	(2,166)
Depreciation	91,172	84,913
Amortisation	601	482
Unrealised foreign exchange loss/(gain), net	6,092	(11,206)
Share of results of associated companies, net of tax	(580)	26
Share of results of joint ventures, net of tax	(1,609)	(3,527)
Loss/(Gain) on disposal of property, plant and equipment	75	(62)
Property, plant and equipment written off	120	279
Bearer plants written off	401	-
Allowance for impairment loss on:		
Trade receivables	-	45
Inventories, net	1,425	246
Changes in fair value of financial assets at fair value through profit or loss	463	(3,233)
Interest income	(6,684)	(5,890)
Interest expense	35,164	31,417
Operating cash flow before working capital changes	181,328	170,436
Changes in operating assets and liabilities:		
Trade receivables	(3,282)	51,048
Other current assets	(96,716)	(53,981)
Inventories	(65,005)	(38,941)
Trade payables	113,811	(63,207)
Other payables	66,947	36,325
Cash generated from operations	197,083	101,680
Interest received	3,393	3,395
Interest paid	(31,407)	(24,775)
Tax refund	63,248	8,503
Net cash generated from operating activities	232,317	88,803

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS (cont'd)
FOR THE PERIOD ENDED 31 MARCH 2017**

	1st Qtr 2017 <u>US\$'000</u>	1st Qtr 2016 <u>US\$'000</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	148	1,144
Proceeds from disposal of bearer plants	341	29
Capital expenditure on property, plant and equipment	(34,425)	(46,918)
Acquisition and capital expenditure on bearer plants	(2,945)	(1,612)
(Investments in)/Proceeds from financial assets, net	(10,828)	5,436
Additional investment in a joint venture	-	(500)
Investments in Plasma/KKPA Program plantations, net	(631)	(792)
Dividend received from a joint venture	-	1,000
Payments for deferred expenditure and intangible assets	(1,441)	(1,658)
Net (increase)/decrease in long-term receivables and assets	<u>(12,827)</u>	<u>838</u>
Net cash used in investing activities	<u>(62,608)</u>	<u>(43,033)</u>
Cash flows from financing activities		
Proceeds from short-term loans	531,810	356,772
Proceeds from long-term borrowings	160,000	264,597
Payments of short-term loans	(794,405)	(568,347)
Payments of long-term borrowings	(28,223)	(53,323)
Payments of notes payable	-	(80,645)
Payments of obligations under finance lease	(33)	(25)
Deferred loan charges and long-term bank loan administration costs	(1,904)	(3,113)
Decrease/(Increase) in cash in banks and time deposits pledged	<u>23,387</u>	<u>(24,773)</u>
Net cash used in financing activities	<u>(109,368)</u>	<u>(108,857)</u>
Net increase/(decrease) in cash and cash equivalents	60,341	(63,087)
Cash and cash equivalents at the beginning of the period	<u>122,690</u>	<u>226,888</u>
Cash and cash equivalents at the end of the period	<u>183,031</u>	<u>163,801</u>
(See Note below)		

Note:

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

	31/3/2017 <u>US\$'000</u>	31/3/2016 <u>US\$'000</u>
Time deposits, cash and bank balances	189,961	205,302
Less: Cash in banks and time deposits pledged	<u>(6,930)</u>	<u>(41,501)</u>
	<u>183,031</u>	<u>163,801</u>

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

The Group	←----- Attributable to Owners of the Company ----->						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
Balance at 1 Jan 2017	320,939	1,216,095	(31,726)	184,318	55,225	2,308,899	4,053,750	42,201	4,095,951
Profit for the period	-	-	-	-	-	37,552	37,552	704	38,256
Other comprehensive (loss)/income	-	-	-	-	(6,516)	-	(6,516)	65	(6,451)
Total comprehensive (loss)/income for the period	-	-	-	-	(6,516)	37,552	31,036	769	31,805
Balance as at 31 Mar 2017	320,939	1,216,095	(31,726)	184,318	48,709	2,346,451	4,084,786	42,970	4,127,756
Balance at 1 Jan 2016	320,939	1,216,095	(31,726)	184,318	63,486	1,956,742	3,709,854	39,544	3,749,398
Profit/(Loss) for the period	-	-	-	-	-	94,091	94,091	(491)	93,600
Other comprehensive income	-	-	-	-	2,926	-	2,926	35	2,961
Total comprehensive income/(loss) for the period	-	-	-	-	2,926	94,091	97,017	(456)	96,561
Balance at 31 Mar 2016	320,939	1,216,095	(31,726)	184,318	66,412	2,050,833	3,806,871	39,088	3,845,959

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

<u>The Company</u>	<u>Issued Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Treasury Shares</u> US\$'000	<u>Option Reserve</u> US\$'000	<u>Retained Earnings</u> US\$'000	<u>Total</u> US\$'000
Balance as at 1 Jan 2017	320,939	1,850,965	(31,726)	31,471	171,302	2,342,951
Loss for the period, representing total comprehensive loss for the period	-	-	-	-	(8)	(8)
Balance as at 31 Mar 2017	<u>320,939</u>	<u>1,850,965</u>	<u>(31,726)</u>	<u>31,471</u>	<u>171,294</u>	<u>2,342,943</u>
Balance as at 1 Jan 2016	320,939	1,850,965	(31,726)	31,471	218,159	2,389,808
Profit for the period, representing total comprehensive income for the period	-	-	-	-	640	640
Balance as at 31 Mar 2016	<u>320,939</u>	<u>1,850,965</u>	<u>(31,726)</u>	<u>31,471</u>	<u>218,799</u>	<u>2,390,448</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 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 2017	31 Mar 2016
Number of treasury shares	102,792,400	102,792,400
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 2016.

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 2017 and 31 December 2016 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 2016.

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 2016.

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 2017. 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 2016.

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 2017	1st Qtr 2016
Earnings per ordinary share for the period after deducting any provision for preference dividends:-		
(i) Based on weighted average number of shares	USD0.29cents	USD0.74cents
- Weighted average number of shares	12,734,756,156	12,734,756,156
(ii) On a fully diluted basis	Not applicable	Not applicable
- Weighted average number of shares	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 2017	As at 31 Dec 2016	As at 31 Mar 2017	As at 31 Dec 2016
Net asset value per ordinary share based on existing issued share capital of 12,734,756,156 shares	US\$0.32	US\$0.32	US\$0.18	US\$0.18

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 Qtr 2017 <u>US\$'000</u>	1st Qtr 2016 <u>US\$'000</u>	Change %
Revenue by segment			
Plantations and palm oil mills	475,247	303,802	56.4
Palm and laurics	1,854,675	1,261,978	47.0
Oilseeds	187,286	175,569	6.7
Others	45,658	46,090	(0.9)
Inter-segment eliminations	<u>(516,420)</u>	<u>(293,836)</u>	75.8
Total Revenue	<u>2,046,446</u>	<u>1,493,603</u>	37.0
EBITDA by segment			
Plantations and palm oil mills	140,715	76,183	84.7
Palm and laurics	38,994	62,096	(37.2)
Oilseeds	2,321	4,070	(43.0)
Others	603	700	(13.9)
Inter-segment eliminations	<u>147</u>	<u>(1,174)</u>	n.m.
Total EBITDA	<u>182,780</u>	<u>141,875</u>	28.8

Notes:

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

REVIEW OF PERFORMANCE FOR THREE MONTHS ENDED 31 MARCH 2017

The Group recorded a 37.0% increase in revenue to US\$2,046.4 million and a 28.8% increase in EBITDA to US\$182.8 million for the 3-month period ended 31 March 2017 ("1Q2017"). This was mainly driven by higher average crude palm oil ("CPO") price and the recovery in palm production.

PLANTATIONS AND PALM OIL MILLS

Revenue from our plantations and palm oil mills segment increased by 56.4% to US\$475.2 million primarily due to increases in average CPO price and production yield during the current period. The average international CPO price (FOB Belawan) for the current period was US\$734 per tonne as compared to US\$596 per tonne in the previous corresponding period in 2016 ("1Q2016").

Our production continues to improve following the easing of the impact of severe El Nino weather condition in 2015. Fresh fruit bunch ("FFB") and total palm product output for the current period were higher at 2,449,000 tonnes and 696,000 tonnes, respectively as compared to 1,870,000 tonnes and 554,000 tonnes, respectively in 1Q2016. Consequently, EBITDA from our plantations and palm oil mills segment increased by 84.7% to US\$140.7 million in 1Q2017.

PALM AND LAURICS

Revenue from our palm and laurics segment increased by 47.0% to US\$1,854.7 million in 1Q2017 mainly attributable to higher sales volume and higher average net realised prices. EBITDA from the palm and laurics segment decreased to US\$39.0 million in the current period mainly attributable to the lower margin.

OILSEEDS

Revenue from our oilseeds segment increased by 6.7% to US\$187.3 million in 1Q2017 mainly due to higher average net realised prices. EBITDA decreased slightly to US\$2.3 million in 1Q2017 due to lower margin.

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\$26.3 million in 1Q2016 to US\$28.8 million in the current period in line with higher average borrowings.

FOREIGN EXCHANGE (LOSS)/GAIN

The Group recorded a net foreign exchange loss of US\$1.2 million in 1Q2017 as compared to net gain of US\$51.9 million in 1Q2016. The net foreign exchange gain in 1Q2016 was mainly due to translation gain on Indonesian Rupiah ("IDR") denominated monetary assets as IDR strengthened significantly against USD during the previous period, as well as fair value gain on forward foreign currency contracts entered to hedge the currency exposure of Malaysian Ringgit ("MYR") and IDR.

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 a net loss from changes in fair value of biological assets of US\$0.9 million in 1Q2017 as compared to a gain of US\$2.2 million in 1Q2016. Consequently, net other operating income decreased from US\$9.6 million in 1Q2016 to US\$5.5 million in the current period.

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.

The Group recorded a net tax expense of US\$15.5 million in 1Q2017 in view of the taxable profit recorded during the current period. The net tax credit of US\$14.5 million in 1Q2016 was mainly due to recognition of deferred income tax assets as the Group revalued some of its plantation assets in Indonesia.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2017

ASSETS

The Group's total assets increased from US\$8,306.4 million as at 31 December 2016 to US\$8,400.5 million as at 31 March 2017. This increase was mainly attributable to higher inventories and higher cash and cash equivalents in line with better operating results.

Inventories increased by US\$63.6 million to US\$1,030.7 million mainly attributable to higher inventories level for our downstream operations in China.

LIABILITIES

Total liabilities of the Group increased by US\$62.3 million to US\$4,272.8 million as at 31 March 2017. This was mainly attributable to higher trade and other payables, partially offset by lower total borrowings following repayments made during the current period.

Trade payables increased by US\$113.8 million mainly due to higher purchases of soybean and fertiliser.

Other payables increased by US\$76.6 million to US\$425.5 million mainly due to increase in advances and deposits received, higher accrued operating expenses and other non-trade payables.

REVIEW OF CASH FLOWS FOR THREE MONTHS ENDED 31 MARCH 2017

Net cash flow generated from operating activities (after payment of taxes and interest expenses) in 1Q2017 was higher at US\$232.3 million as compared to US\$88.8 million in 1Q2016 in line with improved operating profit during the current period.

Net cash used in investing activities of US\$62.6 million was mainly related to capital expenditures on our property, plant and equipment.

Net cash used in financing activities of US\$109.4 million was mainly related to repayments of borrowings, net of proceeds from new drawdown.

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 the prices of CPO and competing seed oils, fluctuating foreign currency exchange rates and weather conditions. Nonetheless, the palm oil industry is expected to benefit from the increasing demand particularly the domestic consumption growth through the implementation of the biodiesel policy in Indonesia. The Group will continue to optimise margins through further streamlining of its vertically integrated operations, as well as to improve its yield and cost efficiency.

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 2017.

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)
	1Q2017	1Q2017
	US\$	US\$
PT Asuransi Sinar Mas	Nil	2,818,330
PT Bank Sinarmas Tbk*	Nil	4,176,927
PT Cakrawala Mega Indah	Nil	7,474,634
PT Rolimex Kimia Nusamas	15,000,000	1,967,251
PT Royal Oriental	Nil	187,825
PT Roundhill Capital Indonesia	Nil	1,743,813
PT Sinar Jati Mitra	Nil	527,679
Total	15,000,000	18,896,459

Note:

* Principal amount as at 31 March 2017 is approximately US\$3.88 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 2017 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
15 May 2017

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 15 May 2017 to the SGX