



FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Fourth Quarter (“4Q”) and Full Year Ended 31 December 2019

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 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
| | US\$'000 | US\$'000 | (%) | US\$'000 | US\$'000 | (%) |
| Sales | 614,889 | 633,487 | (2.9%) | 184,241 | 145,490 | 26.6% |
| Cost of sales | (387,729) | (354,700) | 9.3% | (105,286) | (92,121) | 14.3% |
| Gross profit | 227,160 | 278,787 | (18.5%) | 78,955 | 53,369 | 47.9% |
| Gains/(losses) arising from changes in fair value of biological assets | 7,913 | (3,456) | n.m. | 7,913 | (3,456) | n.m. |
| Selling and distribution costs | (50,242) | (57,540) | (12.7%) | (15,893) | (14,818) | 7.3% |
| General and administrative expenses | (29,662) | (28,596) | 3.7% | (8,507) | (7,154) | 18.9% |
| Other operating (expenses)/income | (592) | (2,043) | (71.0%) | 957 | (493) | n.m. |
| Profit from operations | 154,577 | 187,152 | (17.4%) | 63,425 | 27,448 | 131.1% |
| Gains/(losses) on foreign exchange | 181 | 8,256 | (97.8%) | (661) | (1,888) | (65.0%) |
| (Losses)/gains on derivative financial instruments | (808) | 486 | n.m. | (212) | 1,343 | n.m. |
| Losses arising from changes in fair value of unquoted investment | (4,900) | - | n.m. | (4,900) | - | n.m. |
| Net financial expenses | (16,067) | (17,043) | (5.7%) | (4,186) | (4,041) | 3.6% |
| Other non-operating (expenses)/income | (1,782) | 2,264 | n.m. | (2,352) | 2,504 | n.m. |
| Profit before tax | 131,201 | 181,115 | (27.6%) | 51,114 | 25,366 | 101.5% |
| Tax expense | (38,026) | (53,428) | (28.8%) | (17,634) | (6,700) | 163.2% |
| Profit for the year/period | 93,175 | 127,687 | (27.0%) | 33,480 | 18,666 | 79.4% |
| Profit attributable to: | | | | | | |
| Owners of the Company | 89,128 | 120,001 | (25.7%) | 32,002 | 17,339 | 84.6% |
| Non-controlling interests | 4,047 | 7,686 | (47.3%) | 1,478 | 1,327 | 11.4% |
| | 93,175 | 127,687 | (27.0%) | 33,480 | 18,666 | 79.4% |

n.m. – not meaningful

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

| | Group | | | | | |
|---|----------------|---------------|---------------|---------------|---------------|--------------|
| | FY 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
| | US\$'000 | US\$'000 | (%) | US\$'000 | US\$'000 | (%) |
| Profit for the year/period | 93,175 | 127,687 | (27.0%) | 33,480 | 18,666 | 79.4% |
| Other comprehensive income: | | | | | | |
| Items that will not be reclassified subsequently to profit or loss | | | | | | |
| Remeasurement gains on defined benefits plan | 342 | 3,794 | (91.0%) | 342 | 3,794 | (91.0%) |
| Income tax effect | (86) | (948) | (90.9%) | (86) | (948) | (90.9%) |
| | 256 | 2,846 | (91.0%) | 256 | 2,846 | (91.0%) |
| Items that may be reclassified subsequently to profit or loss | | | | | | |
| Fair value (losses)/gains on cash flow hedges | (123) | 4,844 | n.m. | 6,893 | (3,233) | n.m. |
| Fair value gains on cash flow hedges transferred to the income statement | (2,688) | (670) | 301.2% | (5,339) | (2,741) | 94.8% |
| Foreign currency translation | 58,565 | (88,061) | n.m. | 28,521 | 40,683 | (29.9%) |
| | 55,754 | (83,887) | n.m. | 30,075 | 34,709 | (13.4%) |
| Other comprehensive income for the year/period, net of tax | 56,010 | (81,041) | n.m. | 30,331 | 37,555 | (19.2%) |
| Total comprehensive income for the year/period | 149,185 | 46,646 | 219.8% | 63,811 | 56,221 | 13.5% |
| Total comprehensive income attributable to: | | | | | | |
| Owners of the Company | 142,546 | 41,933 | 239.9% | 61,172 | 52,867 | 15.7% |
| Non-controlling interests | 6,639 | 4,713 | 40.9% | 2,639 | 3,354 | (21.3%) |
| | 149,185 | 46,646 | 219.8% | 63,811 | 56,221 | 13.5% |

n.m. – not meaningful

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

Additional Information

| | Group | | | | | |
|--|----------------|----------------|----------------|---------------|---------------|--------------|
| | FY 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
| | US\$'000 | US\$'000 | (%) | US\$'000 | US\$'000 | (%) |
| EBITDA | | | | | | |
| Profit from operations | 154,577 | 187,152 | (17.4%) | 63,425 | 27,448 | 131.1% |
| Depreciation and amortisation | 70,866 | 67,284 | 5.3% | 18,711 | 16,640 | 12.4% |
| Provision for expected credit losses | 1,269 | - | n.m. | 1,269 | - | n.m. |
| (Gains)/losses arising from changes in fair value of biological assets | (7,913) | 3,456 | n.m. | (7,913) | 3,456 | n.m. |
| EBITDA | 218,799 | 257,892 | (15.2%) | 75,492 | 47,544 | 58.8% |
| EBITDA margin | 35.6% | 40.7% | | 41.0% | 32.7% | |

| | Group | | | | | |
|--|---------------|----------------|----------------|---------------|---------------|--------------|
| | FY 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
| | US\$'000 | US\$'000 | (%) | US\$'000 | US\$'000 | (%) |
| Underlying Net Profit | | | | | | |
| Profit for the year/period | 93,175 | 127,687 | (27.0%) | 33,480 | 18,666 | 79.4% |
| Provision for expected credit losses | 989 | - | n.m. | 989 | - | n.m. |
| (Gains)/losses arising from changes in fair value of biological assets | (5,935) | 2,592 | n.m. | (5,935) | 2,592 | n.m. |
| Losses arising from changes in fair value of unquoted investment | 4,900 | - | n.m. | 4,900 | - | n.m. |
| Underlying net profit for the year/period | 93,129 | 130,279 | (28.5%) | 33,434 | 21,258 | 57.3% |
| Underlying net profit attributable to: | | | | | | |
| Owners of the Company | 89,082 | 122,593 | (27.3%) | 31,956 | 19,931 | 60.3% |
| Non-controlling interests | 4,047 | 7,686 | (47.3%) | 1,478 | 1,327 | 11.4% |
| | 93,129 | 130,279 | (28.5%) | 33,434 | 21,258 | 57.3% |

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 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| ASSETS | | | | |
| Non-current assets | | | | |
| Bearer plants | 595,558 | 613,020 | - | - |
| Plasma receivables | 71,842 | 46,401 | - | - |
| Property, plant and equipment | 420,350 | 327,403 | 3,246 | 4,517 |
| Land use rights | 50,457 | 45,892 | - | - |
| Investment in subsidiaries | - | - | 751,081 | 481,587 |
| Goodwill | 84,393 | 81,013 | - | - |
| Other intangible assets | 29,950 | 20,515 | - | - |
| Unquoted investment | 1,371 | 5,775 | 1,371 | 5,775 |
| Derivative financial assets | 1,167 | 1,028 | 1,167 | 1,028 |
| Tax recoverable | 81,072 | 45,328 | - | - |
| Deferred tax assets | 59,139 | 54,702 | - | - |
| Loan to subsidiary | - | - | 124,125 | 367,410 |
| Other non-current assets | 493 | 369 | - | - |
| Total non-current assets | 1,395,792 | 1,241,446 | 880,990 | 860,317 |
| Current assets | | | | |
| Biological assets | 25,952 | 17,183 | - | - |
| Plasma receivables | 1,022 | 4,525 | - | - |
| Inventories | 81,721 | 97,562 | - | - |
| Trade receivables | 42,386 | 37,392 | 1,143 | - |
| Other receivables | 2,812 | 3,425 | 286 | 313 |
| Derivative financial assets | 563 | 2,882 | 306 | 994 |
| Advances for purchase of property, plant and equipment | 8,539 | 18,870 | - | - |
| Other advances and prepayments | 3,142 | 3,515 | 1,369 | 359 |
| Prepaid taxes | 44,996 | 44,338 | - | - |
| Restricted cash balances | 42,989 | 44,540 | 41,849 | 42,718 |
| Cash and cash equivalents * | 59,022 | 55,359 | 4,496 | 4,028 |
| Total current assets | 313,144 | 329,591 | 49,449 | 48,412 |
| Total assets | 1,708,936 | 1,571,037 | 930,439 | 908,729 |

* As at 31 December 2019, the Group has bank overdrafts amounting to US\$81.8 million (31 December 2018: US\$57.1 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 2019 | 31 Dec 2018 | 31 Dec 2019 | 31 Dec 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| LIABILITIES | | | | |
| Current liabilities | | | | |
| Trade payables | 19,159 | 28,468 | - | 40 |
| Other payables and accruals | 35,136 | 31,317 | 3,308 | 3,934 |
| Advances from customers | 2,585 | 2,927 | - | - |
| Loans and borrowings from financial institutions | 48,147 | 30,111 | 45,010 | 27,582 |
| Islamic medium term notes | 146,554 | - | 146,554 | - |
| Derivative financial liabilities | 52,029 | 921 | 51,956 | - |
| Provision for tax | 10,846 | 21,244 | 787 | 900 |
| Total current liabilities | 314,456 | 114,988 | 247,615 | 32,456 |
| Non-current liabilities | | | | |
| Loans and borrowings from financial institutions | 118,986 | 109,817 | 116,571 | 106,795 |
| Islamic medium term notes | 97,631 | 241,073 | 97,631 | 241,073 |
| Derivative financial liabilities | 27,007 | 79,580 | 27,007 | 79,580 |
| Provision for post-employment benefits | 27,425 | 21,490 | - | - |
| Deferred tax liabilities | 21,529 | 18,074 | 373 | 528 |
| Total non-current liabilities | 292,578 | 470,034 | 241,582 | 427,976 |
| Total liabilities | 607,034 | 585,022 | 489,197 | 460,432 |
| Net assets | 1,101,902 | 986,015 | 441,242 | 448,297 |
| EQUITY | | | | |
| 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 | (62,040) | (115,119) | 9,696 | 12,507 |
| Retained earnings | 676,423 | 617,355 | 36,633 | 40,877 |
| Equity attributable to owners of the Company | 1,044,312 | 932,165 | 441,242 | 448,297 |
| Non-controlling interests | 57,590 | 53,850 | - | - |
| Total equity | 1,101,902 | 986,015 | 441,242 | 448,297 |

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 2019 | | | As at 31 Dec 2018 | | |
| | 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 | 3,137 | 191,564 | 194,701 | 2,529 | 27,582 | 30,111 |
| Amount repayable after one year | 2,415 | 214,202 | 216,617 | 3,022 | 347,868 | 350,890 |
| Total | 5,552 | 405,766 | 411,318 | 5,551 | 375,450 | 381,001 |

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 2019, the Group has undrawn committed unsecured credit facilities available of US\$95.0 million, which may be utilised for the Group's general corporate purposes. The Group also has additional committed unsecured credit facilities of US\$230.0 million available for drawdown from February to June 2020, which may be utilised for the partial or full refinancing of the Islamic medium term notes due in June 2020 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 2019 | FY 2018 | 4Q 2019 | 4Q 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Cash flows from operating activities | | | | |
| Profit before tax | 131,201 | 181,115 | 51,114 | 25,366 |
| Adjustments for: | | | | |
| Depreciation of bearer plants and property, plant and equipment | 68,745 | 65,138 | 18,188 | 16,127 |
| Amortisation of land use rights and intangible assets | 2,121 | 2,146 | 523 | 513 |
| Losses/(gains) on disposal of bearer plants and property, plant and equipment | 2,198 | 619 | 1,056 | (290) |
| Write-off of intangible assets | - | 180 | - | 180 |
| Financial expenses | 17,627 | 19,325 | 4,503 | 4,367 |
| Interest income | (1,560) | (2,282) | (317) | (326) |
| Provision for expected credit losses | 1,269 | - | 1,269 | - |
| (Gains)/losses arising from changes in fair value of biological assets | (7,913) | 3,456 | (7,913) | 3,456 |
| Losses/(gains) on derivative financial instruments | 808 | (486) | 212 | (1,343) |
| Losses arising from changes in fair value of unquoted investment | 4,900 | - | 4,900 | - |
| Gains arising from changes in carrying value of plasma receivables | (2,744) | - | (2,744) | - |
| Operating cash flows before changes in working capital | 216,652 | 269,211 | 70,791 | 48,050 |
| Changes in working capital: | | | | |
| Inventories | 20,148 | (36,133) | 11,748 | (15,144) |
| Receivables and other assets | (21,820) | (24,922) | (25,804) | 2,863 |
| Payables and other liabilities | (2,459) | 5,232 | 5,859 | (2,261) |
| Unrealised translation differences | 598 | (8,297) | 580 | 3,497 |
| Cash flows generated from operations | 213,119 | 205,091 | 63,174 | 37,005 |
| Financial expenses paid | (17,278) | (18,500) | (7,254) | (7,219) |
| Interest income received | 1,660 | 2,319 | 452 | 408 |
| Tax paid | (65,303) | (76,471) | (12,389) | (16,511) |
| Net cash generated from operating activities | 132,198 | 112,439 | 43,983 | 13,683 |

1(c) Statement of cash flows (continued)

| | Group | | | |
|---|------------------|------------------|-----------------|-----------------|
| | FY 2019 | FY 2018 | 4Q 2019 | 4Q 2018 |
| | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Cash flows from investing activities | | | | |
| Capital expenditure on bearer plants | (14,085) | (31,742) | (11,238) | (9,756) |
| Capital expenditure on property, plant and equipment | (98,445) | (45,647) | (49,097) | (8,765) |
| Decrease/(increase) in advances for purchase of property, plant and equipment | 10,925 | (18,587) | 34,929 | (9,883) |
| (Increase)/decrease in plasma receivables | (5,839) | 2,620 | 1,522 | (1,789) |
| Additions to land use rights | (4,941) | (1,193) | (1,788) | (410) |
| Additions to other intangible assets | (8,485) | (11) | (8,485) | - |
| Additions to unquoted investment | (496) | - | (496) | - |
| Proceeds from disposal of bearer plants and property, plant and equipment | 736 | 703 | 566 | 251 |
| Net cash used in investing activities | (120,630) | (93,857) | (34,087) | (30,352) |
| Cash flows from financing activities | | | | |
| Proceeds from bank loans | 54,784 | - | 54,784 | - |
| Repayment of bank loans | (27,917) | (113,542) | (86,958) | (6,042) |
| Payment of obligations under finance leases | (3,450) | (2,526) | (865) | (682) |
| Decrease in restricted cash balances | 1,551 | 29 | 5,246 | 163 |
| Dividends paid | (33,317) | (80,917) | (804) | (177) |
| Proceeds from equity contribution by non-controlling interests | 19 | - | - | - |
| Net cash used in financing activities | (8,330) | (196,956) | (28,597) | (6,738) |
| Net increase/(decrease) in cash and cash equivalents | 3,238 | (178,374) | (18,701) | (23,407) |
| Effect of exchange rate changes on cash and cash equivalents | 425 | (589) | 466 | (126) |
| Cash and cash equivalents at the beginning of the financial year/period | 55,359 | 234,322 | 77,257 | 78,892 |
| Cash and cash equivalents at the end of the financial year/period | 59,022 | 55,359 | 59,022 | 55,359 |
| Add: Restricted cash balances | 42,989 | 44,540 | 42,989 | 44,540 |
| Total cash and bank balances | 102,011 | 99,899 | 102,011 | 99,899 |

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 2019 | 394,913 | 35,016 | (115,119) | 617,355 | 932,165 | 53,850 | 986,015 |
| Profit for the year | - | - | - | 89,128 | 89,128 | 4,047 | 93,175 |
| <u>Other comprehensive income</u> | | | | | | | |
| Remeasurement losses on defined benefits plan | - | - | - | 339 | 339 | (83) | 256 |
| Net change in fair value of cash flow hedges | - | - | (2,811) | - | (2,811) | - | (2,811) |
| Foreign currency translation | - | - | 55,890 | - | 55,890 | 2,675 | 58,565 |
| Other comprehensive income for the year, net of tax | - | - | 53,079 | 339 | 53,418 | 2,592 | 56,010 |
| Total comprehensive income for the year | - | - | 53,079 | 89,467 | 142,546 | 6,639 | 149,185 |
| <u>Distributions to owners</u> | | | | | | | |
| Dividends paid | - | - | - | (30,399) | (30,399) | (2,918) | (33,317) |
| <u>Changes in ownership interests in subsidiaries</u> | | | | | | | |
| Equity contribution by non-controlling interests | - | - | - | - | - | 19 | 19 |
| Total transactions with owners in their capacity as owners | - | - | - | (30,399) | (30,399) | (2,899) | (33,298) |
| At 31 Dec 2019 | 394,913 | 35,016 | (62,040) | 676,423 | 1,044,312 | 57,590 | 1,101,902 |
| At 1 Jan 2018 | 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) |
| Total transactions with owners in their capacity as owners | - | - | - | (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 |

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 2019 | 394,913 | 35,016 | (90,871) | 644,082 | 983,140 | 55,755 | 1,038,895 |
| Profit for the period | - | - | - | 32,002 | 32,002 | 1,478 | 33,480 |
| <u>Other comprehensive income</u> | | | | | | | |
| Remeasurement gains/(losses) on defined benefits plan | - | - | - | 339 | 339 | (83) | 256 |
| Net change in fair value of cash flow hedges | - | - | 1,554 | - | 1,554 | - | 1,554 |
| Foreign currency translation | - | - | 27,277 | - | 27,277 | 1,244 | 28,521 |
| Other comprehensive income for the period, net of tax | - | - | 28,831 | 339 | 29,170 | 1,161 | 30,331 |
| Total comprehensive income for the period | - | - | 28,831 | 32,341 | 61,172 | 2,639 | 63,811 |
| <u>Distributions to owners</u> | | | | | | | |
| Dividends paid | - | - | - | - | - | (804) | (804) |
| Total transactions with owners in their capacity as owners | - | - | - | - | - | (804) | (804) |
| At 31 Dec 2019 | 394,913 | 35,016 | (62,040) | 676,423 | 1,044,312 | 57,590 | 1,101,902 |
| 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) |
| Total transactions with owners in their capacity as owners | - | - | - | - | - | (177) | (177) |
| At 31 Dec 2018 | 394,913 | 35,016 | (115,119) | 617,355 | 932,165 | 53,850 | 986,015 |

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 2019 | 394,913 | 12,507 | 40,877 | 448,297 |
| Profit for the year | - | - | 26,155 | 26,155 |
| <u>Other comprehensive income</u> | | | | |
| Net change in fair value of cash flow hedges | - | (2,811) | - | (2,811) |
| Total comprehensive income for the year | - | (2,811) | 26,155 | 23,344 |
| <u>Distributions to owners</u> | | | | |
| Dividends paid | - | - | (30,399) | (30,399) |
| Total transactions with owners in their capacity as owners | - | - | (30,399) | (30,399) |
| At 31 Dec 2019 | 394,913 | 9,696 | 36,633 | 441,242 |
| At 1 Jan 2018 | 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) |
| Total transactions with owners in their capacity as owners | - | - | (79,767) | (79,767) |
| At 31 Dec 2018 | 394,913 | 12,507 | 40,877 | 448,297 |
| At 1 Oct 2019 | 394,913 | 8,115 | 28,599 | 431,627 |
| Profit for the period | - | - | 8,034 | 8,034 |
| <u>Other comprehensive income</u> | | | | |
| Net change in fair value of cash flow hedges | - | 1,581 | - | 1,581 |
| Total comprehensive income for the period | - | 1,581 | 8,034 | 9,615 |
| At 31 Dec 2019 | 394,913 | 9,696 | 36,633 | 441,242 |
| 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 |

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

Other Reserves

| Group | As at | |
|---------------------------------|-------------|-------------|
| | 31 Dec 2019 | 31 Dec 2018 |
| | US\$'000 | US\$'000 |
| Capital reserve | (29,096) | (29,096) |
| Revaluation reserve | 279 | 279 |
| Gain on sale of treasury shares | 10,322 | 10,322 |
| Hedging reserve | (1,019) | 1,792 |
| Foreign translation reserve | (42,526) | (98,416) |
| Total other reserves | (62,040) | (115,119) |

| Company | As at | |
|---------------------------------|-------------|-------------|
| | 31 Dec 2019 | 31 Dec 2018 |
| | US\$'000 | US\$'000 |
| Gain on sale of treasury shares | 10,322 | 10,322 |
| Hedging reserve | (1,019) | 1,792 |
| Foreign translation reserve | 393 | 393 |
| Total other reserves | 9,696 | 12,507 |

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, subdivision, consolidation, 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 2019.

| | Company | |
|--|---------------|---------------|
| | 31 Dec 2019 | 31 Dec 2018 |
| 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 2019 and 31 December 2018.

The Company did not hold any treasury shares and there were no subsidiary holdings as at 31 December 2019 and 31 December 2018.

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 2019 and 31 December 2018 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 modifications 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 accounting policies and methods of computation applied by the Group and Company are consistent with those used in the previous financial year except for the new and revised standards that are effective for annual periods beginning on or after 1 January 2019. The adoption of these standards has no significant impact to the Group and the Company.

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 2019 | FY 2018 | 4Q 2019 | 4Q 2018 |
| 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) | 5.63 | 7.58 | 2.02 | 1.09 |
| EPS - diluted (US cents) | 5.63 | 7.58 | 2.02 | 1.09 |

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 2019 US\$ | 31 Dec 2018 US\$ | 31 Dec 2019 US\$ | 31 Dec 2018 US\$ |
| Net asset value per ordinary share | 0.66 | 0.59 | 0.28 | 0.28 |

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 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
|--------------------------------|-----------|-----------|--------|---------|---------|--------|
| | Tonne | Tonne | % | Tonne | Tonne | % |
| Plantations and Palm Oil Mills | | | | | | |
| - Crude palm oil | 844,626 | 826,842 | 2.2% | 248,408 | 211,530 | 17.4% |
| - Palm kernel | 191,096 | 190,298 | 0.4% | 60,205 | 44,752 | 34.5% |
| Refinery and Processing | 1,167,641 | 1,011,037 | 15.5% | 332,777 | 255,974 | 30.0% |

Note: Sales volume include inter-segment sales

SALES

| | FY 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
|--------------------------------|----------------|----------------|---------------|----------------|----------------|--------------|
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Plantations and Palm Oil Mills | | | | | | |
| - Crude palm oil | 395,162 | 446,587 | (11.5%) | 116,450 | 104,376 | 11.6% |
| - Palm kernel | 53,721 | 75,202 | (28.6%) | 15,527 | 15,125 | 2.7% |
| - Fresh fruit bunches | 14,294 | 13,034 | 9.7% | 3,275 | 3,062 | 7.0% |
| | 463,177 | 534,823 | (13.4%) | 135,252 | 122,563 | 10.4% |
| Refinery and Processing | 592,666 | 604,722 | (2.0%) | 178,457 | 138,815 | 28.6% |
| Inter-segment elimination | (440,954) | (506,058) | (12.9%) | (129,468) | (115,888) | 11.7% |
| Total Sales | 614,889 | 633,487 | (2.9%) | 184,241 | 145,490 | 26.6% |

EBITDA

| | FY 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
|--------------------------------|----------------|----------------|----------------|---------------|---------------|--------------|
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Plantations and Palm Oil Mills | 177,050 | 249,743 | (29.1%) | 51,218 | 46,853 | 9.3% |
| Refinery and Processing | 28,937 | 16,989 | 70.3% | 20,275 | 6,588 | 207.8% |
| Inter-segment elimination | 12,812 | (8,840) | n.m. | 3,999 | (5,897) | n.m. |
| Total EBITDA | 218,799 | 257,892 | (15.2%) | 75,492 | 47,544 | 58.8% |

n.m. – not meaningful

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US\$89.1 million in FY2019, a decline of 25.7% against FY2018 and a 17.4% decrease in profit from operations to US\$154.6 million. The lower net profit and profit from operations reflected the effects of weaker palm oil prices, partially mitigated by the higher sales volumes achieved.

For 4Q2019, net profit increased by 84.6% to US\$32.0 million while profit from operations was up by 131.1% to US\$63.4 million, boosted by the higher production and sales volumes during the last quarter.

Excluding the provision for expected credit losses and gains/(losses) arising from changes in fair value of biological assets and unquoted investment, the underlying net profit for the Group would have decreased by 27.3% and increased by 60.3% for FY2019 and 4Q2019 respectively.

Sales

Sales dipped marginally by 2.9% to US\$614.9 million in FY2019. For 4Q2019, sales grew by 26.6% to US\$184.2 million from higher 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 9.3% to US\$387.7 million in FY2019 and 14.3% to US\$105.3 million in 4Q2019, mainly due to the higher sales volumes.

Gross Profit

Gross profit declined by 18.5% to US\$227.2 million in FY2019 with gross profit margin coming in at 36.9% (FY2018: 44.0%), reflecting the effects of weaker palm oil prices.

For 4Q2019, gross profit grew by 47.9% to US\$79.0 million with gross profit margin of 42.9% (4Q2018: 36.7%), boosted by the higher production and sales volumes during the quarter.

Gains/(Losses) 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\$7.9 million in FY2019 and 4Q2019, as compared to losses of US\$3.5 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 gains recorded in 2019 was mainly due to the higher FFB price used in the valuation as compared to the previous year.

Selling and Distribution costs

Selling and distribution expenses decreased by 12.7% to US\$50.2 million in FY2019, mainly due to the lower export taxes. For 4Q2019, selling and distribution expenses increased by 7.3% to US\$15.9 million.

General and Administrative expenses

General and administrative expenses came in at US\$29.7 million for FY2019, a slight increase of 3.7% against the previous year. For 4Q2019, general and administrative expenses increased by 18.9% to US\$8.5 million, mainly due to higher accruals for employee related costs.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

EBITDA

The Group's EBITDA dipped by 15.2% to US\$218.8 million in FY2019, mainly impacted by the lower average selling prices.

For 4Q2019, EBITDA increased by 58.8% to US\$75.5 million, primarily boosted by the higher production and sales volumes.

Depreciation and Amortisation

Depreciation and amortisation increased by 5.3% to US\$70.9 million in FY2019 and 12.4% to US\$18.7 million in 4Q2019, 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 FY2019 (FY2018: US\$8.3 million) and losses of US\$0.7 million in 4Q2019 (4Q2018: US\$1.9 million). These arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

(Losses)/Gains on Derivative Financial Instruments

The Group recorded losses on derivative financial instruments of US\$0.8 million in FY2019 (FY2018: gains of US\$0.5 million) and losses of US\$0.2 million in 4Q2019 (4Q2018: gains of US\$1.3 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.

Losses Arising From Changes in Fair Value of Unquoted Investment

The Group recognised losses arising from changes in fair value of unquoted investment amounting to US\$4.9 million in FY2019 and 4Q2019. The fair value of the unquoted investment is determined by reference to the investee's adjusted net asset value less costs to sell, on the basis that the adjusted net asset value approximates its recoverable amount at reporting date. The fair value losses recorded in 2019 was mainly due to deterioration in the financial position of the investee during the year.

Net Financial Expenses

| | FY 2019 | FY 2018 | Change | 4Q 2019 | 4Q 2018 | Change |
|--|---------------|---------------|---------------|--------------|--------------|-------------|
| | US\$'000 | US\$'000 | % | US\$'000 | US\$'000 | % |
| Interest expenses and amortisation on loans and borrowings from financial institutions | 5,474 | 7,172 | (23.7%) | 1,440 | 1,304 | 10.4% |
| Profit distribution and amortisation on Islamic medium term notes | 12,153 | 12,153 | - | 3,063 | 3,063 | - |
| | 17,627 | 19,325 | (8.8%) | 4,503 | 4,367 | 3.1% |
| Interest income | (1,560) | (2,282) | (31.6%) | (317) | (326) | (2.8%) |
| Net financial expenses | 16,067 | 17,043 | (5.7%) | 4,186 | 4,041 | 3.6% |

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

Net Financial Expenses (continued)

Net financial expenses decreased by 5.7% to US\$16.1 million in FY2019, mainly due to the reduction in interest expenses from a US\$100.0 million prepayment of bank loans in 2Q2018, partially offset by lower interest income earned on cash and bank balances. For 4Q2019, net financial expenses amounted to US\$4.2 million, an increase of 3.6% from 4Q2018.

Tax Expense and Net profit

Tax expense came in at US\$38.0 million in FY2019 (FY2018: US\$53.4 million) and US\$17.6 million in 4Q2019 (4Q2018: US\$6.7 million), along with the lower/higher taxable income of the Group. In addition, 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 25.7% to US\$89.1 million in FY2019 and increased by 84.6% to US\$32.0 million in 4Q2019.

REVIEW OF BALANCE SHEET

Total assets of the Group increased from US\$1,571.0 million as at 31 December 2018 to US\$1,708.9 million as at 31 December 2019. Non-current assets increased by 12.4% to US\$1,395.8 million, mainly due to the appreciation of Indonesian Rupiah ("IDR") against United States Dollar ("USD") during the year as well as the Group's capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment. These were partially offset by the depreciation of bearer plants and property, plant and equipment. The Group's current assets decreased by 5.0% to US\$313.1 million, mainly contributed by the lower inventories and advances for purchase of property, plant and equipment, partially offset by higher biological assets and trade receivables.

Total liabilities of the Group increased by 3.8% from US\$585.0 million as at 31 December 2018 to US\$607.0 million as at 31 December 2019, mainly from the increase in gross borrowings.

Gross borrowings increased by US\$30.3 million to US\$411.3 million as at 31 December 2019 (31 December 2018: US\$381.0 million), primarily due to a net drawdown of bank loans.

Taking into consideration the increase in cash and bank balances during the year, net borrowings increased from US\$281.1 million as at 31 December 2018 to US\$309.3 million as at 31 December 2019, with net gearing ratio at 0.28x (31 December 2018: 0.29x).

As at 31 December 2019, the Group was in a net current liabilities position of US\$1.3 million, which included the Islamic medium term notes due in June 2020 that can be refinanced using the US\$230.0 million of committed unsecured credit facilities obtained by the Company during 2019.

The Group's total equity increased by 11.8% from US\$986.0 million as at 31 December 2018 to US\$1,101.9 million as at 31 December 2019, partly contributed by the foreign currency translation gains arising from the appreciation of IDR against USD during the year.

8. Review of Group Performance (continued)

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US\$132.2 million from its operating activities in FY2019 as compared to US\$112.4 million in FY2018. In 4Q2019, net cash generated from operating activities amounted to US\$44.0 million as compared to US\$13.7 million in 4Q2018, mainly contributed by the higher sales volumes. The higher cash generated from operating activities in FY2019 and 4Q2019 were also due to the effects of net inventory drawdowns in FY2019 and 4Q2019, as compared to build-ups in the corresponding prior periods.

Net cash used in investing activities amounted to US\$120.6 million in FY2019 (FY2018: US\$93.9 million) and US\$34.1 million in 4Q2019 (4Q2018: US\$30.4 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\$8.3 million in FY2019 as compared to US\$197.0 million in FY2018. For 4Q2019, net cash used in financing activities amounted to US\$28.6 million as compared to US\$6.7 million in 4Q2018. The higher cash used in financing activities during FY2018 included prepayment of bank loans amounting to US\$100.0 million and a higher amount of dividends paid as compared to FY2019. For 4Q2019, the cash used in financing activities included repayment of bank loans amounting to US\$87.0 million, partially offset by US\$54.8 million of proceeds from drawdown of bank loans.

Overall, the Group registered an increase in cash and cash equivalents of US\$3.2 million in FY2019, bringing the Group's cash and bank balances to US\$102.0 million as at 31 December 2019.

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

Palm oil prices have rallied in 4Q2019 on expectations of tightening supply growth and drawdown in inventory levels, although recent concerns over the COVID-19 has been an overhang on CPO prices, due to downside risk to demand from China.

The Group believes that supply-demand dynamics of the palm oil industry remain favourable, contributed by expectations of slowdown in production growth from dry weather and lower fertiliser application last year, as well as the boost from Indonesia's B30 biodiesel mandate. Other macro factors such as developments in the US-China trade deal and the soybean and crude oil markets will continue to influence CPO prices.

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 | 1.725 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 |
| 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 |

(c) Date payable

Payment of the proposed final dividend, if approved by the members at the Annual General Meeting to be held on 24 April 2020, will be made on 14 May 2020.

(d) Record date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 6 May 2020 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 5 May 2020 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 5 May 2020 will be entitled to the proposed final dividend.

12. If no dividend has been declared or 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

| Name of Interested Person | Nature of relationship | 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) |
|----------------------------------|---|--|--|
| | | US\$'000 | US\$'000 |
| Eight Capital Advisors Pte. Ltd. | Associate of Eight Capital Inc. | - | 333 |
| PT Riau Agung Karya Abadi | Associate of Eight Capital Inc. | 118 | 7,583 |
| PT Borneo Bhakti Sejahtera | Associate of Eight Capital Inc. | - | 1,107 |
| PT Surya Dumai Industri | Associate of Ciliandra Fangiono & Fang Zhixiang | - | 294 |
| Total | | 118 | 9,317 |

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 2019 | US\$'000 | US\$'000 | US\$'000 | US\$'000 |
| Sales: | | | | |
| External customers | 22,223 | 592,666 | - | 614,889 |
| Inter-segment | 440,954 | - | (440,954) | - |
| Total sales | 463,177 | 592,666 | (440,954) | 614,889 |
| Results: | | | | |
| EBITDA | 177,050 | 28,937 | 12,812 | 218,799 |
| Depreciation and amortisation | (63,544) | (7,322) | - | (70,866) |
| Gains arising from changes in fair value of biological assets | 7,913 | - | - | 7,913 |
| Provision for expected credit losses | (1,269) | - | - | (1,269) |
| Profit from operations | 120,150 | 21,615 | 12,812 | 154,577 |
| Gains on foreign exchange | | | | 181 |
| Losses on derivative financial instruments | | | | (808) |
| Net financial expenses | | | | (16,067) |
| Losses arising from changes in fair value of unquoted investment | | | | (4,900) |
| Other non-operating expenses | | | | (1,782) |
| Profit before tax | | | | 131,201 |

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

| | 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 income | | | | 2,264 |
| Profit before tax | | | | 181,115 |

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 2019 | FY 2018 | Change |
| | US\$'000 | US\$'000 | % |
| Sales reported for first half year | 293,033 | 316,570 | (7.4%) |
| Profit after tax before deducting non-controlling interests reported for first half year | 30,391 | 67,842 | (55.2%) |
| Sales reported for second half year | 321,856 | 316,917 | 1.6% |
| Profit after tax before deducting non-controlling interests reported for second half year | 62,784 | 59,845 | 4.9% |

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

| | FY 2019 | | FY 2018 | |
|-----------------------------|---------------|---------------------|---------------|---------------------|
| | S\$'000 | US\$'000 equivalent | S\$'000 | US\$'000 equivalent |
| Ordinary – Interim (paid) | 9,900 | 7,157 | 19,801 | 14,397 |
| Ordinary – Final (paid) | - | - | 31,681 | 23,242 |
| Ordinary – Final (proposed) | 27,325 | 20,286* | - | - |
| Total | 37,225 | 27,443 | 51,482 | 37,639 |

* Based on SGD/USD exchange rate of 1.3470.

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 | 43 | 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 | 42 | 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
26 February 2020