



# FIRST RESOURCES LIMITED

## Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2015

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

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

	Group					
	FY 2015	FY 2014	Change	4Q 2015	4Q 2014	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Sales	453,674	615,524	(26.3%)	130,858	176,672	(25.9%)
Cost of sales	(202,428)	(292,125)	(30.7%)	(68,112)	(74,679)	(8.8%)
<b>Gross profit</b>	<b>251,246</b>	<b>323,399</b>	<b>(22.3%)</b>	<b>62,746</b>	<b>101,993</b>	<b>(38.5%)</b>
(Losses)/gains arising from changes in fair value of biological assets	(2,534)	1,940	n.m.	(2,534)	1,940	n.m.
Selling and distribution costs	(31,160)	(24,310)	28.2%	(12,698)	(6,079)	108.9%
General and administrative expenses	(29,885)	(28,339)	5.5%	(7,741)	(8,546)	(9.4%)
Other operating expenses	(1,536)	(1,697)	(9.5%)	(373)	(420)	(11.2%)
<b>Profit from operations</b>	<b>186,131</b>	<b>270,993</b>	<b>(31.3%)</b>	<b>39,400</b>	<b>88,888</b>	<b>(55.7%)</b>
(Losses)/gains on foreign exchange	(1,718)	(118)	1,355.9%	3,932	1,001	292.8%
Gains/(losses) on derivative financial instruments	79	(2,777)	n.m.	79	189	(58.2%)
Net financial expenses	(21,700)	(15,020)	44.5%	(6,023)	(4,249)	41.8%
Other non-operating expenses	(1,649)	(1,133)	45.5%	(746)	(579)	28.8%
<b>Profit before tax</b>	<b>161,143</b>	<b>251,945</b>	<b>(36.0%)</b>	<b>36,642</b>	<b>85,250</b>	<b>(57.0%)</b>
Tax expense	(49,252)	(71,154)	(30.8%)	(15,926)	(24,067)	(33.8%)
<b>Profit for the year/period</b>	<b>111,891</b>	<b>180,791</b>	<b>(38.1%)</b>	<b>20,716</b>	<b>61,183</b>	<b>(66.1%)</b>
<b>Profit attributable to:</b>						
Owners of the Company	107,902	173,409	(37.8%)	19,826	59,184	(66.5%)
Non-controlling interests	3,989	7,382	(46.0%)	890	1,999	(55.5%)
	<b>111,891</b>	<b>180,791</b>	<b>(38.1%)</b>	<b>20,716</b>	<b>61,183</b>	<b>(66.1%)</b>

n.m. – not meaningful

**1(a) An income statement and statement of comprehensive income (continued)**

	Group					
	FY 2015	FY 2014	Change	4Q 2015	4Q 2014	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
<b>Profit for the year/period</b>	111,891	180,791	(38.1%)	20,716	61,183	(66.1%)
<b>Other comprehensive income:</b>						
<b>Items that will not be reclassified subsequently to profit or loss</b>						
Remeasurement gains on defined benefits plan	1,924	1,125	71.0%	1,924	1,125	71.0%
Income tax effect	(481)	(235)	104.7%	(481)	(235)	104.7%
	1,443	890	62.1%	1,443	890	62.1%
<b>Items that may be reclassified subsequently to profit or loss</b>						
Fair value (losses)/gains on cash flow hedges	(107,672)	(39,788)	170.6%	18,448	(48,546)	n.m.
Fair value losses/(gains) on cash flow hedges transferred to the income statement	105,882	34,710	205.0%	(16,281)	38,807	n.m.
Foreign currency translation	(146,579)	(44,909)	226.4%	84,527	(26,979)	n.m.
Income tax effect	7,226	1,300	455.8%	(4,859)	1,180	n.m.
	(141,143)	(48,687)	189.9%	81,835	(35,538)	n.m.
Other comprehensive income for the year/period, net of tax	(139,700)	(47,797)	192.3%	83,278	(34,648)	n.m.
<b>Total comprehensive income for the year/period</b>	<b>(27,809)</b>	<b>132,994</b>	<b>n.m.</b>	<b>103,994</b>	<b>26,535</b>	<b>291.9%</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(26,454)	126,808	n.m.	100,466	25,421	295.2%
Non-controlling interests	(1,355)	6,186	n.m.	3,528	1,114	216.7%
	<b>(27,809)</b>	<b>132,994</b>	<b>n.m.</b>	<b>103,994</b>	<b>26,535</b>	<b>291.9%</b>

n.m. – not meaningful

## 1(a) An income statement and statement of comprehensive income (continued)

### Additional Information

	Group					
	FY 2015	FY 2014	Change	4Q 2015	4Q 2014	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
<b>EBITDA</b>						
Profit from operations	186,131	270,993	(31.3%)	39,400	88,888	(55.7%)
Depreciation and amortisation	30,450	30,695	(0.8%)	7,439	7,690	(3.3%)
Losses/(gains) arising from changes in fair value of biological assets	2,534	(1,940)	n.m.	2,534	(1,940)	n.m.
<b>EBITDA</b>	<b>219,115</b>	<b>299,748</b>	<b>(26.9%)</b>	<b>49,373</b>	<b>94,638</b>	<b>(47.8%)</b>
EBITDA margin	48.3%	48.7%		37.7%	53.6%	

	Group					
	FY 2015	FY 2014	Change	4Q 2015	4Q 2014	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
<b>Underlying Net Profit</b>						
Profit for the year/period	111,891	180,791	(38.1%)	20,716	61,183	(66.1%)
Losses/(gains) arising from changes in fair value of biological assets	2,534	(1,940)	n.m.	2,534	(1,940)	n.m.
Tax on (losses)/gains arising from changes in fair value of biological assets	(634)	485	n.m.	(634)	485	n.m.
<b>Underlying net profit for the year/period</b>	<b>113,791</b>	<b>179,336</b>	<b>(36.5%)</b>	<b>22,616</b>	<b>59,728</b>	<b>(62.1%)</b>
<b>Underlying net profit attributable to:</b>						
Owners of the Company	109,347	171,640	(36.3%)	21,271	57,415	(63.0%)
Non-controlling interests	4,444	7,696	(42.3%)	1,345	2,313	(41.9%)
	<b>113,791</b>	<b>179,336</b>	<b>(36.5%)</b>	<b>22,616</b>	<b>59,728</b>	<b>(62.1%)</b>

**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**

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Biological assets	969,196	961,083	-	-
Plasma plantation receivables	59,832	59,206	-	-
Property, plant and equipment	325,111	338,415	7,978	9,296
Land use rights	40,153	46,139	-	-
Investment in subsidiaries	-	-	523,527	452,291
Goodwill	85,041	60,994	-	-
Other intangible assets	22,301	24,932	171	323
Tax recoverable	37,626	13,431	-	-
Deferred tax assets	26,409	16,652	-	-
Loans to subsidiaries	-	-	-	440,881
Other non-current assets	941	2,094	-	-
<b>Total non-current assets</b>	<b>1,566,610</b>	<b>1,522,946</b>	<b>531,676</b>	<b>902,791</b>
<b>Current assets</b>				
Inventories	67,903	48,563	-	-
Loan to subsidiary	-	-	-	934
Trade receivables	29,317	29,769	2,839	1,743
Other receivables	10,502	9,312	4,717	7,401
Derivative financial assets	79	-	-	-
Advances for purchase of plant, property and equipment	3,353	4,235	-	-
Other advances and prepayments	4,108	2,188	315	60
Prepaid taxes	39,660	29,926	-	-
Restricted cash balances	143,491	59,460	142,757	58,438
Cash and cash equivalents (Note A)	61,925	291,456	373,022	86,013
<b>Total current assets</b>	<b>360,338</b>	<b>474,909</b>	<b>523,650</b>	<b>154,589</b>
<b>Total assets</b>	<b>1,926,948</b>	<b>1,997,855</b>	<b>1,055,326</b>	<b>1,057,380</b>

Note A:

As at 31 December 2015, the Group has cash at bank amounting to US\$425.5 million (2014: nil) which have been netted against bank overdrafts as the Group has the legal rights to set off the cash at bank against the overdrafts, which are with the same bank.

**1(b)(i) A statement of financial position (continued)**

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	24,965	20,075	16	188
Other payables and accruals	25,763	36,884	8,405	10,228
Advances from customers	232	2,071	-	-
Loans and borrowings from financial institutions	28,667	10,946	-	-
Provision for tax	11,718	18,315	164	43
<b>Total current liabilities</b>	<b>91,345</b>	<b>88,291</b>	<b>8,585</b>	<b>10,459</b>
<b>Non-current liabilities</b>				
Loans and borrowings from financial institutions	2,038	2,740	-	-
Islamic medium term notes	464,344	569,433	464,344	569,433
Derivative financial liabilities	199,955	91,198	199,955	91,198
Provision for post-employment benefits	13,649	13,413	-	-
Deferred tax liabilities	110,201	117,030	349	985
<b>Total non-current liabilities</b>	<b>790,187</b>	<b>793,814</b>	<b>664,648</b>	<b>661,616</b>
<b>Total liabilities</b>	<b>881,532</b>	<b>882,105</b>	<b>673,233</b>	<b>672,075</b>
<b>Net assets</b>	<b>1,045,416</b>	<b>1,115,750</b>	<b>382,093</b>	<b>385,305</b>
<b>EQUITY</b>				
Share capital	394,913	394,913	394,913	394,913
Differences arising from restructuring transactions involving entities under common control	35,016	35,016	-	-
Other reserves	(532,116)	(396,366)	(14,513)	(12,723)
Retained earnings	1,097,570	1,029,626	1,693	3,115
<b>Equity attributable to owners of the Company</b>	<b>995,383</b>	<b>1,063,189</b>	<b>382,093</b>	<b>385,305</b>
Non-controlling interests	50,033	52,561	-	-
<b>Total equity</b>	<b>1,045,416</b>	<b>1,115,750</b>	<b>382,093</b>	<b>385,305</b>

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

- amount repayable in one year or less, or on demand
- amount repayable after one year

	Group					
	As at 31 Dec 2015			As at 31 Dec 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Amount repayable in one year or less, or on demand	23,167	5,500	28,667	10,946	-	10,946
Amount repayable after one year	2,038	464,344	466,382	2,740	569,433	572,173
<b>Total</b>	<b>25,205</b>	<b>469,844</b>	<b>495,049</b>	<b>13,686</b>	<b>569,433</b>	<b>583,119</b>

#### Details of any collateral

The secured borrowings are collateralised by certain of the Group's biological assets, land use rights, property, plant and equipment.

As at 31 December 2015, the Group has bank loans and bank deposits amounting to US\$200.0 million (2014: US\$100.0 million) respectively, which have been netted against each other as the Group has the legal rights to set off the deposits against the loans. Both the loans and deposits have the same maturity terms of less than one year from the end of the reporting period and are with the same bank.

**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**

	Group			
	FY 2015	FY 2014	4Q 2015	4Q 2014
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from operating activities</b>				
Profit before tax	161,143	251,945	36,642	85,250
Adjustments for:				
Depreciation of property, plant and equipment	28,554	28,612	6,978	7,160
Amortisation of land use rights and intangible assets	1,896	2,083	461	530
Gains on disposal of property, plant and equipment	(184)	(151)	(85)	(92)
Financial expenses	25,266	20,124	6,912	5,800
Interest income	(3,566)	(5,104)	(889)	(1,551)
(Gains)/losses on derivative financial instruments	(79)	2,777	(79)	(189)
Losses/(gains) arising from changes in fair value of biological assets	2,534	(1,940)	2,534	(1,940)
<b>Operating cash flows before changes in working capital</b>	<b>215,564</b>	<b>298,346</b>	<b>52,474</b>	<b>94,968</b>
Changes in working capital:				
Inventories	(25,391)	9,695	20,247	21,982
Trade receivables	(66)	5,129	(12,021)	(869)
Other receivables	(1,924)	(2,022)	1,021	5,025
Advances and prepayments	(2,182)	1,076	(462)	633
Other non-current assets	975	(142)	803	(47)
Trade payables	6,884	(4,141)	(11,086)	(14,719)
Other payables and accruals	(15,424)	1,339	(4,616)	1,973
Advances from customers	(1,684)	773	(1,401)	(1,385)
Provision for post-employment benefits	3,188	3,308	2,081	2,222
Unrealised translation differences	1,667	69	(3,175)	2,068
<b>Cash flows generated from operations</b>	<b>181,607</b>	<b>313,430</b>	<b>43,865</b>	<b>111,851</b>
Financial expenses paid	(24,409)	(18,514)	(8,784)	(5,668)
Interest income received	3,358	4,668	395	922
Tax paid	(89,728)	(76,689)	(37,080)	(19,522)
<b>Net cash generated from/(used in) operating activities</b>	<b>70,828</b>	<b>222,895</b>	<b>(1,604)</b>	<b>87,583</b>

**1(c) Statement of cash flows (continued)**

	Group			
	FY 2015	FY 2014	4Q 2015	4Q 2014
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Cash flows from investing activities</b>				
Capital expenditure on biological assets	(73,452)	(132,778)	(15,691)	(45,103)
Capital expenditure on property, plant and equipment	(43,330)	(71,445)	(11,070)	(18,466)
Decrease in advances for purchase of property, plant and equipment	485	1,377	1,011	1,584
Increase in plasma plantation receivables	(847)	(9,825)	(1,032)	(5,745)
Acquisition of land use rights	(38)	(1,924)	-	(40)
Acquisition of other intangible assets	(137)	(164)	-	-
Proceeds from disposal of property, plant and equipment	368	228	87	33
Net cash outflow on acquisition of subsidiaries	(71,706)	-	(82)	-
<b>Net cash used in investing activities</b>	<b>(188,657)</b>	<b>(214,531)</b>	<b>(26,777)</b>	<b>(67,737)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank loans	27,537	8,419	6,957	8,419
Repayment of bank loans	(7,467)	-	(18,632)	-
Proceeds from issuance of Islamic medium term notes, net	-	122,299	-	122,299
Payment of obligations under finance leases	(3,047)	(3,541)	(705)	(835)
(Increase)/decrease in restricted cash balances	(84,031)	(26,785)	18,067	(37,329)
Dividends paid	(42,525)	(57,633)	-	-
Proceeds from equity contribution by non-controlling interests	-	264	-	264
<b>Net cash (used in)/ generated from financing activities</b>	<b>(109,533)</b>	<b>43,023</b>	<b>5,687</b>	<b>92,818</b>
Net (decrease)/increase in cash and cash equivalents	(227,362)	51,387	(22,694)	112,664
Effect of exchange rate changes on cash and cash equivalents	(2,169)	592	982	(1,840)
Cash and cash equivalents, at the beginning of the financial year/period	291,456	239,477	83,637	180,632
<b>Cash and cash equivalents, at the end of the financial period (Note B)</b>	<b>61,925</b>	<b>291,456</b>	<b>61,925</b>	<b>291,456</b>
<u>Note B</u>				
Reconciliation of cash and cash equivalents:				
Cash at banks and on hand	61,737	119,458	61,737	119,458
Time deposits	188	171,998	188	171,998
<b>Cash and cash equivalents</b>	<b>61,925</b>	<b>291,456</b>	<b>61,925</b>	<b>291,456</b>
Restricted cash balances	143,491	59,460	143,491	59,460
<b>Cash and bank balances</b>	<b>205,416</b>	<b>350,916</b>	<b>205,416</b>	<b>350,916</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**

Group	----- Attributable to owners of the Company -----					Non-controlling interests	Total equity
	Share capital	Differences arising from restructuring transactions involving entities under common control	Other reserves	Retained earnings	Equity attributable to owners of the Company		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
At 1 Jan 2015	394,913	35,016	(396,366)	1,029,626	1,063,189	52,561	1,115,750
Profit for the year	-	-	-	107,902	107,902	3,989	111,891
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	1,394	1,394	49	1,443
Net change in fair value of cash flow hedges	-	-	(1,790)	-	(1,790)	-	(1,790)
Foreign currency translation	-	-	(133,960)	-	(133,960)	(5,393)	(139,353)
Other comprehensive income for the year, net of tax	-	-	(135,750)	1,394	(134,356)	(5,344)	(139,700)
Total comprehensive income for the year	-	-	(135,750)	109,296	(26,454)	(1,355)	(27,809)
<u>Distributions to owners</u>							
Dividends paid	-	-	-	(41,352)	(41,352)	(1,173)	(42,525)
Total transactions with owners in their capacity as owners	-	-	-	(41,352)	(41,352)	(1,173)	(42,525)
<b>At 31 Dec 2015</b>	<b>394,913</b>	<b>35,016</b>	<b>(532,116)</b>	<b>1,097,570</b>	<b>995,383</b>	<b>50,033</b>	<b>1,045,416</b>
At 1 Jan 2014	394,913	35,016	(348,922)	912,472	993,479	46,646	1,040,125
Profit for the year	-	-	-	173,409	173,409	7,382	180,791
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	843	843	47	890
Net change in fair value of cash flow hedges	-	-	(5,078)	-	(5,078)	-	(5,078)
Foreign currency translation	-	-	(42,366)	-	(42,366)	(1,243)	(43,609)
Other comprehensive income for the year, net of tax	-	-	(47,444)	843	(46,601)	(1,196)	(47,797)
Total comprehensive income for the year	-	-	(47,444)	174,252	126,808	6,186	132,994
<u>Distributions to owners</u>							
Dividends paid	-	-	-	(57,098)	(57,098)	(535)	(57,633)
<u>Changes in ownership interests in subsidiaries</u>							
Equity contribution by non-controlling interests	-	-	-	-	-	264	264
Total transactions with owners in their capacity as owners	-	-	-	(57,098)	(57,098)	(271)	(57,369)
<b>At 31 Dec 2014</b>	<b>394,913</b>	<b>35,016</b>	<b>(396,366)</b>	<b>1,029,626</b>	<b>1,063,189</b>	<b>52,561</b>	<b>1,115,750</b>

## 1(d)(i) Statement of changes in equity (continued)

Group	----- Attributable to owners of the Company -----					Non-controlling interests	Total equity
	Share capital	Differences arising from restructuring transactions involving entities under common control	Other reserves	Retained earnings	Equity attributable to owners of the Company		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
At 1 Oct 2015	394,913	35,016	(611,362)	1,076,350	894,917	46,505	941,422
Profit for the period	-	-	-	19,826	19,826	890	20,716
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	1,394	1,394	49	1,443
Net change in fair value of cash flow hedges	-	-	2,203	-	2,203	-	2,203
Foreign currency translation	-	-	77,043	-	77,043	2,589	79,632
Other comprehensive income for the period, net of tax	-	-	79,246	1,394	80,640	2,638	83,278
Total comprehensive income for the period	-	-	79,246	21,220	100,466	3,528	103,994
<b>At 31 Dec 2015</b>	<b>394,913</b>	<b>35,016</b>	<b>(532,116)</b>	<b>1,097,570</b>	<b>995,383</b>	<b>50,033</b>	<b>1,045,416</b>
At 1 Oct 2014	394,913	35,016	(361,760)	969,599	1,037,768	51,183	1,088,951
Profit for the period	-	-	-	59,184	59,184	1,999	61,183
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	843	843	47	890
Net change in fair value of cash flow hedges	-	-	(9,739)	-	(9,739)	-	(9,739)
Foreign currency translation	-	-	(24,867)	-	(24,867)	(932)	(25,799)
Other comprehensive income for the period, net of tax	-	-	(34,606)	843	(33,763)	(885)	(34,648)
Total comprehensive income for the period	-	-	(34,606)	60,027	25,421	1,114	26,535
<u>Changes in ownership interests in subsidiaries</u>							
Equity contribution by non-controlling interests	-	-	-	-	-	264	264
Total transactions with owners in their capacity as owners	-	-	-	-	-	264	264
<b>At 31 Dec 2014</b>	<b>394,913</b>	<b>35,016</b>	<b>(396,366)</b>	<b>1,029,626</b>	<b>1,063,189</b>	<b>52,561</b>	<b>1,115,750</b>

### 1(d)(i) Statement of changes in equity (continued)

Company	Share capital	Other reserves	Retained earnings	Total equity
	US\$'000	US\$'000	US\$'000	US\$'000
At 1 Jan 2015	394,913	(12,723)	3,115	385,305
Profit for the year	-	-	39,930	39,930
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(1,790)	-	(1,790)
Total comprehensive income for the year	-	(1,790)	39,930	38,140
<u>Distributions to owners</u>				
Dividends paid	-	-	(41,352)	(41,352)
Total transactions with owners in their capacity as owners	-	-	(41,352)	(41,352)
<b>At 31 Dec 2015</b>	<b>394,913</b>	<b>(14,513)</b>	<b>1,693</b>	<b>382,093</b>
At 1 Jan 2014	394,913	(7,645)	12,052	399,320
Profit for the year	-	-	48,161	48,161
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(5,078)	-	(5,078)
Total comprehensive income for the year	-	(5,078)	48,161	43,083
<u>Distributions to owners</u>				
Dividends paid	-	-	(57,098)	(57,098)
Total transactions with owners in their capacity as owners	-	-	(57,098)	(57,098)
<b>At 31 Dec 2014</b>	<b>394,913</b>	<b>(12,723)</b>	<b>3,115</b>	<b>385,305</b>
At 1 Oct 2015	394,913	(17,034)	2,309	380,188
Profit for the period	-	-	(616)	(616)
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	2,521	-	2,521
Total comprehensive income for the period	-	2,521	(616)	1,905
<b>At 31 Dec 2015</b>	<b>394,913</b>	<b>(14,513)</b>	<b>1,693</b>	<b>382,093</b>
At 1 Oct 2014	394,913	(2,984)	4,491	396,420
Profit for the period	-	-	(1,376)	(1,376)
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(9,739)	-	(9,739)
Total comprehensive income for the period	-	(9,739)	(1,376)	(11,115)
<b>At 31 Dec 2014</b>	<b>394,913</b>	<b>(12,723)</b>	<b>3,115</b>	<b>385,305</b>

**1(d)(i) Statement of changes in equity (continued)****Other Reserves**

	Group		Company	
	As at		As at	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	-	-
Revaluation reserve	279	279	-	-
Gain on sale of treasury shares	10,322	10,322	10,322	10,322
Hedging reserve	(25,228)	(23,438)	(25,228)	(23,438)
Foreign translation reserve	(488,393)	(354,433)	393	393
Total other reserves	(532,116)	(396,366)	(14,513)	(12,723)

**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**

There were no changes to the Company's issued and paid up share capital in the three months ended 31 December 2015.

	Company	
	31 Dec 2015	31 Dec 2014
Number of issued shares excluding treasury shares	1,584,072,969	1,584,072,969

The Company did not hold any treasury shares and there were no shares that may be issued upon conversion of any outstanding convertibles as at 31 December 2015 and 31 December 2014.

**1(d)(iii) To show the total 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 Company's total number of issued shares excluding treasury shares as at 31 December 2015 and 31 December 2014 were 1,584,072,969.

**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**

Not applicable.

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

The financial statements presented above have not been audited or reviewed by the Company's auditor.

**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**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2014 except for the new and revised standards that are effective for annual periods beginning on or after 1 January 2015. The adoption of these standards has no significant impact to the Group.

**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**

Please refer to item 4 above.

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

	Group			
	FY 2015	FY 2014	4Q 2015	4Q 2014
Weighted average number of shares applicable to basic EPS computation	1,584,072,969	1,584,072,969	1,584,072,969	1,584,072,969
Weighted average number of shares based on fully diluted basis	1,584,072,969	1,584,072,969	1,584,072,969	1,584,072,969
EPS - basic (US cents)	6.81	10.95	1.25	3.74
EPS - diluted (US cents)	6.81	10.95	1.25	3.74

**7. Net asset value (for the issuer and group) per ordinary share based on the total number of 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**

	Group		Company	
	31 Dec 2015	31 Dec 2014	31 Dec 2015	31 Dec 2014
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.63	0.67	0.24	0.24

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- 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; and
  - any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

## **REVIEW OF GROUP FINANCIAL PERFORMANCE BY BUSINESS SEGMENT**

### **SALES VOLUME**

	FY 2015	FY 2014	Change	4Q 2015	4Q 2014	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	669,435	658,803	1.6%	188,286	176,847	6.5%
- Palm kernel	159,610	142,594	11.9%	48,032	44,180	8.7%
Refinery and Processing	509,229	564,435	(9.8%)	206,504	154,327	33.8%

*Note: Sales volume include inter-segment sales*

### **SALES**

	FY 2015	FY 2014	Change	4Q 2015	4Q 2014	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	362,379	450,894	(19.6%)	87,319	114,058	(23.4%)
- Palm kernel	52,770	59,560	(11.4%)	13,109	15,203	(13.8%)
- Fresh fruit bunches	6,351	5,403	17.5%	1,440	1,490	(3.4%)
	421,500	515,857	(18.3%)	101,868	130,751	(22.1%)
Refinery and Processing	289,184	406,228	(28.8%)	105,065	100,464	4.6%
Inter-segment elimination	(257,010)	(306,561)	(16.2%)	(76,075)	(54,543)	39.5%
<b>Total Sales</b>	<b>453,674</b>	<b>615,524</b>	<b>(26.3%)</b>	<b>130,858</b>	<b>176,672</b>	<b>(25.9%)</b>

### **EBITDA**

	FY 2015	FY 2014	Change	4Q 2015	4Q 2014	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	206,348	266,480	(22.6%)	43,105	77,737	(44.6%)
Refinery and Processing	14,598	32,688	(55.3%)	(2,046)	5,234	n.m.
Inter-segment elimination	(1,831)	580	n.m.	8,314	11,667	(28.7%)
<b>Total EBITDA</b>	<b>219,115</b>	<b>299,748</b>	<b>(26.9%)</b>	<b>49,373</b>	<b>94,638</b>	<b>(47.8%)</b>

n.m. – not meaningful

## 8. Review of Group Performance (continued)

### **REVIEW OF INCOME STATEMENT**

#### **Overview**

The Group recorded a net profit of US\$107.9 million in FY2015, down 37.8% against FY2014 and a 31.3% decrease in profit from operations to US\$186.1 million. For 4Q2015, net profit decreased by 66.5% to US\$19.8 million while profit from operations declined by 55.7% to US\$39.4 million. Excluding the effect of the (losses)/gains arising from changes in fair value of biological assets, the underlying net profit for the Group would have declined by 36.3% and 63.0% for FY2015 and 4Q2015 respectively. The declines in underlying net profit were mainly due to the effects of lower palm oil prices.

#### **Sales**

Sales decreased by 26.3% to US\$453.7 million in FY2015, primarily due to the lower average selling prices of palm based products and lower sales volumes from the Refinery and Processing segment. For 4Q2015, sales decreased by 25.9% to US\$130.9 million, mainly due to the lower average selling prices of palm based products, partially offset by higher sales volumes from the Refinery and Processing segment.

#### **Cost of Sales**

Cost of sales comprises mainly harvesting costs, plantation maintenance costs, plantation general expenses and processing costs, as well as fresh fruit bunches ("FFB") and other palm oil products purchased from plasma farmers or third parties. The Group's cost of sales decreased by 30.7% to US\$202.4 million in FY2015 and 8.8% to US\$68.1 million in 4Q2015, mainly due to the lower purchases of FFB and palm oil products from third parties.

#### **Gross Profit**

Gross profit decreased by 22.3% to US\$251.2 million in FY2015 and 38.5% to US\$62.7 million in 4Q2015, mainly due to the lower average selling prices.

Gross profit margin came in at 55.4% in FY2015 as compared to 52.5% in the corresponding period last year, mainly due to the reduction in purchases of palm oil products from third parties. For 4Q2015, gross profit margin was at 47.9% as compared to 57.7% in 4Q2014, mainly due to the lower average selling prices.

#### **(Losses)/gains arising from changes in fair value of biological assets**

The Group recognised losses arising from changes in fair value of biological assets amounting to US\$2.5 million in FY2015 and 4Q2015, as compared to gains of US\$1.9 million in the corresponding period last year. The fair value of biological assets is determined based on the present value of their expected net cash inflows. The fair value losses recorded in 2015 was mainly resulting from the effect of a lower CPO price assumption used in the valuation, in line with the international CPO price movements.

#### **Selling and Distribution costs**

Selling and distribution expenses, comprising mainly freight charges and export taxes, totaled US\$31.2 million in FY2015 (FY2014: US\$24.3 million) and US\$12.7 million in 4Q2015 (4Q2014: US\$6.1 million). These increases were mainly due to the higher export taxes incurred in 2015 from the imposition of the new palm oil export levy starting July 2015.

#### **EBITDA**

The Group's EBITDA came in at US\$219.1 million in FY2015, a decrease of 26.9% as compared to FY2014. In 4Q2015, EBITDA fell by 47.8% to US\$49.4 million as compared to the corresponding period last year. The declines in EBITDA were mainly due to the lower average selling prices of palm based products.

## 8. Review of Group Performance (continued)

### **REVIEW OF INCOME STATEMENT (continued)**

#### **(Losses)/Gains on Foreign Exchange**

The Group recorded losses on foreign exchange of US\$1.7 million in FY2015 (FY2014: US\$0.1 million) and gains of US\$3.9 million in 4Q2015 (4Q2014: US\$1.0 million). The (losses)/gains on foreign exchange arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

#### **Gains/(Losses) on Derivative Financial Instruments**

The Group recorded gains on derivative financial instruments of US\$0.1 million in FY2015 (FY2014: losses of US\$2.8 million) and 4Q2015 (4Q2014: gains of US\$0.2 million). These arose primarily from financial instruments entered into by the Group to hedge its exposure to commodity price movements during the course of its business.

#### **Net Financial Expenses**

Net financial expenses comprise interest expenses after deducting interest income. Net financial expenses amounted to US\$21.7 million in FY2015, up 44.5% as compared to the corresponding period last year. In 4Q2015, net financial expenses amounted to US\$6.0 million, an increase of 41.8% from 4Q2014. These increases were mainly due to the higher financial expenses from the fourth issuance of Islamic medium term notes during 4Q2014 as well as the lower interest income earned on cash and bank balances.

The following table reflects the computation of net financial expenses:

	<b>FY 2015</b>	<b>FY 2014</b>	<b>4Q 2015</b>	<b>4Q 2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Interest expenses and amortisation on loans and borrowings from financial institutions	1,292	338	869	134
Profit distribution and amortisation on Islamic medium term notes	23,974	19,786	6,043	5,666
	<b>25,266</b>	<b>20,124</b>	<b>6,912</b>	<b>5,800</b>
Interest income	(3,566)	(5,104)	(889)	(1,551)
<b>Net financial expenses</b>	<b>21,700</b>	<b>15,020</b>	<b>6,023</b>	<b>4,249</b>

#### **Tax Expense and Net Profit**

Tax expenses came in at US\$49.3 million in FY2015 (FY2014: US\$71.2 million) and US\$15.9 million in 4Q2015 (4Q2014: US\$24.1 million), which included the impact of withholding tax expense on income received from foreign subsidiaries.

As a result of the foregoing, profit attributable to owners of the Company decreased by 37.8% to US\$107.9 million in FY2015 and 66.5% to US\$19.8 million in 4Q2015.



## 8. Review of Group Performance (continued)

### **REVIEW OF BALANCE SHEET**

Total assets of the Group decreased from US\$1,997.9 million as at 31 December 2014 to US\$1,926.9 million as at 31 December 2015. Non-current assets increased by US\$43.7 million to US\$1,566.6 million, mainly due to the Group's capital expenditure on biological assets and property, plant and equipment. This was partially offset by the weakening of Indonesian Rupiah against United States Dollar ("USD") during 2015. The Group's current assets decreased by US\$114.6 million to US\$360.3 million, mainly contributed by the reduction in cash and bank balances, partially offset by the higher inventories from build-up in palm based products inventory volume.

Total liabilities of the Group decreased marginally from US\$882.1 million as at 31 December 2014 to US\$881.5 million as at 31 December 2015.

Gross borrowings decreased by 15.1% to US\$495.0 million as at 31 December 2015 (31 December 2014: US\$583.1 million), mainly due to the foreign currency revaluation of the Ringgit-denominated Islamic medium term notes ("IMTN"). The reduction in carrying value of the IMTN is broadly offset by the change in fair value of the cross currency swaps entered into with financial institutions to swap the Ringgit-denominated IMTN indebtedness effectively into USD liabilities.

Taking into consideration the reduction in cash and bank balances during the period, net borrowings increased from US\$232.2 million as at 31 December 2014 to US\$289.6 million as at 31 December 2015, with net gearing remaining at a healthy level of 0.28x (31 December 2014: 0.21x).

### **REVIEW OF CASH FLOW STATEMENT**

The Group generated net cash of US\$70.8 million from its operating activities in FY2015 as compared to US\$222.9 million in FY2014. In 4Q2015, net cash used in operating activities amounted to US\$1.6 million as compared to net cash generated from operating activities of US\$87.6 million in 4Q2014. The declines in cash flows from operating activities were mainly due to the lower average selling prices of palm based products.

Net cash used in investing activities amounted to US\$188.7 million in FY2015 (FY2014: US\$214.5 million) and US\$26.8 million in 4Q2015 (4Q2014: US\$67.7 million), primarily relating to the Group's continued capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment. In addition, the cash used in investing activities in FY2015 also included US\$71.7 million of net cash outflow on acquisition of subsidiaries.

Net cash used in financing activities in FY2015 amounted to US\$109.5 million as compared to net cash generated from financing activities of US\$43.0 million in FY2014. For 4Q2015, net cash generated from financing activities amounted to US\$5.7 million as compared to US\$92.8 million in 4Q2014. The higher cash generated from financing activities in FY2014 and 4Q2014 included US\$122.3 million of net proceeds received from the fourth issuance of IMTN in 4Q2014, while the cash used in financing activities in FY2015 included an increase in restricted cash balances of US\$84.0 million (FY2014: US\$26.8 million).

Overall, the Group registered a decrease in cash and cash equivalents of US\$227.4 million in FY2015, bringing the Group's cash and bank balances to US\$205.4 million as at 31 December 2015.

**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**

Weakness in prices of crude oil and price pressures from other edible oils have impacted palm oil prices. However, prices have started to recover on supply disruption concerns brought about by the prolonged dry weather experienced in 2015, which is expected to constrain industry-wide production in 2016. The fundamentals of the palm oil industry remains favourable, underpinned by supportive demand from the Indonesian biodiesel mandate and continued consumption growth from emerging markets.

On the production front, the Group expects its production in 2016 to be impacted by the lagged effects of the dry weather in 2015. The Group will continue to focus on strengthening its operational efficiencies and keeping costs low.

**11. Dividends**

**(a) Current financial period reported on**

**Any dividend declared for the current financial period reported on?**

Yes.

<b>Name of Dividend</b>	Interim dividend	Proposed final dividend
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Amount per Share</b>	1.25 Singapore cents	1.25 Singapore cents
<b>Tax Rate</b>	Tax-exempt, one-tier	Tax-exempt, one-tier

**(b) Corresponding period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

Yes.

<b>Name of Dividend</b>	Interim dividend	Final dividend
<b>Dividend Type</b>	Cash	Cash
<b>Dividend Amount per Share</b>	1.25 Singapore cents	2.30 Singapore cents
<b>Tax Rate</b>	Tax-exempt, one-tier	Tax-exempt, one-tier

**(c) Date payable**

Payment of the proposed final dividend, if approved by the members at the Annual General Meeting to be held on 27 April 2016, will be made on 19 May 2016.

**11. Dividends (continued)**

**(d) Books closure date**

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 10 May 2016 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 9 May 2016 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 9 May 2016 will be entitled to the proposed final dividend.

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

Not applicable.

**13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect**

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

**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**

	<b>Plantations and Palm Oil Mills</b>	<b>Refinery and Processing</b>	<b>Elimination</b>	<b>Total</b>
<b>FY 2015</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Sales:</b>				
External customers	164,490	289,184	-	453,674
Inter-segment	257,010	-	(257,010)	-
<b>Total sales</b>	<b>421,500</b>	<b>289,184</b>	<b>(257,010)</b>	<b>453,674</b>
<b>Results:</b>				
<b>EBITDA</b>	<b>206,348</b>	<b>14,598</b>	<b>(1,831)</b>	<b>219,115</b>
Depreciation and amortisation	(22,289)	(8,161)	-	(30,450)
Losses arising from changes in fair value of biological assets	(2,534)	-	-	(2,534)
<b>Profit from operations</b>	<b>181,525</b>	<b>6,437</b>	<b>(1,831)</b>	<b>186,131</b>
Losses on foreign exchange				(1,718)
Gains on derivative financial instruments				79
Net financial expenses				(21,700)
Other non-operating expenses				(1,649)
<b>Profit before tax</b>				<b>161,143</b>

14. **Segmented revenue and results for business or geographical segments (continued)**

	Plantations and Palm Oil Mills	Refinery and Processing	Elimination	Total
FY 2014	US\$'000	US\$'000	US\$'000	US\$'000
<b>Sales:</b>				
External customers	209,296	406,228	-	615,524
Inter-segment	306,561	-	(306,561)	-
<b>Total sales</b>	<b>515,857</b>	<b>406,228</b>	<b>(306,561)</b>	<b>615,524</b>
<b>Results:</b>				
<b>EBITDA</b>	<b>266,480</b>	<b>32,688</b>	<b>580</b>	<b>299,748</b>
Depreciation and amortisation	(23,630)	(7,065)	-	(30,695)
Gains arising from changes in fair value of biological assets	1,940	-	-	1,940
<b>Profit from operations</b>	<b>244,790</b>	<b>25,623</b>	<b>580</b>	<b>270,993</b>
Losses on foreign exchange				(118)
Losses on derivative financial instruments				(2,777)
Net financial expenses				(15,020)
Other non-operating expenses				(1,133)
<b>Profit before tax</b>				<b>251,945</b>

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**

	Group		
	FY 2015	FY 2014	Change
	US\$'000	US\$'000	%
Sales reported for first half year	215,066	290,089	(25.9%)
Profit after tax before deducting non-controlling interests reported for first half year	58,091	73,962	(21.5%)
Sales reported for second half year	238,608	325,435	(26.7%)
Profit after tax before deducting non-controlling interests reported for second half year	53,800	106,829	(49.6%)

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

	FY 2015		FY 2014	
	S\$'000	US\$'000 equivalent	S\$'000	US\$'000 equivalent
Ordinary – Interim (paid)	19,801	14,014	19,801	15,850
Ordinary – Final (paid)	-	-	36,434	27,338
Ordinary – Final (proposed)	19,801	13,999*	-	-
<b>Total</b>	<b>39,602</b>	<b>28,013</b>	<b>56,235</b>	<b>43,188</b>

\* based on SGD/USD exchange rate of 1.4145

18. **Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement**

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Ciliandra Fangiono	39	Brother of Fang Zhixiang (Director and Deputy Chief Executive Officer)	Director and Chief Executive Officer since 2007 - Responsible for overall management and strategic initiatives of the Group	No change
Fang Zhixiang	38	Brother of Ciliandra Fangiono (Director and Chief Executive Officer)	Deputy Chief Executive Officer since 2007 - Responsible for the Group's daily operations, including new plantations development Director since 2014	No change

**BY ORDER OF THE BOARD**

**Ciliandra Fangiono**  
Director and Chief Executive Officer  
25 February 2016