

**GOLDEN AGRI-RESOURCES LTD**
**First Quarter Financial Statement And Dividend Announcement**
**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
 HALF-YEAR AND FULL YEAR RESULTS**
**1(a) An income statement (for the group) together with a comparative statement for the  
 corresponding period of the immediately preceding financial year**
**UNAUDITED CONSOLIDATED INCOME STATEMENT  
 FOR THE PERIOD ENDED 31 MARCH 2008**

	<b>1st Qtr 2008 <u>US\$'000</u></b>	<b>1st Qtr 2007 <u>US\$'000</u></b>	<b>Change %</b>
<b>Revenue</b>	747,433	275,347	171.5
Cost of sales	<u>(482,809)</u>	<u>(172,689)</u>	179.6
<b>Gross profit</b>	<u>264,624</u>	<u>102,658</u>	157.8
Net gain from changes in fair value of biological assets	459,535	164,921	178.6
<b>Operating expenses</b>			
Selling expenses	(50,963)	(7,711)	n.m.
General and administrative expenses	<u>(26,672)</u>	<u>(17,662)</u>	51.0
Total operating expenses	<u>(77,635)</u>	<u>(25,373)</u>	n.m.
<b>Operating profit</b>	646,524	242,206	166.9
<b>Other income(expenses)</b>			
Financial income	1,152	1,328	(13.3)
Financial expenses	(9,535)	(9,827)	(3.0)
Share of results of associated companies, net	1,760	1,209	45.6
Foreign exchange gain	4,786	638	n.m.
Other operating income(expenses), net	<u>204</u>	<u>(2,424)</u>	n.m.
	<u>(1,633)</u>	<u>(9,076)</u>	(82.0)
<b>Exceptional item</b>			
Negative goodwill	<u>-</u>	<u>68,533</u>	(100.0)
<b>Profit before tax</b>	644,891	301,663	113.8
Tax	<u>(185,626)</u>	<u>(62,281)</u>	198.0
<b>Profit for the period</b>	<u>459,265</u>	<u>239,382</u>	91.9
<b>Attributable to:</b>			
Equity holders of the Company	442,825	219,286	101.9
Minority interests	<u>16,440</u>	<u>20,096</u>	(18.2)
	<u>459,265</u>	<u>239,382</u>	91.9

Note (1) n.m. – not meaningful

## ADDITIONAL INFORMATION

**(A) Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, foreign exchange gain(loss), exceptional item and share of results of associated companies (“EBITDA”)**

	<b>1st Qtr 2008 <u>US\$'000</u></b>	<b>1st Qtr 2007 <u>US\$'000</u></b>	<b>Change %</b>
<b>Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, foreign exchange gain(loss), exceptional item and share of results of associated companies (“EBITDA”)</b>	201,510	88,243	128.4
Net gain from changes in fair value of biological assets	459,535	164,921	178.6
Interest on borrowings	(9,278)	(9,813)	(5.5)
Depreciation and amortisation	(13,422)	(12,068)	11.2
Foreign exchange gain	4,786	638	n.m.
Exceptional item	-	68,533	(100.0)
Profit before tax, minority interests, but after interest on borrowings, depreciation and amortisation, exchange gain and exceptional item	<u>643,131</u>	<u>300,454</u>	114.1
Share of results of associated companies, net	1,760	1,209	45.6
<b>Profit before tax</b>	<u><u>644,891</u></u>	<u><u>301,663</u></u>	113.8

Note(1) n.m. – not meaningful

**(B) Results before accounting for the net gain from changes in fair value of biological assets and exceptional item**

	<b>1st Qtr 2008 <u>US\$'000</u></b>	<b>1st Qtr 2007 <u>US\$'000</u></b>	<b>Change %</b>
<b>Operating profit</b>	<u><u>186,989</u></u>	<u><u>77,285</u></u>	141.9
<b>Profit before tax</b>	185,356	68,209	171.7
Taxation	<u>(47,765)</u>	<u>(12,805)</u>	n.m.
<b>Profit for the period</b>	<u><u>137,591</u></u>	<u><u>55,404</u></u>	148.3
<b>Attributable to:</b>			
Equity holders of the Company	135,708	48,924	177.4
Minority interests	<u>1,883</u>	<u>6,480</u>	(70.9)
<b>Profit for the period</b>	<u><u>137,591</u></u>	<u><u>55,404</u></u>	148.3

Note(1) n.m. – not meaningful

**1(b)(i) A balance sheet (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

**UNAUDITED BALANCE SHEETS**

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2008	31/12/2007	31/3/2008	31/12/2007
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Assets</b>				
Current Assets				
Cash and cash equivalents	128,271	124,487	1,450	1,521
Short-term investments	60,061	22,065	-	-
Trade receivables	168,866	119,426	-	-
Other receivables (note (a))	234,443	186,305	368	349
Inventories	345,181	311,534	-	-
	936,822	763,817	1,818	1,870
Non-Current Assets				
Long-term receivables (note (b))	128,917	119,216	-	-
Long-term investments	25,050	25,050	-	-
Subsidiary companies	-	-	1,757,618	1,748,539
Associated companies	20,255	18,818	-	-
Property, plant and equipment	847,111	819,946	-	-
Biological assets	3,603,402	3,129,960	-	-
Deferred income tax	12,394	12,351	-	-
Deferred charges	5,723	5,516	-	-
Brands and trademarks	2,162	2,242	-	-
Goodwill	115,898	115,898	-	-
	4,760,912	4,248,997	1,757,618	1,748,539
<b>Total Assets</b>	<b>5,697,734</b>	<b>5,012,814</b>	<b>1,759,436</b>	<b>1,750,409</b>

## UNAUDITED BALANCE SHEETS (cont'd)

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2008 US\$'000	31/12/2007 US\$'000	31/3/2008 US\$'000	31/12/2007 US\$'000
<b>Liabilities and Equity</b>				
Current Liabilities				
Short-term loans	335,516	262,447	10,010	20,000
Trade payables	139,709	152,953	-	-
Other payables (note(c))	60,031	66,420	47,333	34,881
Taxes payable	53,008	35,377	2,324	2,324
Obligations under finance leases	448	593	-	-
	588,712	517,790	59,667	57,205
Non-Current Liabilities				
Obligations under finance leases	24	28	-	-
Long-term borrowings	220,007	228,529	-	-
Deferred income tax	1,011,913	870,476	-	-
Long-term payables	15,141	14,781	-	-
	1,247,085	1,113,814	-	-
Total Liabilities	1,835,797	1,631,604	59,667	57,205
Equity Attributable to Equity Holders of the Company				
Issued capital	249,397	249,397	249,397	249,397
Share premium	772,100	772,100	1,406,970	1,406,970
Other paid-in capital	184,318	184,318	-	-
Other reserve	1,136	1,136	-	-
Hedging reserve	-	(16,036)	-	-
Foreign currency translation reserve	14,310	9,139	-	-
Cumulative translation adjustments	(16,684)	(16,684)	-	-
Retained earnings	2,562,021	2,119,196	43,402	36,837
	3,766,598	3,302,566	1,699,769	1,693,204
Minority Interests	95,339	78,644	-	-
Total Equity	3,861,937	3,381,210	1,699,769	1,693,204
<b>Total Liabilities and Equity</b>	<b>5,697,734</b>	<b>5,012,814</b>	<b>1,759,436</b>	<b>1,750,409</b>

## UNAUDITED BALANCE SHEETS (cont'd)

### Note:

#### (a) Other Receivables

	Group		Company	
	As at		As at	
	31/3/2008 US\$'000	31/12/2007 US\$'000	31/3/2008 US\$'000	31/12/2007 US\$'000
Prepaid expenses	40,717	8,628	28	23
Prepaid value added tax, net	67,439	43,884	-	-
Trading deposits	13,026	38,603	-	-
Others	85,029	67,096	-	-
	<u>206,211</u>	<u>158,211</u>	<u>28</u>	<u>23</u>
Related parties	28,232	28,094	340	326
	<u>234,443</u>	<u>186,305</u>	<u>368</u>	<u>349</u>

#### (b) Long-Term Receivables

	Group		Company	
	As at		As at	
	31/3/2008 US\$'000	31/12/2007 US\$'000	31/3/2008 US\$'000	31/12/2007 US\$'000
Associated company	6,187	6,076	-	-
Loan receivable	16,495	13,974	-	-
Tax recoverable	48,492	49,962	-	-
Advances for project plasma plantations	4,634	3,208	-	-
Advances for project and purchase of fixed assets	40,429	33,572	-	-
Land clearing	6,554	6,447	-	-
Advances for investments in land	3,411	3,380	-	-
Others	2,715	2,597	-	-
	<u>128,917</u>	<u>119,216</u>	<u>-</u>	<u>-</u>

#### (c) Other Payables

	Group		Company	
	As at		As at	
	31/3/2008 US\$'000	31/12/2007 US\$'000	31/3/2008 US\$'000	31/12/2007 US\$'000
Advances from customers	20,257	14,319	-	-
Accrued expenses	20,214	13,423	556	524
Others	15,267	35,550	130	221
	<u>55,738</u>	<u>63,292</u>	<u>686</u>	<u>745</u>
Related parties	4,293	3,128	46,647	34,136
	<u>60,031</u>	<u>66,420</u>	<u>47,333</u>	<u>34,881</u>

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

	As at 31/3/2008 US\$'000			As at 31/12/2007 US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	325,216	10,748	335,964	242,318	20,722	263,040
Amount repayable after one year	220,031	-	220,031	228,557	-	228,557
<b>Total</b>	<b>545,247</b>	<b>10,748</b>	<b>555,995</b>	<b>470,875</b>	<b>20,722</b>	<b>491,597</b>

### Details of any collateral

The secured loans are collateralised by certain inventories, trade receivables, biological assets and property, plant and equipment.

## 1(c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year

### UNAUDITED CONSOLIDATED CASH FLOW STATEMENT FOR THE PERIOD ENDED 31 MARCH 2008

(Amounts in United States dollars)

	1st Qtr 2008 US\$'000	1st Qtr 2007 US\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>644,891</b>	<b>301,663</b>
Adjustments for:		
Net gain from changes in fair value of biological assets	(459,535)	(164,921)
Depreciation	13,205	11,866
Amortisation	217	202
Unrealised gain on foreign exchange on short-term loans, long-term borrowings and receivables, net	(1,139)	(198)
Share of results of associated companies, net	(1,760)	(1,209)
Loss on disposal of property, plant and equipment, net of write off	20	105
Negative goodwill	-	(68,533)
Interest income	(1,152)	(1,328)
Interest expense	9,278	9,813
<b>Operating cash flow before working capital changes</b>	<b>204,025</b>	<b>87,460</b>
Changes in operating assets and liabilities:		
Trade receivables	(49,440)	16,678
Other receivables	(40,475)	(25,069)
Inventories	(33,647)	(20,510)
Trade payables	(13,244)	(46,974)
Other payables	2,715	(11,134)
<b>Cash generated from operations</b>	<b>69,934</b>	<b>451</b>
Interest received	1,337	1,391
Interest paid	(8,857)	(9,352)
Tax paid	(26,142)	(7,102)
<b>Net cash generated from(used in) operating activities</b>	<b>36,272</b>	<b>(14,612)</b>

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2008 (cont'd)**

(Amounts in United States dollars)

	<b>1st Qtr 2008 <u>US\$'000</u></b>	<b>1st Qtr 2007 <u>US\$'000</u></b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	698	566
Proceeds from sale of biological assets	467	295
Capital expenditure on property, plant and equipment	(32,935)	(22,130)
Capital expenditure on biological assets	(13,972)	(9,397)
Acquisition of subsidiaries, net of cash acquired	-	1,370
Net increase in short-term investments	(37,996)	(6,596)
Investments in Plasma/KKPA Program plantations, net	(1,426)	2,258
Increase in long-term receivable from related parties	-	(271)
Investments in deferred land rights	(344)	(138)
Increase in other non-current receivables and assets	(8,482)	(4,728)
<b>Net cash used in investing activities</b>	<b><u>(93,990)</u></b>	<b><u>(38,771)</u></b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans	116,126	3,817
Proceeds from long-term borrowings	-	2,320
Payments of short-term loans	(45,244)	(3,601)
Payments of long-term borrowings	(9,231)	(16,645)
Payments of obligations under finance leases	(149)	(181)
Deferred loan charges and long-term bank loan administration costs	-	(26)
Increase in time deposits pledged	(15,570)	-
<b>Net cash generated from(used in) financing activities</b>	<b><u>45,932</u></b>	<b><u>(14,316)</u></b>
<b>Net decrease in cash and cash equivalents</b>	<b><u>(11,786)</u></b>	<b><u>(67,699)</u></b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b><u>120,505</u></b>	<b><u>129,439</u></b>
<b>Cash and cash equivalents at the end of the period (See Note)</b>	<b><u>108,719</u></b>	<b><u>61,740</u></b>

**Note:**

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

	<b>31/3/2008 <u>US\$'000</u></b>	<b>31/3/2007 <u>US\$'000</u></b>
Time deposits, cash and bank balances	128,271	62,689
Less: Time deposits pledged	(19,552)	(949)
	<b><u>108,719</u></b>	<b><u>61,740</u></b>

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

<b>The Group</b>	-----Attributable to Equity Holders of the Company-----									<b>Minority Interests</b>	<b>Total Equity</b>
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Foreign Currency Translation Reserve	Retained Earnings	Cumulative Translation Adjustment	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
Balance as at 1 Jan 2008	249,397	772,100	184,318	1,136	(16,036)	9,139	2,119,196	(16,684)	3,302,566	78,644	3,381,210
Profit for the period	-	-	-	-	-	-	442,825	-	442,825	16,440	459,265
Foreign currency translation	-	-	-	-	-	5,171	-	-	5,171	255	5,426
Transferred to income statement for cash flow hedge	-	-	-	-	16,036	-	-	-	16,036	-	16,036
Net gain recognised directly in equity	-	-	-	-	16,036	5,171	-	-	21,207	255	21,462
Balance as at 31 Mar 2008	249,397	772,100	184,318	1,136	-	14,310	2,562,021	(16,684)	3,766,598	95,339	3,861,937

<b>The Group</b>	-----Attributable to Equity Holders of the Company-----									<b>Minority Interests</b>	<b>Total Equity</b>
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Foreign Currency Translation Reserve	Retained Earnings	Cumulative Translation Adjustment	Total		
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000		
Balance as at 1 Jan 2007	216,867	296,595	184,318	188	-	1,942	1,021,646	(16,684)	1,704,872	216,424	1,921,296
Profit for the period	-	-	-	-	-	-	219,286	-	219,286	20,096	239,382
Foreign currency translation	-	-	-	-	-	608	-	-	608	69	677
Change in fair value of cash flow hedge	-	-	-	-	(552)	-	-	-	(552)	-	(552)
Net gain(loss) recognised directly in equity	-	-	-	-	(552)	608	-	-	56	69	125
Balance as at 31 Mar 2007	216,867	296,595	184,318	188	(552)	2,550	1,240,932	(16,684)	1,924,214	236,589	2,160,803



**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**

<b><u>The Company</u></b>	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>Total</b>
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2008	249,397	1,406,970	36,837	1,693,204
Profit for the period	-	-	6,565	6,565
Balance as at 31 Mar 2008	<u>249,397</u>	<u>1,406,970</u>	<u>43,402</u>	<u>1,699,769</u>
Balance as at 1 Jan 2007	216,867	931,465	30,439	1,178,771
Profit for the period	-	-	39,325	39,325
Balance as at 31 Mar 2007	<u>216,867</u>	<u>931,465</u>	<u>69,764</u>	<u>1,218,096</u>

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

The Company did not have treasury shares as at 31 March 2008 and 2007.

There has been no share issuance since 31 December 2007. On the effective date, 22 February 2008, each ordinary share of the Company of par value US\$0.05 each was subdivided into two ordinary shares of par value US\$0.025 each. As at 31 March 2008, the total number of issued ordinary shares in the Company is 9,975,903,792 ordinary shares of US\$0.025 each.

**1(d)(iii) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.**

The total number of issued shares excluding treasury shares as at 31 March 2008 and 31 December 2007 was 9,975,903,792 ordinary shares of US\$0.025 each and 4,987,951,896 ordinary shares of US\$0.05 each, respectively.

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.**

Not applicable.

**2. Whether the figures have been audited, or reviewed and in accordance with which standard (e.g. the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard)**

These figures have not been audited or reviewed by the auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has adopted accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2007.

**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**

Not applicable.

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

Earnings per ordinary share for the period after deducting any provision for preference dividends:-

(i) Based on weighted average number of ordinary shares\*

- Weighted average number of ordinary shares\*

(ii) On a fully diluted basis

The Group	
1st Qtr 2008	1st Qtr 2007
US\$0.04	US\$0.025
9,975,903,792	8,674,703,792
n.a.	n.a.

\* Comparative figures for earnings per ordinary shares have been adjusted for the sub-division of shares effected on 13 September 2007 and 22 February 2008.

**7. Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the:-**

**(a) current period reported on; and**

**(b) immediately preceding financial year**

	The Group		The Company	
	As at 31 Mar 2008	As at 31 Dec 2007	As at 31 Mar 2008	As at 31 Dec 2007
Net asset value per ordinary share based on existing issued share capital of 9,975,903,792 shares* as at 31 Mar 2008 (31 Dec 2007: 9,975,903,792 sub-divided shares*)	US\$0.38	US\$0.33	US\$0.17	US\$0.17

\* Comparative figures for earnings per ordinary shares have been adjusted for the sub-division of shares effected on 13 September 2007 and 22 February 2008.

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. The review must discuss any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors. It must also discuss any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on

(in US\$'000)	AGRI-BUSINESS		
For the period ended	Indonesia	China <sup>(2)</sup>	Total
<b>Revenue</b>			
31 March 2008	584,624	162,809	747,433
31 March 2007	203,600	71,747	275,347
Increase/(Decrease)	381,024	91,062	472,086
Increase/(Decrease) %	187.1	126.9	171.5
<b>Gross Profit(Loss)</b>			
31 March 2008	256,326	8,298	264,624
31 March 2007	89,865	12,793	102,658
Increase/(Decrease) in profit	166,461	(4,495)	161,966
Increase/(Decrease) %	185.2	(35.1)	157.8
<b>EBITDA (see note (1))</b>			
31 March 2008	195,802	5,708	201,510
31 March 2007	76,417	11,826	88,243
Increase/(Decrease) in profit	119,385	(6,118)	113,267
Increase/(Decrease) %	156.2	(51.7)	128.4
<b>Interest on borrowings</b>			
31 March 2008	8,709	569	9,278
31 March 2007	9,349	464	9,813
Increase/(Decrease)	(640)	105	(535)
Increase/(Decrease) %	(6.8)	22.6	(5.5)
<b>Depreciation and amortisation</b>			
31 March 2008	11,728	1,694	13,422
31 March 2007	10,618	1,450	12,068
Increase/(Decrease)	1,110	244	1,354
Increase/(Decrease) %	10.5	16.8	11.2
<b>Foreign exchange gain</b>			
31 March 2008	3,345	1,441	4,786
31 March 2007	215	423	638
Increase in gain	3,130	1,018	4,148
Increase/(Decrease) %	n.m.	n.m.	n.m.
<b>Exceptional gain</b>			
31 March 2008	-	-	-
31 March 2007	68,533	-	68,533
Increase in gain	(68,533)	-	(68,533)
Increase/(Decrease) %	(100.0)	-	(100.0)
<b>Share of associates' profit</b>			
31 March 2008	1,760	-	1,760
31 March 2007	1,209	-	1,209
Increase in profit	551	-	551
Increase/(Decrease) %	45.6	-	45.6
<b>Profit(Loss) before tax</b>			
31 March 2008	640,005	4,886	644,891
31 March 2007	291,328	10,335	301,663
Increase in profit	348,677	(5,449)	343,228
Increase/(Decrease) %	119.7	(52.7)	113.8
<b>Net profit attributable to equity holders of the Company</b>			
31 March 2008	438,313	4,512	442,825
31 March 2007	209,056	10,230	219,286
Increase in profit	229,257	(5,718)	223,539
Increase/(Decrease) %	109.7	(55.9)	101.9

- Note: (1) This refers to earnings before income tax, minority interests, interest on borrowings, net gain from changes in fair value of biological assets, depreciation and amortisation, foreign exchange gain(loss), exceptional items and share of results from associated companies.
- (2) The China Agri-business represents the results of Asia Integrated Agri Resources Ltd (AIAR) group of companies.
- (3) n.m. - not meaningful.

## PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2008

The Group's revenue rose to US\$747.4 million for the 3-month period ended 31 March 2008 ("1Q2008"), almost three times the revenue of US\$275.3 million for the same period in 2007 ("1Q2007").

In line with the higher revenue, EBITDA and operating profit also increased significantly in 1Q2008. EBITDA grew by 128.4 percent to US\$201.5 million as compared to US\$88.2 million in 1Q2007 whereas operating profit rose by 166.9 percent to US\$646.5 million from US\$242.2 million in the previous period.

In tandem with the top-line increases, net profit attributable to equity holders of the Company doubled to US\$442.8 million in 1Q2008 from US\$219.3 million in 1Q2007.

### REVENUE

#### *Indonesia*

Our Indonesia Agri-business revenue increased by 187.1 percent or US\$ 381 million from US\$ 203.6 million in 1Q2007 to US\$584.6 million mostly contributed by the higher crude palm oil ("CPO") prices and higher CPO production during the period.

Since the beginning of 2008, international CPO (CIF Rotterdam) prices have exceeded US\$1,000 per ton, achieving historic highs not seen in recent years. Average international CPO (CIF Rotterdam) price per ton rose by a significant 88 percent to US\$1,142 in 1Q2008 as compared to the average of US\$606 in 1Q2007.

Our CPO production grew by 31 percent to 440,000 tons in 1Q2008 as compared to 337,000 tons in 1Q2007 after recovering from the El Nino weather patterns which occurred last year.

Fresh fruit bunch ("FFB") yield per hectare also increased from 4.72 tons in 1Q2007 to 5.77 tons in 1Q2008.

#### *China*

The revenue comprised mainly US\$62.4 million (1Q2007: US\$28.1 million) from the crushing operations and US\$91.1 million (1Q2007: US\$39.1 million) from refinery operations. Revenue from China Agri-business grew by 126.9 percent or US\$91.1 million from US\$71.7 million in 1Q2007 to US\$162.8 million mainly due to higher selling prices of refined edible oil products and higher crushing volumes.

### COST OF SALES

Cost of sales increased by 179.6 percent or US\$310.1 million to US\$482.8 million from US\$172.7 in 1Q2007 in line with the higher revenues recorded in both Indonesia Agri-business and China Agri-business.

#### *Indonesia*

Cost of sales from Indonesia Agri-business of US\$328.3 million comprised mainly labour, plantation maintenance, fertiliser and harvesting costs, FFB purchases and CPO purchases for our downstream business.

Cost of sales increased by US\$214.6 million from US\$113.7 million in 1Q2007 mainly due to the higher fertiliser cost, increased upkeep and maintenance (including roads and bridges), higher purchase cost for FFB and CPO as a result of higher market prices. We purchased CPO in certain areas to minimise logistics cost to meet the CPO requirements of our refineries in Indonesia.

#### *China*

Cost of sales in China Agri-business of US\$154.5 million comprised mainly purchase cost of soybean and palm oil products. The increase of 162.1 percent or US\$95.6 million was mainly attributable to the increase in market prices of soybean and palm oil products.

## **GROSS PROFIT**

Gross profit increased by 157.8 percent or US\$162 million from US\$102.7 million in 1Q2007 to US\$264.6 million in 1Q2008.

Gross profit margin of Indonesia Agri-business remained at 44 percent in 1Q2008 despite the higher market price of CPO mainly attributable to higher fertiliser cost and increased upkeep and maintenance cost, as well as lower margin from our downstream refining and consumer product business.

Gross profit margin of China Agri-business decreased to 5.1 percent as compared to 17.8 percent in 1Q2007 mainly due to the higher cost of purchase of soybean and palm oil products during the period while the selling price for domestic food was regulated by the government.

## **NET GAIN FROM CHANGES IN FAIR VALUE OF BIOLOGICAL ASSETS**

The Group recorded US\$459.5 million net gain from changes in fair value of biological assets in 1Q2008 as compared to US\$164.9 million in 1Q2007. The 178.6 percent or US\$294.6 million increase in net gain was mainly due to the effect of higher average CPO price in 1Q2008 as compared to the previous period in line with the higher market prices.

This gain was recognised in accordance with International Accounting Standard ("IAS") No. 41, whereby the biological assets (plantations) are stated at fair value less estimated point-of-sale costs from initial recognition up to the point of harvest. The fair value of plantations is determined based on the present value of their expected net cash inflows. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

## **OPERATING EXPENSES**

- ***Selling expenses***

Selling expenses, comprising mainly transportation, advertising and promotion, export tax and salaries, increased to US\$51 million in 1Q2008 as compared to US\$7.7 million in 1Q2007. The significant increase of US\$43.3 million was mainly due to higher export tax resulting from the increase in Indonesia's export tax rates on CPO and refined palm based products.

Prior to June 2007, Indonesia's export tax rates ranged from 0.3 percent to 3 percent. With effect from end August 2007, the export tax rates were increased and varied according to CPO (CIF Rotterdam) price. The recent revision to export tax rates was effective on 1 February 2008, with the export tax rate for CPO ranging from 0 percent (if CPO price per ton is below US\$550) to 25 percent (if CPO price per ton is above US\$1,300).

- ***General and administrative expenses***

General and administrative expenses included salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The increase of 51 percent or US\$9 million from US\$17.7 million in 1Q2007 to US\$26.7 million in 1Q2008 was mainly due to higher salaries in Indonesia Agri-business and increased activities relating to the Group's Corporate Social Responsibility ("CSR") program.

## **FINANCIAL EXPENSES, NET**

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. The net financial expenses remained about constant at US\$8.4 million in 1Q2008 as compared to US\$8.5 million in 1Q2007.

## **FOREIGN EXCHANGE GAIN**

Foreign exchange gain of US\$4.8 million was mainly attributable to gain on translation of net Indonesian Rupiah ("IDR") monetary assets of Indonesia Agri-business to US Dollar ("USD") as IDR strengthened against USD from IDR9,400 as at end of 2007 to IDR9,200 as at end of March 2008.

## **EXCEPTIONAL GAIN**

The non-recurring exceptional gain of US\$68.5 million in 1Q2007 was mainly attributable to the negative goodwill arising from the exercise of the option related to a convertible loan to acquire new subsidiaries.

## **TAX**

Income tax expense increased US\$123.3 million from US\$62.3 million in 1Q2007 to US\$185.6 million mainly attributable to increase in deferred tax provision and higher taxable profit in certain subsidiaries in Indonesia. The income tax expense primarily related to the deferred tax provided on the net gain on changes in fair value of biological assets of US\$137.9 million and US\$49.5 million in 1Q2008 and 1Q2007 respectively.

No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

## **SHARE OF RESULTS OF ASSOCIATED COMPANIES, NET**

The Group's share of associated companies' profit (net) of US\$1.8 million mainly arose from contribution from P.T. Dami Mas Sejahtera and P.T. Sinar Oleochemical International in the Indonesia Agri-business.

## **MINORITY INTERESTS**

Minority interests' share of profit decreased by 18.2 percent or US\$3.7 million from US\$20.1 million in 1Q2007 to US\$16.4 million in 1Q2008.

This was mainly due to the reduction in minority interests' share in the profit of P.T. Sinar Mas Agro Resources and Technology Tbk ("SMART") and its subsidiaries in Indonesia Agri-business due to decrease in minority interests' shareholding in SMART.

### **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 outlook for palm oil industry remains positive with continued strong core demand from the edible oil market, particularly from China and India, and emerging demand from the renewable energy sector. With our maturing plantation profile and growing CPO production, we are well positioned to seize opportunities in the industry.

Barring any unforeseen circumstances, we expect our yield to improve in 2008. We will continue to strive to increase production through further improving operational efficiency and plantation management techniques, improved transportation infrastructures and construction of additional CPO mills.

Operating environment of the China Agri-business remains challenging in view of high commodity prices, including soybean prices. Our crushing volume and our margins will continue to be affected by high soybean prices and the Chinese government measures on domestic food prices. Going forward, we will continuously strive to manage our costs as well as focus our growth on the sale of various palm-based products to selected key regions within China.

## 11. Dividend

### **(a) Current Financial Period Reported On**

Any dividend declared for the current financial period reported on? None

### **(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 Type:	Cash
Dividend Amount per Share:	S\$0.02 per ordinary share (tax exempt)
Number of Shares:	2,168,675,948 shares of US\$0.10 each
Tax Rate:	Nil

### **(c) Date payable**

Not applicable.

### **(d) Books closure date**

Not applicable.

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

No dividend has been declared for the quarter ended 31 March 2008.

## **PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT (This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

### **13. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year**

Not applicable.

### **14. 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.

### **15. A breakdown of sales**

Not applicable.

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

Not applicable.



## 17. Interested persons transactions disclosure

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	1Q2008	1Q2008
	US\$	US\$
PT Asuransi Sinar Mas	Nil	172,907
PT Bank Sinarmas	Nil	2,909,381 *
PT Royal Oriental	Nil	2,436,639
PT Sinar Jati Mitra	Nil	353,349
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	629,828
Wuhan Jun Ding Foodstuff Co., Ltd	Nil	413,935
Zhuhai Huafeng Food Industry (Group) Co., Ltd	Nil	1,377,694
<b>Total</b>	<b>Nil</b>	<b>8,293,733</b>

Note:

\* Principal amount as at 31 March 2008 is approximately USD2.4 million.

## 18. CONFIRMATION PURSUANT TO THE RULE 705(4) OF THE LISTING MANUAL

We, Simon Lim and Rafael Buhay Concepcion, Jr., being two directors of Golden Agri-Resources Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the first quarter ended 31 March 2008 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim  
Director

Rafael Buhay Concepcion, Jr.  
Director

12 May 2008

**BY ORDER OF THE BOARD**

Simon Lim  
Director  
12 May 2008

# # #

**ABOUT GOLDEN AGRI-RESOURCES LTD**

*GAR operates a total planted area of 364,000 hectares, as well as 31 palm oil processing mills, two refineries and four kernel crushing plants in Indonesia.*

*The GAR Group's primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunches into crude palm oil ("CPO") and palm kernel oil; and refining CPO into value-added products such as cooking oils, margarine and shortening.*

*GAR also operates in China through an integrated deep-sea port, storage, oil seed crushing facilities and refinery facilities in Ningbo and Zhuhai.*

*The Group's revenue in 2007 was US\$1.9 billion. It has been listed on the Singapore Exchange since 1999.*

# # #

Submitted by Kimberley Lye Chor Mei, Senior Manager on 12/5/2008 to the SGX