



FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2016

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 2016	FY 2015 (Restated)	Change	4Q 2016	4Q 2015 (Restated)	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Sales	575,234	453,674	26.8%	175,224	130,858	33.9%
Cost of sales	(307,971)	(221,961)	38.8%	(79,677)	(73,411)	8.5%
Gross profit	267,263	231,713	15.3%	95,547	57,447	66.3%
Gains arising from changes in fair value of biological assets	13,184	689	1813.5%	13,184	689	1813.5%
Selling and distribution costs	(41,747)	(31,160)	34.0%	(11,837)	(12,698)	(6.8%)
General and administrative expenses	(29,436)	(29,885)	(1.5%)	(8,886)	(7,741)	14.8%
Other operating expenses	(1,559)	(1,536)	1.5%	(361)	(373)	(3.2%)
Profit from operations	207,705	169,821	22.3%	87,647	37,324	134.8%
Gains/(losses) on foreign exchange	208	(1,718)	n.m.	197	3,932	(95.0%)
Gains/(losses) on derivative financial instruments	289	79	265.8%	(787)	79	n.m.
Net financial expenses	(24,345)	(21,700)	12.2%	(5,810)	(6,023)	(3.5%)
Other non-operating (expenses)/ income	(785)	(1,649)	(52.4%)	177	(746)	n.m.
Profit before tax	183,072	144,833	26.4%	81,424	34,566	135.6%
Tax expense	(51,279)	(45,175)	13.5%	(20,692)	(15,408)	34.3%
Profit for the year/period	131,793	99,658	32.2%	60,732	19,158	217.0%
Profit attributable to:						
Owners of the Company	125,373	95,653	31.1%	58,028	17,929	223.7%
Non-controlling interests	6,420	4,005	60.3%	2,704	1,229	120.0%
	131,793	99,658	32.2%	60,732	19,158	217.0%

n.m. – not meaningful

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

	Group					
	FY 2016	FY 2015 (Restated)	Change	4Q 2016	4Q 2015 (Restated)	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Profit for the year/period	131,793	99,658	32.2%	60,732	19,158	217.0%
Other comprehensive income:						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement (losses)/gains on defined benefits plan	(12)	1,924	n.m.	(12)	1,924	n.m.
Income tax effect	22	(481)	n.m.	22	(481)	n.m.
	10	1,443	(99.3%)	10	1,443	(99.3%)
Items that may be reclassified subsequently to profit or loss						
Fair value (losses)/gains on cash flow hedges	(8,360)	(107,672)	(92.2%)	(28,517)	18,448	n.m.
Fair value losses/(gains) on cash flow hedges transferred to the income statement	21,866	105,882	(79.3%)	37,236	(16,281)	n.m.
Foreign currency translation adjustments	31,629	(117,993)	n.m.	(44,985)	68,630	n.m.
Income tax effect	(2,456)	7,226	n.m.	2,777	(4,859)	n.m.
	42,679	(112,557)	n.m.	(33,489)	65,938	n.m.
Other comprehensive income for the year/period, net of tax	42,689	(111,114)	n.m.	(33,479)	67,381	n.m.
Total comprehensive income for the year/period	174,482	(11,456)	n.m.	27,253	86,539	(68.5%)
Total comprehensive income attributable to:						
Owners of the Company	166,915	(11,395)	n.m.	26,388	83,392	(68.4%)
Non-controlling interests	7,567	(61)	n.m.	865	3,147	(72.5%)
	174,482	(11,456)	n.m.	27,253	86,539	(68.5%)

n.m. – not meaningful

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

Additional Information

	Group					
	FY 2016	FY 2015 (Restated)	Change	4Q 2016	4Q 2015 (Restated)	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
EBITDA						
Profit from operations	207,705	169,821	22.3%	87,647	37,324	134.8%
Depreciation and amortisation	56,824	49,983	13.7%	16,928	12,738	32.9%
Gains arising from changes in fair value of biological assets	(13,184)	(689)	1813.5%	(13,184)	(689)	1813.5%
EBITDA	251,345	219,115	14.7%	91,391	49,373	85.1%
EBITDA margin	43.7%	48.3%		52.2%	37.7%	

	Group					
	FY 2016	FY 2015 (Restated)	Change	4Q 2016	4Q 2015 (Restated)	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Underlying Net Profit						
Profit for the year/period	131,793	99,658	32.2%	60,732	19,158	217.0%
Gains arising from changes in fair value of biological assets	(9,887)	(517)	1812.4%	(9,887)	(517)	1812.4%
Underlying net profit for the year/period	121,906	99,141	23.0%	50,845	18,641	172.8%
Underlying net profit attributable to:						
Owners of the Company	115,486	95,135	21.4%	48,141	17,411	176.5%
Non-controlling interests	6,420	4,006	60.3%	2,704	1,230	119.8%
	121,906	99,141	23.0%	50,845	18,641	172.8%

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 2016	31 Dec 2015 (Restated)	1 Jan 2015 (Restated)	31 Dec 2016	31 Dec 2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Bearer plants	623,176	599,264	569,157	-	-
Plasma plantation receivables	80,159	59,832	59,206	-	-
Property, plant and equipment	328,618	325,111	338,415	6,758	7,978
Land use rights	40,584	40,153	46,139	-	-
Investment in subsidiaries	-	-	-	523,527	523,527
Goodwill	87,313	85,041	60,994	-	-
Other intangible assets	22,564	22,301	24,932	15	171
Tax recoverable	40,586	37,626	13,431	-	-
Deferred tax assets	41,207	26,409	16,652	19	-
Other non-current assets	432	941	2,094	-	-
Total non-current assets	1,264,639	1,196,678	1,131,020	530,319	531,676
Current assets					
Biological assets	24,556	11,199	11,678	-	-
Inventories	78,203	67,903	48,563	-	-
Trade receivables	23,613	29,317	29,769	-	2,839
Other receivables	11,986	10,502	9,312	1,869	4,717
Derivative financial assets	1,933	79	-	-	-
Advances for purchase of plant, property and equipment	9,662	3,353	4,235	-	-
Other advances and prepayments	3,130	4,108	2,188	379	315
Prepaid taxes	23,584	39,660	29,926	-	-
Restricted cash balances	150,312	143,491	59,460	149,367	142,757
Cash and cash equivalents (Note A)	107,933	61,925	291,456	377,504	373,022
Total current assets	434,912	371,537	486,587	529,119	523,650
Total assets	1,699,551	1,568,215	1,617,607	1,059,438	1,055,326

Note A:

As at 31 December 2016, the Group has cash at bank amounting to US\$516.9 million (31 December 2015: US\$425.5 million) 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 2016	31 Dec 2015 (Restated)	1 Jan 2015 (Restated)	31 Dec 2016	31 Dec 2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
LIABILITIES					
Current liabilities					
Trade payables	26,056	24,965	20,075	60	16
Other payables and accruals	30,912	25,763	36,884	8,634	8,405
Advances from customers	660	232	2,071	-	-
Loans and borrowings from financial institutions	1,672	28,667	10,946	-	-
Islamic medium term notes	222,542	-	-	222,542	-
Derivative financial liabilities	101,329	-	-	99,294	-
Provision for tax	18,122	11,718	18,315	499	164
Total current liabilities	401,293	91,345	88,291	331,029	8,585
Non-current liabilities					
Loans and borrowings from financial institutions	1,346	2,038	2,740	-	-
Islamic medium term notes	222,291	464,344	569,433	222,291	464,344
Derivative financial liabilities	109,430	199,955	91,198	109,430	199,955
Provision for post-employment benefits	16,537	13,649	13,413	-	-
Deferred tax liabilities	22,471	22,493	24,160	-	349
Total non-current liabilities	372,075	702,479	700,944	331,721	664,648
Total liabilities	773,368	793,824	789,235	662,750	673,233
Net assets	926,183	774,391	828,372	396,688	382,093
EQUITY					
Share capital	394,913	394,913	394,913	394,913	394,913
Differences arising from restructuring transactions involving entities under common control	35,016	35,016	35,016	-	-
Other reserves	(382,271)	(423,798)	(315,356)	(2,595)	(14,513)
Retained earnings	833,515	729,940	674,245	4,370	1,693
Equity attributable to owners of the Company	881,173	736,071	788,818	396,688	382,093
Non-controlling interests	45,010	38,320	39,554	-	-
Total equity	926,183	774,391	828,372	396,688	382,093

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 2016			As at 31 Dec 2015		
	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	1,672	222,542	224,214	23,167	5,500	28,667
Amount repayable after one year	1,346	222,291	223,637	2,038	464,344	466,382
Total	3,018	444,833	447,851	25,205	469,844	495,049

Details of any collateral

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

As at 31 December 2016, the Group has bank loans and bank deposits amounting to US\$300.0 million (31 December 2015: US\$200.0 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.

Subsequent to 31 December 2016, the Group has obtained committed unsecured credit facilities of US\$200.0 million, which may be utilised for the refinancing of the Islamic medium term notes due on 31 July 2017 and 8 December 2017 as well as the Group's general corporate purposes.

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 2016	FY 2015 (Restated)	4Q 2016	4Q 2015 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before tax	183,072	144,833	81,424	34,566
Adjustments for:				
Depreciation of bearer plants and property, plant and equipment	54,958	48,087	16,488	12,277
Amortisation of land use rights and intangible assets	1,866	1,896	440	461
Gains on disposal of bearer plants and property, plant and equipment	(1,211)	(184)	(1,035)	(85)
Financial expenses	25,868	25,266	6,427	6,912
Interest income	(1,523)	(3,566)	(617)	(889)
(Gains)/losses on derivative financial instruments	(289)	(79)	787	(79)
Gains arising from changes in fair value of biological assets	(13,184)	(689)	(13,184)	(689)
Operating cash flows before changes in working capital	249,557	215,564	90,730	52,474
Changes in working capital:				
Inventories	(8,390)	(25,391)	(6,669)	20,247
Receivables and other assets	10,719	(18,086)	7,127	(16,261)
Payables and other liabilities	10,094	(7,036)	(8,788)	(15,022)
Unrealised translation differences	(609)	1,667	(250)	(3,175)
Cash flows generated from operations	261,371	166,718	82,150	38,263
Financial expenses paid	(27,079)	(24,409)	(9,159)	(8,784)
Interest income received	1,458	3,358	595	395
Tax paid	(49,134)	(74,839)	(12,870)	(31,478)
Net cash generated from/(used in) operating activities	186,616	70,828	60,716	(1,604)

1(c) Statement of cash flows (continued)

	Group			
	FY 2016	FY 2015 (Restated)	4Q 2016	4Q 2015 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from investing activities				
Capital expenditure on bearer plants	(44,070)	(73,452)	(10,115)	(15,691)
Capital expenditure on property, plant and equipment	(28,094)	(43,330)	(9,056)	(11,070)
(Increase)/decrease in advances for purchase of property, plant and equipment	(6,280)	485	(2,394)	1,011
(Increase)/decrease in plasma plantation receivables	(3,380)	(847)	1,516	(1,032)
Acquisition of land use rights	(893)	(38)	(217)	-
Acquisition of other intangible assets	(28)	(137)	-	-
Proceeds from disposal of bearer plants and property, plant and equipment	1,729	368	1,482	87
Net cash outflow on acquisition of subsidiaries	-	(71,706)	-	(82)
Net cash used in investing activities	(81,016)	(188,657)	(18,784)	(26,777)
Cash flows from financing activities				
Proceeds from bank loans	-	27,537	-	-
Repayment of bank loans	(27,677)	(7,467)	-	(11,675)
Payment of obligations under finance leases	(2,576)	(3,047)	(631)	(705)
(Increase)/decrease in restricted cash balances	(6,821)	(84,031)	(22,189)	18,067
Dividends paid	(22,690)	(42,525)	(191)	-
Net cash (used in)/generated from financing activities	(59,764)	(109,533)	(23,011)	5,687
Net increase/(decrease) in cash and cash equivalents	45,836	(227,362)	18,921	(22,694)
Effect of exchange rate changes on cash and cash equivalents	172	(2,169)	(464)	982
Cash and cash equivalents, at the beginning of the financial year/period	61,925	291,456	89,476	83,637
Cash and cash equivalents, at the end of the financial period (Note B)	107,933	61,925	107,933	61,925
<u>Note B</u>				
Reconciliation of cash and cash equivalents:				
Cash at banks and on hand	91,023	61,737	91,023	61,737
Time deposits	16,910	188	16,910	188
Cash and cash equivalents	107,933	61,925	107,933	61,925
Restricted cash balances	150,312	143,491	150,312	143,491
Cash and bank balances	258,245	205,416	258,245	205,416

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 2016 (As previously reported)	394,913	35,016	(532,116)	1,097,570	995,383	50,033	1,045,416
Cumulative effect of adopting amendments to FRS 16 and FRS 41	-	-	108,318	(367,630)	(259,312)	(11,713)	(271,025)
At 1 Jan 2016 (As restated)	394,913	35,016	(423,798)	729,940	736,071	38,320	774,391
Profit for the year	-	-	-	125,373	125,373	6,420	131,793
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	15	15	(5)	10
Net change in fair value of cash flow hedges	-	-	13,344	-	13,344	-	13,344
Foreign currency translation	-	-	28,183	-	28,183	1,152	29,335
Other comprehensive income for the year, net of tax	-	-	41,527	15	41,542	1,147	42,689
Total comprehensive income for the year	-	-	41,527	125,388	166,915	7,567	174,482
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(21,813)	(21,813)	(877)	(22,690)
At 31 December 2016	394,913	35,016	(382,271)	833,515	881,173	45,010	926,183
At 1 Jan 2015 (As previously reported)	394,913	35,016	(396,366)	1,029,626	1,063,189	52,561	1,115,750
Cumulative effect of adopting amendments to FRS 16 and FRS 41	-	-	81,010	(355,381)	(274,371)	(13,007)	(287,378)
At 1 Jan 2015 (As restated)	394,913	35,016	(315,356)	674,245	788,818	39,554	828,372
Profit for the year	-	-	-	95,653	95,653	4,005	99,658
<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	-	-	(106,652)	-	(106,652)	(4,115)	(110,767)
Other comprehensive income for the year, net of tax	-	-	(108,442)	1,394	(107,048)	(4,066)	(111,114)
Total comprehensive income for the year	-	-	(108,442)	97,047	(11,395)	(61)	(11,456)
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(41,352)	(41,352)	(1,173)	(42,525)
At 31 December 2015	394,913	35,016	(423,798)	729,940	736,071	38,320	774,391

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 October 2016	394,913	35,016	(350,616)	775,472	854,785	44,336	899,121
Profit for the period	-	-	-	58,028	58,028	2,704	60,732
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	15	15	(5)	10
Net change in fair value of cash flow hedges	-	-	8,708	-	8,708	-	8,708
Foreign currency translation	-	-	(40,363)	-	(40,363)	(1,834)	(42,197)
Other comprehensive income for the period, net of tax	-	-	(31,655)	15	(31,640)	(1,839)	(33,479)
Total comprehensive income for the period	-	-	(31,655)	58,043	26,388	865	27,253
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	-	-	(191)	(191)
At 31 December 2016	394,913	35,016	(382,271)	833,515	881,173	45,010	926,183
At 1 October 2015 (As previously reported)	394,913	35,016	(611,362)	1,076,350	894,917	46,505	941,422
Cumulative effect of adopting amendments to FRS 16 and FRS 41	-	-	123,495	(365,733)	(242,238)	(11,332)	(253,570)
At 1 October 2015 (As restated)	394,913	35,016	(487,867)	710,617	652,679	35,173	687,852
Profit for the period	-	-	-	17,929	17,929	1,229	19,158
<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	-	-	61,866	-	61,866	1,869	63,735
Other comprehensive income for the period, net of tax	-	-	64,069	1,394	65,463	1,918	67,381
Total comprehensive income for the period	-	-	64,069	19,323	83,392	3,147	86,539
At 31 December 2015	394,913	35,016	(423,798)	729,940	736,071	38,320	774,391

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 2016	394,913	(14,513)	1,693	382,093
Profit for the year	-	-	24,490	24,490
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	11,918	-	11,918
Total comprehensive income for the year	-	11,918	24,490	36,408
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(21,813)	(21,813)
At 31 Dec 2016	394,913	(2,595)	4,370	396,688
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>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(41,352)	(41,352)
At 31 Dec 2015	394,913	(14,513)	1,693	382,093
At 1 Oct 2016	394,913	(11,228)	563	384,248
Profit for the period	-	-	3,807	3,807
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	8,633	-	8,633
Total comprehensive income for the period	-	8,633	3,807	12,440
At 31 Dec 2016	394,913	(2,595)	4,370	396,688
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
At 31 Dec 2015	394,913	(14,513)	1,693	382,093

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

Other Reserves

	Group		
	As at		
	31 Dec 2016	31 Dec 2015 (Restated)	1 Jan 2015 (Restated)
	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	(29,096)
Revaluation reserve	279	279	279
Gain on sale of treasury shares	10,322	10,322	10,322
Hedging reserve	(11,884)	(25,228)	(23,438)
Foreign translation reserve	(351,892)	(380,075)	(273,423)
Total other reserves	(382,271)	(423,798)	(315,356)

	Company	
	As at	
	31 Dec 2016	31 Dec 2015
	US\$'000	US\$'000
Gain on sale of treasury shares	10,322	10,322
Hedging reserve	(13,310)	(25,228)
Foreign translation reserve	393	393
Total other reserves	(2,595)	(14,513)

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 2016.

	Company	
	31 Dec 2016	31 Dec 2015
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 2016 and 31 December 2015.

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 2016 and 31 December 2015 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 2015 except for the new and revised standards that are effective for annual periods beginning on or after 1 January 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 the amendments to FRS 16 and FRS 41 with effect from 1 January 2016. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, bearer plants will be measured under FRS 16 at accumulated cost (before maturity) using the cost model (after maturity). The amendments also require that agricultural produce growing on bearer plants will remain within the scope of FRS 41 to be measured at fair value less costs to sell. We have applied these amendments retrospectively.

Based on the adoption of these amendments on 1 January 2016, the Group's total assets and deferred tax liabilities decreased by US\$358.7 million and US\$87.8 million respectively, with a corresponding decrease to total equity of US\$271.0 million.

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 2016	FY 2015 (Restated)	4Q 2016	4Q 2015 (Restated)
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)	7.91	6.04	3.66	1.13
EPS - diluted (US cents)	7.91	6.04	3.66	1.13

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 2016	31 Dec 2015 (Restated)	31 Dec 2016	31 Dec 2015
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.56	0.46	0.25	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:-**
- (a) **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**
- (b) **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 2016	FY 2015	Change	4Q 2016	4Q 2015	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	660,994	669,435	(1.3%)	212,074	188,286	12.6%
- Palm kernel	151,300	159,610	(5.2%)	49,569	48,032	3.2%
Refinery and Processing	792,415	509,229	55.6%	230,693	206,504	11.7%

Note: Sales volume include inter-segment sales

SALES

	FY 2016	FY 2015	Change	4Q 2016	4Q 2015	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	388,349	362,379	7.2%	133,440	87,319	52.8%
- Palm kernel	74,564	52,770	41.3%	27,297	13,109	108.2%
- Fresh fruit bunches	10,998	6,351	73.2%	3,276	1,440	127.5%
	473,911	421,500	12.4%	164,013	101,868	61.0%
Refinery and Processing	498,413	289,184	72.4%	156,946	105,065	49.4%
Inter-segment elimination	(397,090)	(257,010)	54.5%	(145,735)	(76,075)	91.6%
Total Sales	575,234	453,674	26.8%	175,224	130,858	33.9%

8. Review of Group Performance (continued)

REVIEW OF GROUP FINANCIAL PERFORMANCE BY BUSINESS SEGMENT (continued)

EBITDA

	FY 2016	FY 2015	Change	4Q 2016	4Q 2015	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	256,850	206,348	24.5%	106,370	43,105	146.8%
Refinery and Processing	(1,336)	14,598	n.m.	(8,106)	(2,046)	296.2%
Inter-segment elimination	(4,169)	(1,831)	127.7%	(6,873)	8,314	n.m.
Total EBITDA	251,345	219,115	14.7%	91,391	49,373	85.1%

n.m. – not meaningful

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US\$125.4 million in FY2016, up 31.1% against FY2015 and a 22.3% increase in profit from operations to US\$207.7 million, mainly due to the higher average selling prices, partially offset by the decline in production volumes and yields.

For 4Q2016, net profit came in at US\$58.0 million (4Q2015: US\$17.9 million), while profit from operations increased to US\$87.6 million (4Q2015: US\$37.3 million), boosted by the stronger average selling prices.

Excluding the effect of the gains arising from changes in fair value of biological assets, the underlying net profit for the Group would have increased by 21.4% and 176.5% for FY2016 and 4Q2016 respectively.

Sales

Sales increased by 26.8% to US\$575.2 million in FY2016, mainly due to higher sales volumes from the Refinery and Processing segment as well as higher average selling prices. For 4Q2016, sales grew by 33.9% to US\$175.2 million, driven by the higher average selling prices.

Cost of Sales

Cost of sales comprise mainly harvesting costs, plantation maintenance costs, plantation general expenses and processing costs, as well as purchases of fresh fruit bunches ("FFB") and other palm oil products from third parties, including plasma farmers. The Group's cost of sales increased by 38.8% to US\$308.0 million in FY2016 and 8.5% to US\$79.7 million in 4Q2016, mainly due to the increased purchases of FFB and other palm oil products from third parties.

Gross Profit

Gross profit grew by 15.3% to US\$267.3 million in FY2016 and 66.3% to US\$95.5 million in 4Q2016, mainly driven by the stronger average selling prices.

Gross profit margin came in at 46.5% in FY2016 as compared to 51.1% in the corresponding period last year, mainly due to the increased purchases from third parties, which typically results in a lower margin contribution. For 4Q2016, the Group recorded gross profit margin of 54.5% as compared to 43.9% in 4Q2015, mainly contributed by the higher average selling prices.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

Gains arising from changes in fair value of biological assets

The Group recognised gains arising from changes in fair value of biological assets amounting to US\$13.2 million in FY2016 and 4Q2016, as compared to US\$0.7 million in the corresponding periods last year. The fair value of biological assets is determined based on the expected net cash inflows of the agricultural produce growing on bearer plants. The higher fair value gains recognised in 2016 was mainly due to the higher FFB price and projected harvest quantities used in the valuation as compared to the previous year.

Selling and Distribution costs

Selling and distribution expenses, comprising mainly export taxes and freight charges, amounted to US\$41.7 million in FY2016 (FY2015: US\$31.2 million) and US\$11.8 million in 4Q2016 (4Q2015: US\$12.7 million). The increase in FY2016 was mainly due to the higher export taxes incurred from the imposition of the palm oil export levy since July 2015.

General and Administrative expenses

General and administrative expenses amounted to US\$29.4 million in FY2016 (FY2015: US\$29.9 million). For 4Q2016, general and administrative expenses increased by 14.8% to US\$8.9 million, mainly due to higher accruals for employee related costs.

EBITDA

The Group's EBITDA grew by 14.7% to US\$251.3 million in FY2016 and 85.1% to US\$91.4 million in 4Q2016, mainly contributed by the higher average selling prices.

Depreciation and Amortisation

Depreciation and amortisation increased by 13.7% to US\$56.8 million in FY2016 and 32.9% to US\$16.9 million in 4Q2016, largely due to the higher depreciation from the Group's increased mature plantation hectarage, CPO mills and other property, plant and equipment.

Gains/(Losses) on Foreign Exchange

The Group recorded gains on foreign exchange of US\$0.2 million in FY2016 (FY2015: losses of US\$1.7 million) and gains of US\$0.2 million in 4Q2016 (4Q2015: gains of US\$3.9 million). The gains/(losses) 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\$0.3 million in FY2016 (FY2015: gains of US\$0.1 million) and losses of US\$0.8 million in 4Q2016 (4Q2015: gains of US\$0.1 million). These arose primarily from financial instruments entered into by the Group to hedge its exposure to commodity price and foreign currency 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\$24.3 million in FY2016 (FY2015: US\$21.7 million) and US\$5.8 million in 4Q2016 (4Q2015: US\$6.0 million). The higher net financial expenses as compared to the corresponding periods last year were mainly due to the increase in interest expenses from working capital loans as well as the lower interest income earned on cash and bank balances.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

Net Financial Expenses (continue)

The following table reflects the computation of net financial expenses:

	FY 2016	FY 2015	4Q 2016	4Q 2015
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses and amortisation on loans and borrowings from financial institutions	1,828	1,292	384	869
Profit distribution and amortisation on Islamic medium term notes	24,040	23,974	6,043	6,043
	25,868	25,266	6,427	6,912
Interest income	(1,523)	(3,566)	(617)	(889)
Net financial expenses	24,345	21,700	5,810	6,023

Tax Expense and Net profit

Tax expenses came in at US\$51.3 million in FY2016 (FY2015: US\$45.2 million) and US\$20.7 million in 4Q2016 (4Q2015: US\$15.4 million), along with the higher taxable income of the Group in 2016.

As a result of the foregoing, profit attributable to owners of the Company increased by 31.1% to US\$125.4 million in FY2016 and 223.7% to US\$58.0 million in 4Q2016.

REVIEW OF BALANCE SHEET

Total assets of the Group increased from US\$1,568.2 million as at 31 December 2015 to US\$1,699.6 million as at 31 December 2016. Non-current assets increased by US\$68.0 million to US\$1,264.6 million, mainly due to the Group's capital expenditure on bearer plants and property, plant and equipment. The Group's current assets increased by 17.1% to US\$434.9 million, mainly due to the increase in cash and bank balances.

Total liabilities of the Group decreased by 2.6% from US\$793.8 million as at 31 December 2015 to US\$773.4 million as at 31 December 2016.

Gross borrowings decreased by US\$47.2 million to US\$447.9 million as at 31 December 2016 (31 December 2015: US\$495.0 million), mainly due to the repayment of working capital loans as well as the decrease in carrying value of the Ringgit-denominated Islamic medium term notes ("IMTN") from foreign currency revaluation. The decrease 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 increase in cash and bank balances during the period, net borrowings decreased from US\$289.6 million as at 31 December 2015 to US\$189.6 million as at 31 December 2016, with net gearing at 0.20x (31 December 2015: 0.37x).

8. Review of Group Performance (continued)

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US\$186.6 million from its operating activities in FY2016 as compared to US\$70.8 million in FY2015. In 4Q2016, net cash generated from operating activities amounted to US\$60.7 million as compared to net cash used in operating activities of US\$1.6 million in 4Q2015. The improvements in cash flows from operating activities were mainly contributed by the higher average selling prices.

Net cash used in investing activities amounted to US\$81.0 million in FY2016 (FY2015: US\$188.7 million) and US\$18.8 million in 4Q2016 (4Q2015: US\$26.8 million), primarily relating to the Group's lower capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment. In addition, the higher 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 FY2016 amounted to US\$59.8 million as compared to US\$109.5 million in FY2015. The higher cash used in financing activities in FY2015 included an increase in restricted cash balances of US\$84.0 million compared to US\$6.8 million in FY2016. For 4Q2016, net cash used in financing activities amounted to US\$23.0 million as compared to net cash generated from financing activities of US\$5.7 million in 4Q2015. The higher cash used in financing activities in 4Q2016 included an increase in restricted cash balances of US\$22.2 million compared to a decrease of US\$18.1 million in 4Q2015.

Overall, the Group registered an increase in cash and cash equivalents of US\$45.8 million in FY2016, bringing the Group's cash and bank balances to US\$258.2 million as at 31 December 2016.

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 stronger palm oil prices in 2016 were driven by supply disruption induced by a severe El Nino in 2015. The higher palm oil prices contributed to the overall improvement in our financial performance. Although palm oil prices have moderated in recent weeks, continued low inventories in both producing and importing countries should continue to provide some support to prices. In the longer-term, the Indonesian biodiesel mandate and underlying demand growth from emerging markets will continue to underpin the positive outlook of the palm oil industry.

On production, the Group saw strong improvements in its production trend in the 4Q2016 as the effects of El Nino continues to subside. With yield recovery and contribution from newly mature plantations, production is expected to strengthen in 2017.

11. Dividends

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim dividend	Proposed final dividend
Dividend Type	Cash	Cash
Dividend Amount per Share	0.625 Singapore cents	2.375 Singapore cents
Tax Rate	Tax-exempt, one-tier	Tax-exempt, one-tier

11. Dividends (continued)

(b) Corresponding period of the immediately preceding financial year

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

Yes.

Name of Dividend	Interim dividend	Final dividend
Dividend Type	Cash	Cash
Dividend Amount per Share	1.25 Singapore cents	1.25 Singapore cents
Tax Rate	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 28 April 2017, will be made on 18 May 2017.

(d) Books closure date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 11 May 2017 (as 10 May 2017 is a public holiday in Singapore) 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 2017 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 2017 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.

14. Confirmation of Directors and Executive Officers' Undertakings pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertakings from its directors and executive officers under Rule 720(1) of the Listing Manual.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

15. 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

	Plantations and Palm Oil Mills	Refinery and Processing	Elimination	Total
FY 2016	US\$'000	US\$'000	US\$'000	US\$'000
Sales:				
External customers	76,821	498,413	-	575,234
Inter-segment	397,090	-	(397,090)	-
Total sales	473,911	498,413	(397,090)	575,234
Results:				
EBITDA	256,850	(1,336)	(4,169)	251,345
Depreciation and amortisation	(48,559)	(8,265)	-	(56,824)
Gains arising from changes in fair value of biological assets	13,184	-	-	13,184
Profit/(loss) from operations	221,475	(9,601)	(4,169)	207,705
Gains on foreign exchange				208
Gains on derivative financial instruments				289
Net financial expenses				(24,345)
Other non-operating expenses				(785)
Profit before tax				183,072

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

	Plantations and Palm Oil Mills	Refinery and Processing	Elimination	Total
FY 2015	US\$'000	US\$'000	US\$'000	US\$'000
Sales:				
External customers	164,490	289,184	-	453,674
Inter-segment	257,010	-	(257,010)	-
Total sales	421,500	289,184	(257,010)	453,674
Results:				
EBITDA	206,348	14,598	(1,831)	219,115
Depreciation and amortisation	(41,822)	(8,161)	-	(49,983)
Gains arising from changes in fair value of biological assets	689	-	-	689
Profit from operations	165,215	6,437	(1,831)	169,821
Losses on foreign exchange				(1,718)
Gains on derivative financial instruments				79
Net financial expenses				(21,700)
Other non-operating expenses				(1,649)
Profit before tax				144,833

16. **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.

17. **A breakdown of sales**

	Group		
	FY 2016	FY 2015 (Restated)	Change
	US\$'000	US\$'000	%
Sales reported for first half year	248,485	215,066	15.5%
Profit after tax before deducting non-controlling interests reported for first half year	32,754	50,859	(35.6%)
Sales reported for second half year	326,749	238,608	36.9%
Profit after tax before deducting non-controlling interests reported for second half year	99,039	48,799	103.0%

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

	FY 2016		FY 2015	
	S\$'000	US\$'000 equivalent	S\$'000	US\$'000 equivalent
Ordinary – Interim (paid)	9,900	7,282	19,801	14,014
Ordinary – Final (paid)	-	-	19,801	14,531
Ordinary – Final (proposed)	37,622	26,034*	-	-
Total	47,522	33,316	39,602	28,545

* based on SGD/USD exchange rate of 1.4451

19. **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	40	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	39	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
27 February 2017