



FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2018

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 2018	FY 2017	Change	4Q 2018	4Q 2017	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Sales	633,487	646,989	(2.1%)	145,490	180,790	(19.5%)
Cost of sales	(354,700)	(340,298)	4.2%	(92,121)	(94,786)	(2.8%)
Gross profit	278,787	306,691	(9.1%)	53,369	86,004	(37.9%)
Losses arising from changes in fair value of biological assets	(3,456)	(2,382)	45.1%	(3,456)	(2,382)	45.1%
Selling and distribution costs	(57,540)	(47,627)	20.8%	(14,818)	(14,769)	0.3%
General and administrative expenses	(28,596)	(28,202)	1.4%	(7,154)	(8,637)	(17.2%)
Other operating expenses	(2,043)	(1,557)	31.2%	(493)	(413)	19.4%
Profit from operations	187,152	226,923	(17.5%)	27,448	59,803	(54.1%)
Gains/(losses) on foreign exchange	8,256	4,845	70.4%	(1,888)	1,243	n.m.
Gains on derivative financial instruments	486	139	249.6%	1,343	276	386.6%
Net financial expenses	(17,043)	(20,689)	(17.6%)	(4,041)	(4,722)	(14.4%)
Other non-operating income/ (expenses)	2,264	(2,339)	n.m.	2,504	(1,997)	n.m.
Profit before tax	181,115	208,879	(13.3%)	25,366	54,603	(53.5%)
Tax expense	(53,428)	(63,645)	(16.1%)	(6,700)	(18,410)	(63.6%)
Profit for the year/period	127,687	145,234	(12.1%)	18,666	36,193	(48.4%)
Profit attributable to:						
Owners of the Company	120,001	137,700	(12.9%)	17,339	34,163	(49.2%)
Non-controlling interests	7,686	7,534	2.0%	1,327	2,030	(34.6%)
	127,687	145,234	(12.1%)	18,666	36,193	(48.4%)

n.m. – not meaningful

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

	Group					
	FY 2018	FY 2017	Change	4Q 2018	4Q 2017	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Profit for the year/period	127,687	145,234	(12.1%)	18,666	36,193	(48.4%)
Other comprehensive income:						
Items that will not be reclassified subsequently to profit or loss						
Remeasurement gains/(losses) on defined benefits plan	3,794	(2,081)	n.m.	3,794	(2,081)	n.m.
Income tax effect	(948)	520	n.m.	(948)	520	n.m.
	2,846	(1,561)	n.m.	2,846	(1,561)	n.m.
Items that may be reclassified subsequently to profit or loss						
Fair value gains/(losses) on cash flow hedges	4,844	46,358	(89.6%)	(3,233)	16,741	n.m.
Fair value gains on cash flow hedges transferred to the income statement	(670)	(36,856)	(98.2%)	(2,741)	(12,172)	(77.5%)
Foreign currency translation	(88,061)	(14,234)	518.7%	40,683	(5,901)	n.m.
	(83,887)	(4,732)	n.m.	34,709	(1,332)	n.m.
Other comprehensive income for the year/period, net of tax	(81,041)	(6,293)	n.m.	37,555	(2,893)	n.m.
Total comprehensive income for the year/period	46,646	138,941	(66.4%)	56,221	33,300	68.8%
Total comprehensive income attributable to:						
Owners of the Company	41,933	132,016	(68.2%)	52,867	31,818	66.2%
Non-controlling interests	4,713	6,925	(31.9%)	3,354	1,482	126.3%
	46,646	138,941	(66.4%)	56,221	33,300	68.8%

n.m. – not meaningful

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

Additional Information

	Group					
	FY 2018	FY 2017	Change	4Q 2018	4Q 2017	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
EBITDA						
Profit from operations	187,152	226,923	(17.5%)	27,448	59,803	(54.1%)
Depreciation and amortisation	67,284	62,825	7.1%	16,640	16,061	3.6%
Losses arising from changes in fair value of biological assets	3,456	2,382	45.1%	3,456	2,382	45.1%
EBITDA	257,892	292,130	(11.7%)	47,544	78,246	(39.2%)
EBITDA margin	40.7%	45.2%		32.7%	43.3%	

	Group					
	FY 2018	FY 2017	Change	4Q 2018	4Q 2017	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Underlying Net Profit						
Profit for the year/period	127,687	145,234	(12.1%)	18,666	36,193	(48.4%)
Losses arising from changes in fair value of biological assets	2,592	1,787	45.0%	2,592	1,787	45.0%
Underlying net profit for the year/period	130,279	147,021	(11.4%)	21,258	37,980	(44.0%)
Underlying net profit attributable to:						
Owners of the Company	122,593	139,487	(12.1%)	19,931	35,950	(44.6%)
Non-controlling interests	7,686	7,534	2.0%	1,327	2,030	(34.6%)
	130,279	147,021	(11.4%)	21,258	37,980	(44.0%)

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 2018	31 Dec 2017 (Restated)	1 Jan 2017 (Restated)	31 Dec 2018	31 Dec 2017	1 Jan 2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS						
Non-current assets						
Bearer plants *	613,020	659,498	660,627	-	-	-
Plasma receivables	46,401	43,763	36,346	-	-	-
Property, plant and equipment	327,403	337,478	328,618	4,517	5,487	6,758
Land use rights	45,892	49,947	40,584	-	-	-
Investment in subsidiaries	-	-	-	481,587	523,527	523,527
Goodwill	81,013	86,592	87,313	-	-	-
Other intangible assets	20,515	22,211	22,564	-	-	15
Available-for-sale unquoted investment	-	5,775	-	-	5,775	-
Unquoted investment at FVTPL	5,775	-	-	5,775	-	-
Derivative financial assets	1,028	1,290	-	1,028	1,290	-
Tax recoverable	45,328	36,820	40,586	-	-	-
Deferred tax assets	54,702	48,955	41,207	-	-	19
Loan to subsidiary	-	-	-	367,410	370,000	-
Other non-current assets	369	395	432	-	-	-
Total non-current assets	1,241,446	1,292,724	1,258,277	860,317	906,079	530,319
Current assets						
Biological assets	17,183	22,000	24,556	-	-	-
Plasma receivables	4,525	6,168	6,362	-	-	-
Inventories	97,562	66,908	78,203	-	-	-
Trade receivables	37,392	31,804	23,613	-	-	-
Other receivables	3,425	3,152	11,986	313	125	1,869
Derivative financial assets	2,882	4,327	1,933	994	-	-
Advances for purchase of property, plant and equipment	18,870	647	9,662	-	21	-
Other advances and prepayments	3,515	1,927	3,130	359	290	379
Prepaid taxes	44,338	22,447	23,584	-	-	-
Restricted cash balances	44,540	44,569	150,312	42,718	44,068	149,367
Cash and cash equivalents (Note A)	55,359	234,322	107,933	4,028	34,654	377,504
Total current assets	329,591	438,271	441,274	48,412	79,158	529,119
Total assets	1,571,037	1,730,995	1,699,551	908,729	985,237	1,059,438

* Included in the bearer plants as at 31 December 2017 is US\$46.5 million that was previously classified as plasma investments in the FY2017 audited financial statements.

Note A:

As at 31 December 2018, the Group has bank overdrafts amounting to US\$57.1 million (31 December 2017: US\$55.2 million) which have been netted against cash at banks as the Group has the legal rights to set off the overdrafts against the cash at banks, which are with the same banks.

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

	Group			Company		
	31 Dec 2018	31 Dec 2017 (Restated)	1 Jan 2017 (Restated)	31 Dec 2018	31 Dec 2017	1 Jan 2017
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
LIABILITIES						
Current liabilities						
Trade payables	28,468	28,428	26,056	40	49	60
Other payables and accruals	31,317	33,551	30,912	3,934	5,923	8,634
Advances from customers	2,927	1,424	660	-	-	-
Loans and borrowings from financial institutions	30,111	20,970	1,672	27,582	19,277	-
Islamic medium term notes	-	-	222,542	-	-	222,542
Derivative financial liabilities	921	1,799	101,329	-	75	99,294
Provision for tax	21,244	21,496	18,122	900	1,733	499
Total current liabilities	114,988	107,668	401,293	32,456	27,057	331,029
Non-current liabilities						
Loans and borrowings from financial institutions	109,817	229,536	1,346	106,795	227,484	-
Islamic medium term notes	241,073	245,785	222,291	241,073	245,785	222,291
Derivative financial liabilities	79,580	81,286	109,430	79,580	81,286	109,430
Provision for post-employment benefits	21,490	22,473	16,537	-	-	-
Deferred tax liabilities	18,074	22,055	22,471	528	795	-
Total non-current liabilities	470,034	601,135	372,075	427,976	555,350	331,721
Total liabilities	585,022	708,803	773,368	460,432	582,407	662,750
Net assets	986,015	1,022,192	926,183	448,297	402,830	396,688
EQUITY						
Share capital	394,913	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	(115,119)	(34,297)	(29,986)	12,507	5,286	(2,595)
Retained earnings	617,355	576,273	481,230	40,877	2,631	4,370
Equity attributable to owners of the Company	932,165	971,905	881,173	448,297	402,830	396,688
Non-controlling interests	53,850	50,287	45,010	-	-	-
Total equity	986,015	1,022,192	926,183	448,297	402,830	396,688

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 2018			As at 31 Dec 2017		
	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	2,529	27,582	30,111	1,693	19,277	20,970
Amount repayable after one year	3,022	347,868	350,890	2,052	473,269	475,321
Total	5,551	375,450	381,001	3,745	492,546	496,291

Details of any collateral

Certain of the Group's bearer plants, land use rights and property plant and equipment are pledged to secure facilities from financial institutions.

As at 31 December 2018, the Group has undrawn committed unsecured credit facilities available of US\$100.0 million, which may be utilised for 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 2018	FY 2017	4Q 2018	4Q 2017
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before tax	181,115	208,879	25,366	54,603
Adjustments for:				
Depreciation of bearer plants and property, plant and equipment	65,138	61,099	16,127	15,612
Amortisation of land use rights and intangible assets	2,146	1,726	513	449
Losses/(gains) on disposal of bearer plants and property, plant and equipment	619	2,879	(290)	2,513
Financial expenses	19,326	23,389	4,368	5,470
Interest income	(2,282)	(2,700)	(326)	(748)
Gains on derivative financial instruments	(486)	(139)	(1,343)	(276)
Written off of intangible assets	180	-	180	-
Losses arising from changes in fair value of biological assets	3,456	2,382	3,456	2,382
Operating cash flows before changes in working capital	269,212	297,515	48,051	80,005
Changes in working capital:				
Inventories	(36,133)	10,724	(15,144)	6,588
Receivables and other assets	(24,922)	4,304	2,863	1,717
Payables and other liabilities	5,232	10,912	(2,261)	5,309
Unrealised translation differences	(8,298)	(5,225)	3,496	(1,576)
Cash flows generated from operations	205,091	318,230	37,005	92,043
Financial expenses paid	(18,500)	(24,577)	(7,219)	(9,643)
Interest income received	2,319	3,474	408	1,539
Tax paid	(76,471)	(65,437)	(16,511)	(17,023)
Net cash generated from operating activities	112,439	231,690	13,683	66,916

1(c) Statement of cash flows (continued)

	Group			
	FY 2018	FY 2017	4Q 2018	4Q 2017
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from investing activities				
Capital expenditure on bearer plants	(31,742)	(38,844)	(9,756)	(11,302)
Capital expenditure on property, plant and equipment	(45,647)	(47,370)	(8,765)	(14,519)
(Increase)/decrease in advances for purchase of property, plant and equipment	(18,587)	9,045	(9,883)	904
Decrease/(increase) in plasma receivables	2,620	380	(1,789)	5,250
Additions to land use rights	(1,193)	(11,348)	(410)	(11,237)
Additions to other intangible assets	(11)	-	-	-
Additions to unquote investment at FVTPL	-	(5,775)	-	(5,775)
Proceeds from disposal of bearer plants and property, plant and equipment	703	901	251	390
Net cash used in investing activities	(93,857)	(93,011)	(30,352)	(36,289)
Cash flows from financing activities				
Proceeds from bank loans	-	247,428	-	99,231
Repayment of bank loans	(113,542)	(833)	(6,042)	(833)
Payment of obligations under finance leases	(2,526)	(2,086)	(682)	(502)
Decrease in restricted cash balances	29	105,743	163	37,653
Dividends paid	(80,917)	(42,932)	(177)	(190)
Repayment of Islamic medium term notes	-	(319,655)	-	(130,976)
Net cash (used in)/generated from financing activities	(196,956)	(12,335)	(6,738)	4,383
Net (decrease)/increase in cash and cash equivalents	(178,374)	126,344	(23,407)	35,010
Effect of exchange rate changes on cash and cash equivalents	(589)	45	(126)	(8)
Cash and cash equivalents, at the beginning of the financial year/period	234,322	107,933	78,892	199,320
Cash and cash equivalents, at the end of the financial year/period (Note B)	55,359	234,322	55,359	234,322
<u>Note B</u>				
Reconciliation of cash and cash equivalents:				
Cash at banks and on hand	55,359	111,322	55,359	111,322
Time deposits	-	123,000	-	123,000
Cash and cash equivalents	55,359	234,322	55,359	234,322
Restricted cash balances	44,540	44,569	44,540	44,569
Cash and bank balances	99,899	278,891	99,899	278,891

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 31 Dec 2017 (As previously reported)	394,913	35,016	(386,582)	928,558	971,905	50,287	1,022,192
Effects of adopting SFRS(I) 1	-	-	352,285	(352,285)	-	-	-
At 31 Dec 2017 (As restated)	394,913	35,016	(34,297)	576,273	971,905	50,287	1,022,192
Effects of adopting SFRS(I) 9	-	-	-	(1,906)	(1,906)	-	(1,906)
At 1 Jan 2018 (As restated)	394,913	35,016	(34,297)	574,367	969,999	50,287	1,020,286
Profit for the year	-	-	-	120,001	120,001	7,686	127,687
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	2,754	2,754	92	2,846
Net change in fair value of cash flow hedges	-	-	4,174	-	4,174	-	4,174
Foreign currency translation	-	-	(84,996)	-	(84,996)	(3,065)	(88,061)
Other comprehensive income for the year, net of tax	-	-	(80,822)	2,754	(78,068)	(2,973)	(81,041)
Total comprehensive income for the year	-	-	(80,822)	122,755	41,933	4,713	46,646
<u>Distributions to owners</u>							
Dividends paid	-	-	-	(79,767)	(79,767)	(1,150)	(80,917)
At 31 Dec 2018	394,913	35,016	(115,119)	617,355	932,165	53,850	986,015
At 1 Jan 2017 (As previously reported)	394,913	35,016	(382,271)	833,515	881,173	45,010	926,183
Effects of adopting SFRS(I) 1	-	-	352,285	(352,285)	-	-	-
At 1 Jan 2017 (As restated)	394,913	35,016	(29,986)	481,230	881,173	45,010	926,183
Profit for the year	-	-	-	137,700	137,700	7,534	145,234
<u>Other comprehensive income</u>							
Remeasurement losses on defined benefits plan	-	-	-	(1,373)	(1,373)	(188)	(1,561)
Net change in fair value of cash flow hedges	-	-	9,502	-	9,502	-	9,502
Foreign currency translation	-	-	(13,813)	-	(13,813)	(421)	(14,234)
Other comprehensive income for the year, net of tax	-	-	(4,311)	(1,373)	(5,684)	(609)	(6,293)
Total comprehensive income for the year	-	-	(4,311)	136,327	132,016	6,925	138,941
<u>Distributions to owners</u>							
Dividends paid	-	-	-	(41,284)	(41,284)	(1,648)	(42,932)
At 31 Dec 2017	394,913	35,016	(34,297)	576,273	971,905	50,287	1,022,192

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 2018	394,913	35,016	(147,893)	597,262	879,298	50,673	929,971
Profit for the period	-	-	-	17,339	17,339	1,327	18,666
<u>Other comprehensive income</u>							
Remeasurement gains on defined benefits plan	-	-	-	2,754	2,754	92	2,846
Net change in fair value of cash flow hedges	-	-	(5,974)	-	(5,974)	-	(5,974)
Foreign currency translation	-	-	38,748	-	38,748	1,935	40,683
Other comprehensive income for the period, net of tax	-	-	32,774	2,754	35,528	2,027	37,555
Total comprehensive income for the period	-	-	32,774	20,093	52,867	3,354	56,221
<u>Distributions to owners</u>							
Dividends paid	-	-	-	-	-	(177)	(177)
At 31 Dec 2018	394,913	35,016	(115,119)	617,355	932,165	53,850	986,015
At 1 Oct 2017 (As previously reported)	394,913	35,016	(385,610)	895,768	940,087	48,995	989,082
Effects of adopting SFRS(I) 1	-	-	352,285	(352,285)	-	-	-
At 1 Oct 2017 (As restated)	394,913	35,016	(33,325)	543,483	940,087	48,995	989,082
Profit for the period	-	-	-	34,163	34,163	2,030	36,193
<u>Other comprehensive income</u>							
Remeasurement losses on defined benefits plan	-	-	-	(1,373)	(1,373)	(188)	(1,561)
Net change in fair value of cash flow hedges	-	-	4,569	-	4,569	-	4,569
Foreign currency translation	-	-	(5,541)	-	(5,541)	(360)	(5,901)
Other comprehensive income for the period, net of tax	-	-	(972)	(1,373)	(2,345)	(548)	(2,893)
Total comprehensive income for the period	-	-	(972)	32,790	31,818	1,482	33,300
<u>Distributions to owners</u>							
Dividends paid	-	-	-	-	-	(190)	(190)
At 31 Dec 2017	394,913	35,016	(34,297)	576,273	971,905	50,287	1,022,192

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 31 Dec 2017 (As previously reported)	394,913	5,286	2,631	402,830
Effects of adopting SFRS(I) 9	-	-	(2,590)	(2,590)
At 1 Jan 2018 (As restated)	394,913	5,286	41	400,240
Profit for the year	-	-	120,603	120,603
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	7,221	-	7,221
Total comprehensive income for the year	-	7,221	120,603	127,824
<u>Distributions to owners</u>				
Dividends paid	-	-	(79,767)	(79,767)
At 31 Dec 2018	394,913	12,507	40,877	448,297
At 1 Jan 2017	394,913	(2,595)	4,370	396,688
Profit for the year	-	-	39,545	39,545
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	7,881	-	7,881
Total comprehensive income for the year	-	7,881	39,545	47,426
<u>Distributions to owners</u>				
Dividends paid	-	-	(41,284)	(41,284)
At 31 Dec 2017	394,913	5,286	2,631	402,830
At 1 Oct 2018	394,913	15,534	23,551	433,998
Profit for the period	-	-	17,326	17,326
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(3,027)	-	(3,027)
Total comprehensive income for the period	-	(3,027)	17,326	14,299
At 31 Dec 2018	394,913	12,507	40,877	448,297
At 1 Oct 2017	394,913	2,727	1,920	399,560
Profit for the period	-	-	711	711
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	2,559	-	2,559
Total comprehensive income for the period	-	2,559	711	3,270
At 31 Dec 2017	394,913	5,286	2,631	402,830

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

Other Reserves

Group	As at		
	31 Dec 2018	31 Dec 2017 (Restated)	1 Jan 2017 (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	1,792	(2,382)	(11,884)
Foreign translation reserve	(98,416)	(13,420)	393
Total other reserves	(115,119)	(34,297)	(29,986)

Company	As at		
	31 Dec 2018	31 Dec 2017	1 Jan 2017
	US\$'000	US\$'000	US\$'000
Gain on sale of treasury shares	10,322	10,322	10,322
Hedging reserve	1,792	(5,429)	(13,310)
Foreign translation reserve	393	393	393
Total other reserves	12,507	5,286	(2,595)

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

There were no changes to the Company's issued and paid up share capital in the three months ended 31 December 2018.

	Company	
	31 Dec 2018	31 Dec 2017
Number of issued shares excluding treasury shares and subsidiary holdings of the Company	1,584,072,969	1,584,072,969

There were no shares that may be issued upon conversion of any outstanding convertibles as at 31 December 2018 and 31 December 2017.

The Company did not hold any treasury shares and there were no subsidiary holdings as at 31 December 2018 and 31 December 2017.

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 2018 and 31 December 2017 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.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 2017 except as disclosed in item 5 below.

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 Accounting Standards Council ("ASC") announced on 29 May 2014 that Singapore incorporated companies listed on the Singapore Exchange shall apply a new Singapore financial reporting framework identical to the International Financial Reporting Standards for annual periods beginning on or after 1 January 2018. In December 2017, the ASC issued the Singapore Financial Reporting Standards (International) ("SFRS(I)"), which the Group has adopted on 1 January 2018.

The adoption of SFRS(I) has no material impact on the financial statements except as described below.

SFRS(I) 1 First-time Adoption of SFRS(I)

The Group has elected the option under SFRS(I) 1 to deem cumulative translation differences for foreign operations to be zero as at date of transition on 1 January 2017. As a result, cumulative translation losses of US\$352.3 million were reclassified from foreign translation reserve to set-off against the opening retained earnings as at 1 January 2017.

5. Changes in the accounting policies and methods of computation (continued)

SFRS(I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial assets, impairment of financial assets and hedge accounting and is effective for annual periods beginning on or after 1 January 2018.

The Group has adopted SFRS(I) 9 on 1 January 2018 without restating prior periods' information and recognised any difference between the previous carrying amount and the carrying amount at the beginning of the annual reporting period at the date of initial application in the opening retained earnings.

a) Classification and measurement

Under SFRS(I) 9, financial assets are classified according to their contractual cash flows characteristics and the business model under which they are held. Upon adoption of the new classification and measurement requirements, the Group's "Available-for-sale unquoted investment" has been redesignated as "Unquoted investment at FVTPL".

b) Impairment

SFRS(I) 9 requires the Group and the Company to record expected credit losses on all of its loans, trade receivables, plasma receivables and financial guarantees, either on a 12-month or lifetime basis. The Group has elected to apply the simplified approach and record lifetime expected losses on its trade receivables, plasma receivables and financial guarantees while the Company has elected to apply the general approach and record 12-month expected credit losses on its loan to subsidiary. Upon application of the expected credit loss model, the Group's and the Company's equity were reduced by US\$1.9 million and US\$2.6 million respectively.

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 2018	FY 2017	4Q 2018	4Q 2017
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)	7.58	8.69	1.09	2.16
EPS - diluted (US cents)	7.58	8.69	1.09	2.16

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 2018	31 Dec 2017 (Restated)	31 Dec 2018	31 Dec 2017
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.59	0.61	0.28	0.25

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 2018	FY 2017	Change	4Q 2018	4Q 2017	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	826,842	708,213	16.8%	211,530	207,266	2.1%
- Palm kernel	190,298	166,813	14.1%	44,752	49,672	(9.9%)
Refinery and Processing	1,011,037	900,577	12.3%	255,974	263,783	(3.0%)

Note: Sales volume include inter-segment sales

SALES

	FY 2018	FY 2017	Change	4Q 2018	4Q 2017	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	446,587	427,098	4.6%	104,376	122,056	(14.5%)
- Palm kernel	75,202	83,446	(9.9%)	15,125	25,728	(41.2%)
- Fresh fruit bunches	13,034	14,338	(9.1%)	3,062	3,698	(17.2%)
	534,823	524,882	1.9%	122,563	151,482	(19.1%)
Refinery and Processing	604,722	600,265	0.7%	138,815	169,530	(18.1%)
Inter-segment elimination	(506,058)	(478,158)	5.8%	(115,888)	(140,222)	(17.4%)
Total Sales	633,487	646,989	(2.1%)	145,490	180,790	(19.5%)

EBITDA

	FY 2018	FY 2017	Change	4Q 2018	4Q 2017	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	249,743	272,040	(8.2%)	46,853	71,416	(34.4%)
Refinery and Processing	16,989	18,621	(8.8%)	6,588	4,655	41.5%
Inter-segment elimination	(8,840)	1,469	n.m.	(5,897)	2,175	n.m.
Total EBITDA	257,892	292,130	(11.7%)	47,544	78,246	(39.2%)

n.m. – not meaningful

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US\$120.0 million in FY2018, a decline of 12.9% against FY2017 and a 17.5% decrease in profit from operations to US\$187.2 million. Overall results were impacted by a net inventory build-up during the year, which resulted in a smaller increase in overall sales volumes than the growth in production volumes. In addition, the weak palm oil prices experienced by the industry also affected the Group's average selling prices and earnings.

For 4Q2018, net profit decreased by 49.2% to US\$17.3 million while profit from operations was down by 54.1% to US\$27.4 million. The lower net profit and profit from operations were mainly due to the effects of weaker palm oil prices and a net inventory build-up during the period, which contributed to the decline in overall sales volumes as compared to 4Q2017.

Excluding the net losses arising from changes in fair value of biological assets, the underlying net profit for the Group would have decreased by 12.1% and 44.6% for FY2018 and 4Q2018 respectively.

Sales

Sales dipped marginally by 2.1% to US\$633.5 million in FY2018. For 4Q2018, sales fell by 19.5% to US\$145.5 million from lower average selling prices and sales volumes.

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 increased by 4.2% to US\$354.7 million in FY2018 and decreased by 2.8% to US\$92.1 million in 4Q2018.

Gross Profit

Gross profit decreased by 9.1% to US\$278.8 million in FY2018. For 4Q2018, gross profit decreased by 37.9% to US\$53.4 million, mainly due to the lower average selling prices and sales volumes.

Gross profit margin came in at 44.0% in FY2018 (FY2017: 47.4%) and 36.7% in 4Q2018 (4Q2017: 47.6%), reflecting the effects of the lower average selling prices.

Losses 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\$3.5 million in FY2018 and 4Q2018, as compared to US\$2.4 million in the prior year. The fair value of biological assets as at balance sheet date is determined based on the expected net cash inflows of the agricultural produce (i.e. FFB) growing on bearer plants. The fair value losses recorded in 2018 was mainly due to the lower FFB price used in the valuation as compared to the previous year.

Selling and Distribution costs

Selling and distribution expenses increased to US\$57.5 million in FY2018 (FY2017: US\$47.6 million), largely due to the higher freight charges incurred. For 4Q2018, selling and distribution expenses remained stable at US\$14.8 million as compared to the previous year.

General and Administrative expenses

General and administrative expenses increased marginally by 1.4% to US\$28.6 million in FY2018. For 4Q2018, general and administrative expenses decreased by 17.2% to US\$7.2 million, mainly due to lower accruals for employee related costs.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

EBITDA

The Group's EBITDA dipped by 11.7% to US\$257.9 million in FY2018, mainly impacted by the lower average selling prices.

For 4Q2018, EBITDA decreased by 39.2% to US\$47.5 million, driven by a combination of lower average selling prices and sales volumes.

Gains/(Losses) on Foreign Exchange

The Group recorded gains on foreign exchange of US\$8.3 million in FY2018 (FY2017: US\$4.8 million) and losses on foreign exchange US\$1.9 million in 4Q2018 (4Q2017: gains of US\$1.2 million). These arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

Gains on Derivative Financial Instruments

The Group recorded gains on derivative financial instruments of US\$0.5 million in FY2018 (FY2017: US\$0.1 million) and US\$1.3 million in 4Q2018 (4Q2017: US\$0.3 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\$17.0 million in FY2018 (FY2017: US\$20.7 million) and US\$4.0 million in 4Q2018 (4Q2017: US\$4.7 million). The lower net financial expenses as compared to the previous year were mainly due to the reduction in interest expenses from the repayment of Islamic medium term notes ("IMTN") during 2017 which were partially refinanced using bank loans.

The following table reflects the computation of net financial expenses:

	FY 2018	FY 2017	4Q 2018	4Q 2017
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses and amortisation on loans and borrowings from financial institutions	7,172	2,908	1,304	1,631
Profit distribution and amortisation on Islamic medium term notes	12,153	20,481	3,063	3,839
	19,325	23,389	4,367	5,470
Interest income	(2,282)	(2,700)	(326)	(748)
Net financial expenses	17,043	20,689	4,041	4,722

Tax Expense and Net profit

Tax expense decreased to US\$53.4 million in FY2018 (FY2017: US\$63.6 million) and US\$6.7 million in 4Q2018 (4Q2017: US\$18.4 million), along with the lower taxable income of the Group. However, the effective tax rate for the year remained higher than the corporate tax rates in the countries where the Group operates as it included the effects of withholding tax expense on income received from foreign subsidiaries as well as adjustments in respect of prior years.

As a result of the foregoing, profit attributable to owners of the Company decreased by 12.9% to US\$120.0 million in FY2018 and 49.2% to US\$17.3 million in 4Q2018.

8. Review of Group Performance (continued)

REVIEW OF BALANCE SHEET

Total assets of the Group decreased from US\$1,731.0 million as at 31 December 2017 to US\$1,571.0 million as at 31 December 2018. Non-current assets decreased by US\$51.3 million to US\$1,241.4 million, mainly due to the weakening of Indonesian Rupiah (“IDR”) against United States Dollar (“USD”) during the year as well as the depreciation of bearer plants and property, plant and equipment. These were partially offset by the Group’s capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment. The Group’s current assets decreased by 24.8% to US\$329.6 million, mainly contributed by the decrease in cash and bank balances, partially offset by the higher inventories, prepaid taxes and advances for purchase of property, plant and equipment.

Total liabilities of the Group decreased by 17.5% from US\$708.8 million as at 31 December 2017 to US\$585.0 million as at 31 December 2018, mainly from the reduction in gross borrowings.

Gross borrowings decreased by US\$115.3 million to US\$381.0 million as at 31 December 2018 (31 December 2017: US\$496.3 million), primarily due to the repayment of bank loans amounting to US\$113.5 million during the year.

Taking into consideration the decrease in cash and bank balances during the year, net borrowings increased from US\$217.4 million as at 31 December 2017 to US\$281.1 million as at 31 December 2018, with net gearing ratio still healthy at 0.29x (31 December 2017: 0.21x).

The Group’s total equity declined by 3.5% from US\$1,022.2 million as at 31 December 2017 to US\$986.0 million as at 31 December 2018, mainly attributable to the foreign currency translation loss arising from the depreciation of IDR against USD during the year.

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US\$112.4 million from its operating activities in FY2018 as compared to US\$231.7 million in FY2017. In 4Q2018, net cash generated from operating activities amounted to US\$13.7 million as compared to US\$66.9 million in 4Q2017. The decreases in net cash generated from operating activities were mainly due to the effects from lower average selling prices, net inventory build-up in FY2018 and 4Q2018 as compared to drawdown in the prior year, as well as changes in other working capital.

Net cash used in investing activities amounted to US\$93.9 million in FY2018 (FY2017: US\$93.0 million) and US\$30.4 million in 4Q2018 (4Q2017: US\$36.3 million), primarily relating to the Group’s capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment.

Net cash used in financing activities amounted to US\$197.0 million in FY2018 as compared to US\$12.3 million in FY2017. For 4Q2018, net cash used in financing activities amounted to US\$6.7 million as compared to net cash generated of US\$4.4 million in 4Q2017. The higher cash used in financing activities during FY2018 included repayment of bank loans amounting to US\$113.5 million and a higher amount of dividends paid as compared to the previous year. Conversely, the lower cash used in financing activities in FY2017 were mainly due to proceeds from bank loans of US\$247.4 million and decrease in restricted cash balances of US\$105.7 million, partially offset by the repayment of IMTN of US\$319.7 million.

Overall, the Group registered a decrease in cash and cash equivalents of US\$178.4 million in FY2018, bringing the Group’s cash and bank balances to US\$99.9 million as at 31 December 2018.

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 expects continued production growth in 2019 contributed by maturing plantations, albeit at a slower pace than in 2018.

Palm oil prices have started to recover from the lows of 4Q2018 on seasonally weaker output. Demand in the year ahead is expected to be supported by the extension of Indonesia's biodiesel mandate in full force, as well as favourable changes to the import and export tax structures in consuming and producing countries. However, prices will continue to be impacted by macro developments such as the US-China trade negotiations and the supply-demand dynamics of other competing edible oils.

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	1.25 Singapore cents	2.00 Singapore cents
Tax Rate	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.

Name of Dividend	Interim dividend	Final dividend	Special dividend
Dividend Type	Cash	Cash	Cash
Dividend Amount per Share	1.25 Singapore cents	2.15 Singapore cents	3.40 Singapore cents
Tax Rate	Tax-exempt, one-tier	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 29 April 2019, will be made on 16 May 2019.

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 2019 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 2019 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 2019 will be entitled to the proposed final dividend.

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

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

	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
Name of Interested Person	US\$'000	US\$'000
Associates of Eight Capital Inc.	8,466	6,003
Associates of Ciliandra Fangiono & Fang Zhixiang	94	191
Total	8,560	6,194

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 2018	US\$'000	US\$'000	US\$'000	US\$'000
Sales:				
External customers	28,765	604,722	-	633,487
Inter-segment	506,058	-	(506,058)	-
Total sales	534,823	604,722	(506,058)	633,487
Results:				
EBITDA	249,743	16,989	(8,840)	257,892
Depreciation and amortisation	(59,755)	(7,529)	-	(67,284)
Losses arising from changes in fair value of biological assets	(3,456)	-	-	(3,456)
Profit from operations	186,532	9,460	(8,840)	187,152
Gains on foreign exchange				8,256
Gains on derivative financial instruments				486
Net financial expenses				(17,043)
Other non-operating expenses				2,264
Profit before tax				181,115

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

	Plantations and Palm Oil Mills	Refinery and Processing	Elimination	Total
FY 2017	US\$'000	US\$'000	US\$'000	US\$'000
Sales:				
External customers	46,724	600,265	-	646,989
Inter-segment	478,158	-	(478,158)	-
Total sales	524,882	600,265	(478,158)	646,989
Results:				
EBITDA	272,040	18,621	1,469	292,130
Depreciation and amortisation	(55,134)	(7,691)	-	(62,825)
Losses arising from changes in fair value of biological assets	(2,382)	-	-	(2,382)
Profit from operations	214,524	10,930	1,469	226,923
Gains on foreign exchange				4,845
Gains on derivative financial instruments				139
Net financial expenses				(20,689)
Other non-operating expenses				(2,339)
Profit before tax				208,879

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 2018	FY 2017	Change
	US\$'000	US\$'000	%
Sales reported for first half year	316,570	328,751	(3.7%)
Profit after tax before deducting non-controlling interests reported for first half year	67,842	75,055	(9.6%)
Sales reported for second half year	316,917	318,238	(0.4%)
Profit after tax before deducting non-controlling interests reported for second half year	59,845	70,179	(14.7%)

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

	FY 2018		FY 2017	
	S\$'000	US\$'000 equivalent	S\$'000	US\$'000 equivalent
Ordinary – Interim (paid)	19,801	14,397	19,801	14,615
Ordinary – Final (paid)	-	-	34,058	25,324
Ordinary – Final (proposed)	31,681	23,201*	-	-
Ordinary – Special (paid)	-	-	53,858	40,046
Total	51,482	37,598	107,717	79,985

* Based on SGD/USD exchange rate of 1.3655.

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	42	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	41	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
28 February 2019