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### Half Year Results \* Financial Statement And Related Announcement

\* Asterisks denote mandatory information



Name of Announcer *	GOLDEN AGRI-RESOURCES LTD
Company Registration No.	UF 24045G
Announcement submitted on behalf of	GOLDEN AGRI-RESOURCES LTD
Announcement is submitted with respect to *	GOLDEN AGRI-RESOURCES LTD
Announcement is submitted by *	Kimberley Lye
Designation *	Director, Corporate Secretarial
Date & Time of Broadcast	11-Aug-2011 17:06:12
Announcement No.	00025

### >> Announcement Details

The details of the announcement start here ...

For the Financial Period Ended *	30-06-2011
Description	Please see attached.

#### Attachments

 [GAR40-11-08-2011-2Q2011Results.pdf](#)  
 [GAR40-11-08-2011-2Q2011Results-PressRelease.pdf](#)  
 Total size = **167K**  
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**Half Year Financial Statement And Dividend Announcement**  
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**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY, 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 30 JUNE 2011**

	<b>1st Half 2011 US\$'000</b>	<b>1st Half 2010 US\$'000</b>	<b>Change %</b>	<b>2nd Qtr 2011 US\$'000</b>	<b>2nd Qtr 2010 US\$'000</b>	<b>Change %</b>
<b>Revenue</b>	3,063,540	1,350,750	126.8	1,600,514	726,221	120.4
Cost of sales	<u>(2,034,978)</u>	<u>(1,008,561)</u>	101.8	<u>(1,097,317)</u>	<u>(557,790)</u>	96.7
<b>Gross Profit</b>	<u>1,028,562</u>	<u>342,189</u>	200.6	<u>503,197</u>	<u>168,431</u>	198.8
<b>Operating expenses</b>						
Selling expenses	(449,230)	(69,116)	550.0	(236,348)	(38,629)	511.8
General and administrative expenses	<u>(87,909)</u>	<u>(71,118)</u>	23.6	<u>(50,136)</u>	<u>(41,228)</u>	21.6
Total operating expenses	<u>(537,139)</u>	<u>(140,234)</u>	283.0	<u>(286,484)</u>	<u>(79,857)</u>	258.7
<b>Operating profit</b>	<u>491,423</u>	<u>201,955</u>	143.3	<u>216,713</u>	<u>88,574</u>	144.7
<b>Other income/(expenses)</b>						
Financial income	5,557	4,151	33.9	2,777	2,170	28.0
Financial expenses	(31,066)	(20,964)	48.2	(16,578)	(10,996)	50.8
Share of results of associated companies, net of tax	14	1,285	(98.9)	-	(382)	(100.0)
Foreign exchange gain, net	38,067	14,943	154.7	22,674	7,931	185.9
Other operating income, net	<u>20,233</u>	<u>13,187</u>	53.4	<u>12,503</u>	<u>5,895</u>	112.1
	<u>32,805</u>	<u>12,602</u>	160.3	<u>21,376</u>	<u>4,618</u>	362.9
<b>Exceptional item</b>						
Gain on equity interest	<u>9,591</u>	<u>-</u>	n.m.	<u>-</u>	<u>-</u>	-
<b>Profit before tax</b>	533,819	214,557	148.8	238,089	93,192	155.5
Tax	<u>(114,113)</u>	<u>(56,191)</u>	103.1	<u>(53,312)</u>	<u>(26,139)</u>	104.0
<b>Profit for the period</b>	<u>419,706</u>	<u>158,366</u>	165.0	<u>184,777</u>	<u>67,053</u>	175.6
<b>Attributable to:</b>						
Owners of the Company	410,554	154,573	165.6	179,855	66,048	172.3
Non-controlling interests	<u>9,152</u>	<u>3,793</u>	141.3	<u>4,922</u>	<u>1,005</u>	389.8
	<u>419,706</u>	<u>158,366</u>	165.0	<u>184,777</u>	<u>67,053</u>	175.6

**Note** (1) n.m. – not meaningful.

## ADDITIONAL INFORMATION

### (A) Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, exceptional item and share of results of associated companies ("EBITDA")

	1st Half 2011 <u>US\$'000</u>	1st Half 2010 <u>US\$'000</u>	Change %	2nd Qtr 2011 <u>US\$'000</u>	2nd Qtr 2010 <u>US\$'000</u>	Change %
<b>Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, exceptional item and share of results of associated companies ("EBITDA")</b>	560,842	260,711	115.1	254,466	120,218	111.7
Interest on borrowings	(30,353)	(20,610)	47.3	(16,221)	(10,818)	49.9
Depreciation and amortisation	(44,342)	(41,772)	6.2	(22,830)	(23,757)	(3.9)
Foreign exchange gain, net	38,067	14,943	154.7	22,674	7,931	185.9
Exceptional item	9,591	-	n.m.	-	-	-
Share of results of associated companies, net of tax	<u>14</u>	<u>1,285</u>	(98.9)	<u>-</u>	<u>(382)</u>	(100.0)
Profit before tax	<u>533,819</u>	<u>214,557</u>	148.8	<u>238,089</u>	<u>93,192</u>	155.5

**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 STATEMENTS OF FINANCIAL POSITION**

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	341,305	218,279	108	132
Short-term investments	83,630	57,561	-	-
Trade receivables	283,271	209,925	-	-
Other current assets (note (a))	620,273	390,613	18	47
Inventories	713,953	615,529	-	-
	2,042,432	1,491,907	126	179
<b>Non-Current Assets</b>				
Long-term receivables and assets (note (b))	147,531	155,455	-	-
Long-term investments	46,202	45,779	11,000	2,000
Subsidiary companies	-	-	2,611,049	2,695,171
Associated companies	3,703	12,848	-	-
Property, plant and equipment	1,583,839	1,459,129	-	-
Investment properties	1,485	1,499	-	-
Biological assets	6,858,692	6,809,048	-	-
Deferred tax assets	12,489	11,977	-	-
Deferred charges	9,679	9,632	-	-
Brands and trademarks	1,120	1,280	-	-
Goodwill	115,898	115,898	-	-
	8,780,638	8,622,545	2,622,049	2,697,171
<b>Total Assets</b>	<b>10,823,070</b>	<b>10,114,452</b>	<b>2,622,175</b>	<b>2,697,350</b>

**UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)**

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	30/6/2011	31/12/2010	30/6/2011	31/12/2010
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Liabilities and Equity</b>				
Current Liabilities				
Short-term loans	679,754	540,613	-	-
Trade payables	509,671	328,248	-	-
Other payables (note(c))	115,049	139,668	31,104	30,616
Taxes payable	76,910	52,348	-	-
Obligations under finance leases	22	21	-	-
	1,381,406	1,060,898	31,104	30,616
Non-Current Liabilities				
Obligations under finance leases	76	84	-	-
Long-term borrowings	464,786	443,635	-	-
Deferred tax liabilities	1,647,711	1,631,733	-	-
Long-term payables	34,577	32,959	-	-
	2,147,150	2,108,411	-	-
Total Liabilities	3,528,556	3,169,309	31,104	30,616
Equity Attributable to Owners of the Company				
Issued capital	303,467	303,467	303,467	303,467
Share premium	934,297	934,297	1,569,167	1,569,167
Other paid-in capital	184,318	184,318	-	-
Other reserve	1,136	1,136	-	-
Currency translation reserve	12,180	6,817	-	-
PRC statutory reserve	2,116	2,116	-	-
Retained earnings	5,728,394	5,393,709	718,437	794,100
	7,165,908	6,825,860	2,591,071	2,666,734
Non-Controlling Interests	128,606	119,283	-	-
Total Equity	7,294,514	6,945,143	2,591,071	2,666,734
<b>Total Liabilities and Equity</b>	<b>10,823,070</b>	<b>10,114,452</b>	<b>2,622,175</b>	<b>2,697,350</b>

## UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

### Note:

#### (a) Other Current Assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>30/6/2011</u>	<u>31/12/2010</u>	<u>30/6/2011</u>	<u>31/12/2010</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	58,692	36,537	18	37
Prepaid taxes, net	142,348	79,419	-	-
Deposits and advances to suppliers	380,896	243,164	-	-
Others	38,336	31,481	-	10
	<u>620,272</u>	<u>390,601</u>	<u>18</u>	<u>47</u>
Related parties	1	12	-	-
	<u>620,273</u>	<u>390,613</u>	<u>18</u>	<u>47</u>

#### (b) Long-Term Receivables and Assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>30/6/2011</u>	<u>31/12/2010</u>	<u>30/6/2011</u>	<u>31/12/2010</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Associated company	3,780	3,978	-	-
Loan receivable	5,851	5,601	-	-
Tax recoverable	72,610	91,315	-	-
Advances for project plasma plantations	24,074	20,461	-	-
Advances for project and purchase of fixed assets	26,346	21,997	-	-
Land clearing	5,977	2,507	-	-
Advances for investments in land	4,211	4,211	-	-
Others	4,682	5,385	-	-
	<u>147,531</u>	<u>155,455</u>	<u>-</u>	<u>-</u>

#### (c) Other Payables

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>30/6/2011</u>	<u>31/12/2010</u>	<u>30/6/2011</u>	<u>31/12/2010</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances from customers	30,271	50,238	-	-
Accrued expenses	36,819	39,237	108	307
Others	47,861	49,878	136	2
	<u>114,951</u>	<u>139,353</u>	<u>244</u>	<u>309</u>
Related parties	98	315	30,860	30,307
	<u>115,049</u>	<u>139,668</u>	<u>31,104</u>	<u>30,616</u>

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

	As at 30/6/2011			As at 31/12/2010		
	US\$'000			US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	671,536	8,240	679,776	532,394	8,240	540,634
Amount repayable after one year	464,862	-	464,862	443,719	-	443,719
<b>Total</b>	<b>1,136,398</b>	<b>8,240</b>	<b>1,144,638</b>	<b>976,113</b>	<b>8,240</b>	<b>984,353</b>

### Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, short-term investments, inventories, trade receivables, investment properties, 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 STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 30 JUNE 2011

(Amounts in United States dollars)

	1st Half 2011 US\$'000	1st Half 2010 US\$'000	2nd Qtr 2011 US\$'000	2nd Qtr 2010 US\$'000
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>533,819</b>	<b>214,557</b>	<b>238,089</b>	<b>93,192</b>
Adjustments for:				
Depreciation	43,830	41,299	22,574	23,525
Amortisation	512	473	256	232
Unrealised foreign exchange loss/(gain) on short-term loans, long-term borrowings and receivables, net	11,411	4,105	4,548	(166)
Share of results of associated companies, net of tax	(14)	(1,285)	-	382
Gain on disposal of property, plant and equipment	(708)	(810)	(160)	(189)
Property, plant and equipment written off	408	351	257	121
Allowance for impairment loss on inventories	6,804	837	1,166	837
Trade payables written back	(423)	-	(423)	-
Loss/(Gain) from changes in fair value of financial assets at fair value through profit or loss	221	(1,256)	(475)	572
Gain on equity interest	(9,591)	-	-	-
Interest income	(5,557)	(4,151)	(2,777)	(2,170)
Interest expense	30,353	20,610	16,221	10,818
<b>Operating cash flow before working capital changes</b>	<b>611,065</b>	<b>274,730</b>	<b>279,276</b>	<b>127,154</b>
Changes in operating assets and liabilities:				
Trade receivables	(72,870)	(24,562)	(80,074)	(18,211)
Other receivables	(229,305)	(90,790)	(104,953)	(92,894)
Inventories	(104,337)	(587)	(54,708)	738
Trade payables	181,804	(14,615)	131,554	2,406
Other payables	(25,726)	(27,901)	(64,188)	4,223
<b>Cash generated from operations</b>	<b>360,631</b>	<b>116,275</b>	<b>106,907</b>	<b>23,416</b>
Tax paid	(67,236)	(42,520)	(62,749)	(29,818)
Interest received	5,645	3,637	3,059	2,357
Interest paid	(27,777)	(19,348)	(14,759)	(10,583)
<b>Net cash generated from/(used in) operating activities</b>	<b>271,263</b>	<b>58,044</b>	<b>32,458</b>	<b>(14,628)</b>

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE PERIOD ENDED 30 JUNE 2011 (cont'd)**

	<b>1st Half 2011 <u>US\$'000</u></b>	<b>1st Half 2010 <u>US\$'000</u></b>	<b>2nd Qtr 2011 <u>US\$'000</u></b>	<b>2nd Qtr 2010 <u>US\$'000</u></b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	1,012	1,817	390	86
Proceeds from sale of biological assets	1,437	898	480	661
Capital expenditure on property, plant and equipment	(159,779)	(147,663)	(87,372)	(82,842)
Capital expenditure on biological assets	(23,587)	(23,539)	(12,649)	(13,765)
(Investments in)/Proceeds from short-term investments, net	(18,968)	2,077	44,284	2,840
Investments in long-term investments, net	(7,745)	(9,964)	(6,002)	(9,964)
Dividend received from an associated company	3,604	-	-	-
Investments in Plasma/KKPA Program plantations, net	(3,613)	(4,522)	1,072	(758)
Investment in an associated company	-	(1,068)	-	(1,068)
Acquisition of a subsidiary, net of cash acquired	(5,421)	-	-	-
Payment for deferred expenditure	(400)	(1,172)	(386)	(995)
Net (increase)/decrease in long-term receivables and assets	(8,017)	1,027	(8,640)	(5,537)
<b>Net cash used in investing activities</b>	<b><u>(221,477)</u></b>	<b><u>(182,109)</u></b>	<b><u>(68,823)</u></b>	<b><u>(111,342)</u></b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term loans	607,459	266,755	312,573	265,357
Proceeds from long-term borrowings	105,345	6,001	75,000	6,001
Payment of dividends	(75,869)	(43,560)	(75,869)	(43,560)
Payments of short-term loans	(519,228)	(196,087)	(271,676)	(89,873)
Payments of long-term borrowings	(41,503)	(33,190)	(20,035)	(18,482)
Payments of obligations under finance leases	(13)	(8)	(7)	(4)
Deferred loan charges and long-term bank loan administration costs	(2,951)	(572)	(2,781)	(393)
(Increase)/Decrease in time deposits pledged	(4,280)	(1,009)	(616)	4,412
<b>Net cash generated from/(used in) financing activities</b>	<b><u>68,960</u></b>	<b><u>(1,670)</u></b>	<b><u>16,589</u></b>	<b><u>123,458</u></b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b><u>118,746</u></b>	<b><u>(125,735)</u></b>	<b><u>(19,776)</u></b>	<b><u>(2,512)</u></b>
<b>Cash and cash equivalents at beginning of the period</b>	<b><u>161,906</u></b>	<b><u>279,909</u></b>	<b><u>300,428</u></b>	<b><u>156,686</u></b>
<b>Cash and cash equivalents at end of the period</b>	<b><u>280,652</u></b>	<b><u>154,174</u></b>	<b><u>280,652</u></b>	<b><u>154,174</u></b>
<b>(See Note below)</b>				

**Note:**

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

	<b><u>30/6/2011 US\$'000</u></b>	<b><u>30/6/2010 US\$'000</u></b>
Time deposits, cash and bank balances	341,305	162,813
Less: Time deposits pledged	(60,653)	(8,639)
	<b><u>280,652</u></b>	<b><u>154,174</u></b>



**1(d) (i) A statement of total comprehensive income together with a comparative statement for the corresponding period of the immediately preceding financial year**

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE PERIOD ENDED 30 JUNE 2011**

	<b>1st Half 2011 US\$'000</b>	<b>1st Half 2010 US\$'000</b>	<b>2nd Qtr 2011 US\$'000</b>	<b>2nd Qtr 2010 US\$'000</b>
<b>Profit for the period</b>	419,706	158,366	184,777	67,053
<b>Other comprehensive income</b>				
Foreign currency translation differences on consolidation	5,534	793	3,470	862
Changes in fair value of cash flow hedges	(682)	-	-	-
Changes in fair value of cash flow hedges transferred to income statement	682	1,584	682	-
Other comprehensive income for the period, net of tax	5,534	2,377	4,152	862
<b>Total comprehensive income for the period</b>	<b>425,240</b>	<b>160,743</b>	<b>188,929</b>	<b>67,915</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	415,917	156,911	183,890	66,872
Non-controlling interests	9,323	3,832	5,039	1,043
	<b>425,240</b>	<b>160,743</b>	<b>188,929</b>	<b>67,915</b>

**1(d) (ii) 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 US\$'000</b>	<b>Share Premium US\$'000</b>	<b>Retained Earnings US\$'000</b>	<b>Total US\$'000</b>
Balance as at 1 Jan 2011	303,467	1,569,167	794,100	2,666,734
Loss for the period, representing total comprehensive loss for the period	-	-	(640)	(640)
Balance as at 31 Mar 2011	303,467	1,569,167	793,460	2,666,094
Dividend paid for 2010	-	-	(75,869)	(75,869)
Profit for the period, representing total comprehensive income for the period	-	-	846	846
Balance as at 30 Jun 2011	<b>303,467</b>	<b>1,569,167</b>	<b>718,437</b>	<b>2,591,071</b>
Balance as at 1 Jan 2010	303,467	1,569,185	840,577	2,713,229
Adjustment to share issuance expenses	-	(18)	-	(18)
Loss for the period, representing total comprehensive loss for the period	-	-	(175)	(175)
Balance as at 31 Mar 2010	303,467	1,569,167	840,402	2,713,036
Dividend paid for 2009	-	-	(43,560)	(43,560)
Loss for the period, representing total comprehensive loss for the period	-	-	(932)	(932)
Balance as at 30 Jun 2010	<b>303,467</b>	<b>1,569,167</b>	<b>795,910</b>	<b>2,668,544</b>

**1(d) (ii) 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 Owners of the Company----->										
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Currency Translation Reserve	PRC Statutory Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Balance as at 1 Jan 2011	303,467	934,297	184,318	1,136	-	6,817	2,116	5,393,709	6,825,860	119,283	6,945,143
Total comprehensive (loss)/income for the period	-	-	-	-	(682)	2,010	-	230,699	232,027	4,284	236,311
Balance as at 31 Mar 2011	303,467	934,297	184,318	1,136	(682)	8,827	2,116	5,624,408	7,057,887	123,567	7,181,454
Dividend paid for 2010	-	-	-	-	-	-	-	(75,869)	(75,869)	-	(75,869)
Total comprehensive income for the period	-	-	-	-	682	3,353	-	179,855	183,890	5,039	188,929
Balance as at 30 Jun 2011	303,467	934,297	184,318	1,136	-	12,180	2,116	5,728,394	7,165,908	128,606	7,294,514
Balance as at 1 Jan 2010	303,467	934,315	184,318	1,136	(1,584)	(299)	2,116	4,014,224	5,437,693	96,062	5,533,755
Adjustment to share issuance expenses	-	(18)	-	-	-	-	-	-	(18)	-	(18)
Total comprehensive income/(loss) for the period	-	-	-	-	1,584	(70)	-	88,525	90,039	2,789	92,828
Balance as at 31 Mar 2010	303,467	934,297	184,318	1,136	-	(369)	2,116	4,102,749	5,527,714	98,851	5,626,565
Dividend paid for 2009	-	-	-	-	-	-	-	(43,560)	(43,560)	-	(43,560)
Total comprehensive income for the period	-	-	-	-	-	824	-	66,048	66,872	1,043	67,915
Balance as at 30 Jun 2010	303,467	934,297	184,318	1,136	-	455	2,116	4,125,237	5,551,026	99,894	5,650,920

**1(d)(iii) 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 30 June 2011 and 2010.

There have been no changes to the number of issued ordinary shares of the Company since 31 December 2010.

As at 30 June 2011, the outstanding number of warrants was 705,493,728. Each warrant carries the right to subscribe for 1 new ordinary share at an exercise price of S\$0.54 and may only be exercised on the third (3<sup>rd</sup>) anniversary of the date of issuance (i.e. on 23 July 2012). Assuming all the warrants are fully exercised, the number of new ordinary shares to be issued would be 705,493,728.

**1(d)(iv) 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 30 June 2011 and 31 December 2010 was 12,138,676,942 ordinary shares of US\$0.025 each.

**1(d)(v) 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 the practice of determining the fair value of the Group's biological assets on an annual basis, by reference to independent professional valuation based on the present value of expected net cash inflows from the plantations. Accordingly, no changes in fair value of biological assets are recognised on quarterly basis.

Except for the above, 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 2010.

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

Same as disclosed in Note 4 above.

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

	<b>The Group</b>			
	<b>1st Half 2011</b>	<b>1st Half 2010</b>	<b>2nd Qtr 2011</b>	<b>2nd Qtr 2010</b>
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares	USD3.38cents	USD1.27cents	USD1.48cents	USD0.54cents
- Weighted average numbers of shares	12,138,676,942	12,138,676,942	12,138,676,942	12,138,676,942
(ii) On a fully diluted basis	USD3.34cents	USD1.27cents	USD1.46cents	USD0.54cents
- Weighted average numbers of shares	12,296,174,966	12,154,013,762	12,287,283,354	12,154,638,339

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

	<b>The Group</b>		<b>The Company</b>	
	<b>As at 30 Jun 2011</b>	<b>As at 31 Dec 2010</b>	<b>As at 30 Jun 2011</b>	<b>As at 31 Dec 2010</b>
Net asset value per ordinary share based on existing issued share capital of 12,138,676,942 shares	US\$0.59	US\$0.56	US\$0.21	US\$0.22

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		
	Indonesia	China <sup>(2)</sup>	Total
<b>For half year ended</b>			
<b>Revenue</b>			
30 June 2011	2,519,353	544,187	3,063,540
30 June 2010	1,081,792	268,958	1,350,750
Increase/(Decrease)	1,437,561	275,229	1,712,790
Increase/(Decrease) %	132.9	102.3	126.8
<b>Gross Profit</b>			
30 June 2011	993,523	35,039	1,028,562
30 June 2010	327,727	14,462	342,189
Increase/(Decrease) in profit	665,796	20,577	686,373
Increase/(Decrease) %	203.2	142.3	200.6
<b>EBITDA (see note (1))</b>			
30 June 2011	542,621	18,221	560,842
30 June 2010	250,039	10,672	260,711
Increase/(Decrease) in profit	292,582	7,549	300,131
Increase/(Decrease) %	117.0	70.7	115.1
<b>Interest on borrowings</b>			
30 June 2011	27,243	3,110	30,353
30 June 2010	19,057	1,553	20,610
Increase/(Decrease)	8,186	1,557	9,743
Increase/(Decrease) %	43.0	100.3	47.3
<b>Depreciation and amortisation</b>			
30 June 2011	37,936	6,406	44,342
30 June 2010	37,970	3,802	41,772
Increase/(Decrease)	(34)	2,604	2,570
Increase/(Decrease) %	(0.1)	68.5	6.2
<b>Foreign exchange gain</b>			
30 June 2011	33,429	4,638	38,067
30 June 2010	14,405	538	14,943
Increase in profit/(loss)	19,024	4,100	23,124
Increase/(Decrease) %	132.1	762.1	154.7
<b>Exceptional gain</b>			
30 June 2011	9,591	-	9,591
30 June 2010	-	-	-
Increase in gain	9,591	-	9,591
Increase/(Decrease) %	n.m.	-	n.m.
<b>Share of associates' profit, net of tax</b>			
30 June 2011	14	-	14
30 June 2010	1,285	-	1,285
Decrease in profit	(1,271)	-	(1,271)
Increase/(Decrease) %	(98.9)	-	(98.9)
<b>Profit before tax</b>			
30 June 2011	520,476	13,343	533,819
30 June 2010	208,702	5,855	214,557
Increase/(Decrease) in profit	311,774	7,488	319,262
Increase/(Decrease) %	149.4	127.9	148.8
<b>Net profit attributable to owners of the Company</b>			
30 June 2011	399,533	11,021	410,554
30 June 2010	149,195	5,378	154,573
Increase/(Decrease) in profit	250,338	5,643	255,981
Increase/(Decrease) %	167.8	104.9	165.6

- Notes: (1) This refers to earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, exceptional item 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, including FIH group of companies.  
(3) n.m. - not meaningful.

## REVIEW OF PERFORMANCE FOR HALF YEAR ENDED 30 JUNE 2011

The Group recorded revenue of US\$3,063.5 million for half year ended 30 June 2011 ("1H2011"), representing a growth of 126.8% as compared to US\$1,350.8 million for the same period in 2010 ("1H2010"). Accordingly, the net profit increased by 165.6% to US\$410.6 million, whilst EBITDA was higher by 115.1% at US\$560.8 million in 1H2011.

### REVENUE

#### *Indonesia*

Revenue from the Indonesia Agri-business increased by 132.9% to US\$2,519.4 million in 1H2011, mainly as a result of increase in sales volume supported by higher crude palm oil ("CPO") production, as well as higher CPO price during the period. The average international CPO (CIF Rotterdam) price was 47.7% higher at US\$1,195 per tonne in 1H2011, as compared to the average of US\$809 per tonne in the same period last year.

Our FFB production increased by 28.6% to 4,022,000 tonnes in 1H2011 mainly due to improving weather conditions and increased matured plantation area. Correspondingly, our CPO production improved by 32.1% from 776,000 tonnes in 1H2010 to 1,026,000 tonnes in the current period.

#### *China*

Revenue in China comprised edible oil at US\$451.7 million and noodle business at US\$91 million in 1H2011. The increase in revenue of 102.3% was mainly attributable to increase in sales volume and average selling prices of refined edible oil products, as well as additional revenue from the noodle operations.

### COST OF SALES

Cost of sales increased by 101.8% to US\$2,035 million in 1H2011 in line with the higher revenue recorded during the period.

#### *Indonesia*

Cost of sales from the Indonesia Agri-business comprised mainly labour, plantation maintenance, fertiliser and harvesting costs, as well as FFB and CPO purchases for our downstream business.

Cost of sales increased to US\$1,525.8 million in 1H2011 from US\$754.1 million in 1H2010. The increase was mainly attributable to higher purchase cost for FFB and CPO in line with the higher market prices and higher sales volume during the period.

#### *China*

Cost of sales from the China Agri-business of US\$509.1 million comprised mainly purchase cost of soybean and palm oil products for our edible oil operations, as well as purchase cost of raw materials for our noodle operations. The increase in cost of sales of US\$254.7 million mainly resulted from higher raw material costs incurred for refined edible oil products in line with the higher market price and inclusion of cost of sales incurred for noodle operations of US\$75.1 million.

### GROSS PROFIT

In line with higher revenue, gross profit increased by 200.6% to US\$1,028.6 million in 1H2011. Gross profit margin also improved from 25.3% to 33.6% in the current period, mainly due to better gross profit margin in Indonesia Agri-Business as a result of the higher average selling price.

### OPERATING EXPENSES

- *Selling expenses*

Selling expenses comprised mainly export tax, transportation, and salaries. The increase of US\$380.1 million to US\$449.2 million in 1H2011 was largely due to the higher export tax incurred during the period in line with the higher CPO prices and increase in export sales volume.

- **General and administrative expenses**

General and administrative expenses of US\$87.9 million comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The increase of US\$16.8 million was primarily due to higher salaries and related expenses, higher professional fees, and the inclusion of general and administrative expenses incurred for the noodle operations.

## **FINANCIAL EXPENSES, NET**

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. Net financial expenses increased by US\$8.7 million to US\$25.5 million in 1H2011 mainly resulting from increased borrowings.

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

Share of associated companies' net profit was US\$14,000 as compared to US\$1.3 million in 1H2010. Lower share of net profit in the current period resulted from the acquisition of remaining interest in PT Dami Mas Sejahtera ("DMS"), which was previously an associated company.

## **FOREIGN EXCHANGE GAIN, NET**

Foreign exchange gain of US\$38.1 million in 1H2011 was primarily attributable to realised foreign exchange gain recorded during the period, as well as unrealised gain arising from translation of net Indonesian Rupiah ("IDR") monetary assets in the Indonesia Agri-business resulting from strengthening of IDR against US Dollar ("USD") during the period. In addition, the China Agri-business recorded unrealised foreign exchange gain arising from translation of USD denominated liabilities as USD weakened against Chinese Renminbi in 1H2011.

Foreign exchange gain of US\$14.9 million in 1H2010 was mainly attributable to realised foreign exchange gain on the settlement of monetary assets in the Indonesia Agri-business, as IDR strengthened against USD in 1H2010.

## **EXCEPTIONAL GAIN**

The exceptional gain of US\$9.6 million related to the gain on equity interest previously held in DMS, which was previously an associated company.

## **OTHER OPERATING INCOME, NET**

Net other operating income comprised mainly income from shipping and trucking services, income from sales of seedlings, rental and commission income. The net operating income in 1H2011 was higher by US\$7 million mainly attributable to income from sales of seedlings and higher commission income earned in the Indonesia Agri-business.

## **TAX**

Income tax comprised provision for current and deferred income tax derived by applying the varying statutory tax rates of the different countries in which the Group operates on its taxable profit and taxable temporary difference. No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

Income tax expense increased by US\$57.9 million to US\$114.1 million in 1H2011 in line with higher taxable profit reported in the Indonesia Agri-business.

## **NON-CONTROLLING INTERESTS**

Non-controlling shareholders' share of profit increased by US\$5.4 million to US\$9.2 million in 1H2011. This increase was mainly attributable to higher profit reported in certain subsidiaries in the Indonesia Agri-business.

## **REVIEW OF FINANCIAL POSITION AS AT 30 JUNE 2011**

### **ASSETS**

The Group's total assets increased to US\$10,823.1 million as at 30 June 2011, as compared to US\$10,114.5 million as at 31 December 2010.

#### **Current Assets**

Cash and cash equivalents were higher at US\$341.3 million mainly attributable to cash flows generated during the period resulting from improved operating performance.

Short-term investment increased by US\$26.1 million to US\$83.6 million primarily resulting from higher time deposits placed for a period over three months but not more than one year in the China Agri-business.

Trade receivables increased by US\$73.3 million to US\$283.3 million due to higher sales recorded in Indonesia Agri-business.

Increase in inventories of US\$98.4 million was mainly attributable to the higher inventory level and higher unit cost in both Indonesia Agri-business and China Agri-business.

Other current assets were higher at US\$620.3 million mainly due to higher prepaid value added tax that arose from the purchases and capital expenditure in Indonesia Agri-business, additional deposits and advance payments for soybean, as well as capital expenditure.

#### **Non-Current Assets**

Total non-current assets increased by US\$158.1 million to US\$8,780.6 million mainly attributable to higher investment in property, plant and equipment as a result of the construction of plantation facilities, refinery facilities and other ancillary plantation facilities, as well as additional planted hectares in Indonesia Agri-business.

### **LIABILITIES**

Total liabilities of the Group increased to US\$3,528.6 million as at 30 June 2011 mainly due to increase in total borrowings and trade payables.

Total borrowings increased from US\$984.4 million to US\$1,144.6 million as at 30 June 2011, mostly attributable to additional borrowings for working capital and capital expenditure purposes.

Increase in trade payables of US\$181.4 million mainly resulted from higher soybean purchases for the China Agri-business.

Other payables were lower by US\$24.6 million as a result of lower advances received from customers following shipments made.

Taxes payable was higher at US\$76.9 million as a result of higher income tax expenses for the period in line with higher profit generated.

## **REVIEW OF CONSOLIDATED CASH FLOWS FOR HALF YEAR ENDED 30 JUNE 2011**

The Group generated net cash flow from operating activities (after payment of taxes and interest expenses) of US\$271.3 million in 1H2011. The higher cash inflows as compared to the same period last year mainly resulted from improved operating results driven by higher prices and production during the period.

Net cash used in investing activities of US\$221.5 million mainly related to capital expenditure for additional planted area, construction of plantation and refinery facilities, other supporting facilities, and placement of time deposits with a maturity over 3 months.

Net cash generated from financing activities of US\$69 million was primarily attributable to proceeds from loans drawn (net of repayment) after payment made for dividends for 2010.



**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 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 the palm oil industry is expected to remain positive with continued strong core demand from the edible oil and oleo-chemical markets, particularly from emerging countries and the increasing demand from the renewable energy sector. With our favourable plantation age profile and growing CPO production, we are well positioned to seize opportunities in the industry. We will also continue increasing our production of sustainable palm oil, as well as further improving operational efficiency and plantation management techniques.

The operating environment of the China Agri-business remains challenging given the volatility of commodity prices, including the soybean prices. Our margins may be affected by higher soybean prices and the government measures on domestic inflation. Going forward, our priority remains in managing our costs and targeting our growth in the sale of various palm-based products through our extended distribution channels.

**11. Dividend**

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

Any dividend declared for the current financial period reported on? No

***(b) Corresponding Period of the Immediately Preceding Financial Year***

Any dividend declared for the corresponding period of the immediately preceding financial year? No.

***(c) Date payable***

Not applicable.

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

Not applicable.

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

No dividend has been declared for the second quarter ended 30 June 2011.

**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**

<b>Name of interested person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)</b>
	2Q2011	2Q2011
	US\$	US\$
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	243,390
Ningbo Asia Pulp & Paper Co., Ltd	Nil	123,688
Ningbo Zhonghua Paper Co., Ltd	Nil	105,826
PT Asuransi Sinar Mas	Nil	1,372,010
PT Bank Sinarmas	Nil	24,345,875 *
PT Royal Oriental	Nil	516,472
PT Rolimex Kimia Nusamas	Nil	31,286,516
PT Sinar Jati Mitra	Nil	432,412
<b>Total</b>	<b>Nil</b>	<b>58,426,189</b>

**Note:**

\* Principal amount as at 30 June 2011 is approximately US\$0.2 million.

## **18. CONFIRMATION PURSUANT TO THE RULE 705(5) 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 second quarter and half year ended 30 June 2011 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim  
Director

Rafael Buhay Concepcion, Jr.  
Director

11 August 2011

### **BY ORDER OF THE BOARD**

Simon Lim  
Director  
11 August 2011

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 11 Aug 2011 to the SGX

## Press Release

### Golden Agri-Resources achieves record first half performance in 2011

- First half 2011 EBITDA reached US\$561 million and net profit came in at US\$411 million, more than doubling last year's achievement
- Strong recovery in palm products output combined with robust CPO prices support the strong financial performance

**Singapore, 11 August 2011** - Golden Agri-Resources Ltd ("GAR") recorded its best performance to date for the half year ended 30 June 2011. This was supported by strong Crude Palm Oil ("CPO") prices and recovery in fruits production. GAR continued to deliver sterling results with revenue reaching US\$3.06 billion or a 127% increase compared to the same period last year, while net profit grew by 166% to US\$411 million.

#### FINANCIAL HIGHLIGHTS

US\$'million	First half ended 30 Jun		Change	Quarter ended 30 Jun		Change
	2011 (1H 2011)	2010 (1H 2010)		2011 (2Q 2011)	2010 (2Q 2010)	
Revenue	3,064	1,351	127%	1,601	726	120%
Gross Profit	1,029	342	201%	503	168	199%
<b>EBITDA<sup>1</sup></b>	<b>561</b>	<b>261</b>	<b>115%</b>	<b>254</b>	<b>120</b>	<b>112%</b>
<b>Net profit attributable to owners of the Company</b>	<b>411</b>	<b>155</b>	<b>166%</b>	<b>180</b>	<b>66</b>	<b>172%</b>
Earnings per Share (US\$)	0.034	0.013	166%	0.015	0.005	172%

Sustained strong recovery in production combined with a 43% year-on-year increase in CPO FOB prices resulted in a more than doubling of EBITDA to US\$254 million and of net profit to US\$180 million in 2Q 2011. Year-to-date performance showed a similar trend, where 1H 2011 EBITDA reached US\$561 million, 115% higher than last year, and net profit was recorded at US\$411 million.

<sup>1</sup> Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, foreign exchange gain/(loss), exceptional items and share of results of associated companies

As at 30 June 2011, GAR's financial position remained healthy with a low gearing ratio of 0.10 times. Total assets grew by 7% to US\$10.8 billion compared to US\$10.1 billion at the end of 2010, while total liabilities stood at US\$3.5 billion.

## **OPERATIONAL HIGHLIGHTS**

In 2Q 2011, sustained production recovery resulted in palm products output achieving 650,000 tonnes, 8% stronger than the previous quarter and 29% higher than the same period last year. First half year palm products output was recorded at 1.25 million tonnes, a 31% increase compared to the same period last year. The strong increase in production was supported by expansion in mature area by 27,900 hectares in 1H 2011 as well as favourable weather conditions.

As at 30 June 2011, GAR's total planted area was 446,200 hectares, which continues to be the largest in Indonesia. The age profile of GAR's plantations remains favourable, comprising 32% of immature and young age plantations, and 45% of trees in their prime producing years. GAR will continue its strategy to sustainably expand its oil palm plantation area in order to maintain its long-term growth.

## **OUTLOOK AND STRATEGY**

GAR commits to sound business strategies, prudent expansion, operational excellence and environmental and social responsibility in order to achieve sustainable growth and profitability. GAR will do its best to benefit from the favourable industry outlook of palm oil and gain from the fast growing consumption in highly-populated emerging countries such as China and India, as well as demand from substitute and alternative uses of palm oil.

Commenting on the results, Mr Franky Widjaja, Chairman and Chief Executive Officer of GAR said: "We are delighted with our first half 2011 record performance. We are optimistic that GAR's consistency in implementing its best-in-class plantation operations will continue to be one of our strong foundations in delivering long-term shareholders' value. In the sustainability area, GAR has also made steady progress in achieving RSPO (Roundtable on Sustainable Palm Oil) certification for all our existing units by 2015."

~ end ~



## **About Golden Agri-Resources Ltd (“GAR”)**

GAR is the world's second largest palm oil plantation company with a total planted area of 446,200 hectares (including smallholders) as at 30 June 2011, located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat.

Founded in 1996, GAR is listed on the Singapore Exchange since 1999 with a market capitalisation of US\$6.7 billion as at 30 June 2011. Flambo International Ltd, an investment company, is GAR's largest shareholder, with a 50% stake. GAR has several subsidiaries, including PT SMART Tbk which is listed on the Indonesia Stock Exchange since 1992.

GAR is focused on sustainable palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (“CPO”) and palm kernel; and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has integrated operations in China including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles.

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