Enhancing Value
Enriching Lives

Golden Agri-Resources Ltd
Listed on the Singapore Exchange

ANNUAL REPORT 2009

Contents

Listed on the Singapore Exchange since 1999, Golden Agri-Resources Ltd and its subsidiaries ("GAR") form one of the largest integrated oil palm plantation companies in the world, with total revenue of almost US$2.3 billion and net profit of US$607 million in 2009.

GAR's primary activities range from cultivating and harvesting oil palm trees, processing fresh fruit bunches ("FFB") into crude palm oil ("CPO") and palm kernel ("PK"), to refining CPO into industrial and consumer products such as cooking oil, margarine and shortening.

GAR cultivates approximately 427,000 hectares of oil palm plantations in Indonesia, with higher-than-industry-average yield of 23.1 tonnes per hectare. With total capacity of 8.87 million tonnes per annum, our mills extract CPO and PK from FFB.

Part of our CPO is processed further into value-added bulk, industrial and branded products through our own refineries, whose total capacity is 1.14 million tonnes per annum. A significant portion of our PK is crushed in our kernel crushing plants which have an annual capacity of 459 thousand tonnes, producing higher-value palm kernel oil and palm kernel meal.

GAR also has a presence in China. We operate oilseed crushing and refinery facilities in Ningbo and Zhuhai, integrated with deep-sea port and storage facilities.

VISION AND MISSION

Vision

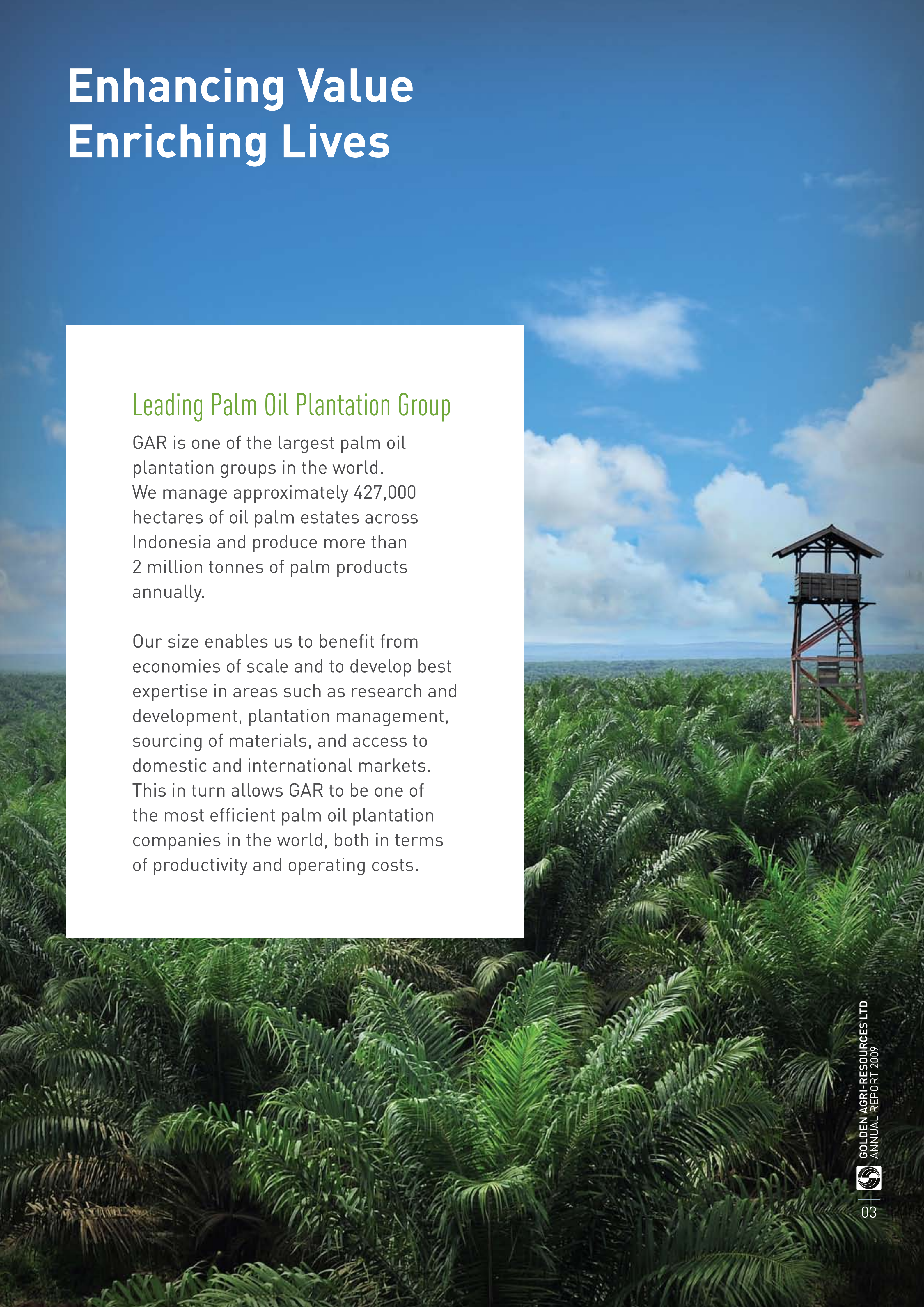
We aim to be the best

To become the largest integrated and most
profitable palm-based consumer company

Mission

Surpassing the highest standard of quality
Maintaining the highest level of
sustainability and integrity
Empowering society and community
Trend setting innovation and technology
Achieving maximum value for shareholders

Enhancing Value
Enriching Lives



Leading Palm Oil Plantation Group

GAR is one of the largest palm oil plantation groups in the world. We manage approximately 427,000 hectares of oil palm estates across Indonesia and produce more than 2 million tonnes of palm products annually.

Our size enables us to benefit from economies of scale and to develop best expertise in areas such as research and development, plantation management, sourcing of materials, and access to domestic and international markets. This in turn allows GAR to be one of the most efficient palm oil plantation companies in the world, both in terms of productivity and operating costs.

Vertically Integrated Operations with Well-Established Downstream Business

GAR operates a vertically integrated business model starting from research and development and a seed garden to consumer end products. We own well-established downstream operations in Indonesia and China that produce a broad range of bulk and branded palm oil products, allowing us to reach a greater portion of the vegetable oil market.

Our vertically integrated operations create the flexibility to switch between crude and refined products for margin optimisation, facilitate traceability of products and quality controls, and capture value across the value chain.

Management Expertise and Unrivalled Technology Platform

GAR's key leadership is supported by the extensive experience of its management team. We leverage the strengths of this team's superior strategic, operational and financial skills, which are essential in growing the business while sustaining operational excellence.

Our state-of-the-art information technology management system also plays a vital role in efficiently managing our large-scale, widely spread and remotely located operations. Utilising SAP, GIS and Google Earth applications, the system enables us to micromanage the plantations and provides a high level of precision for timely problem identification and decision making.

Strong Commitment to the Environment and Community

GAR is committed to sustainable production of palm oil. We adhere to the most stringent sustainability guidelines, so as to preserve the environment for the well-being of future generations. This commitment is realised in our day-to-day operations, whether it is new planting activity or management of existing operations.

GAR also contributes to the communities in the areas where we operate, by providing employment and improving economic welfare at all levels of the population. We lead and support various social development programmes in areas such as education and healthcare.

Sustained Future Growth

GAR is in a strategic position to grow its business in a sustained manner. We continuously build on our core competitive strengths to support our growth and enhance shareholder value.

We are committed to growing our high-margin upstream business, especially in Indonesia, while selectively expanding downstream facilities and distribution capabilities. In addition to organic growth, we will continually explore other opportunities to expand the business, such as attractive acquisitions or collaborations with strategic partners.

Financial Highlights

	2009	2008	2007	2006
Consolidated Income Statement (US$'000)				
Net revenue	2,293,699	2,985,948	1,873,352	1,129,587
Gross profit	509,430	876,117	658,348	269,814
Profit from operations	617,735	1,986,316	1,757,968	777,556
Profit before income tax	593,146	1,947,060	1,802,945	740,583
EBITDA (1)	401,088	597,230	534,663	215,029
Net profit attributable to equity holders	606,962	1,382,526	1,164,792	470,533
Weighted average number of shares (million shares)*	11,558	11,067	10,585	9,623
Earning per share (US$ cents)#	5.25	12.49	11.00	4.89
Profit from operations per share (US$ cents)#	5.34	17.95	16.61	8.08
Consolidated Balance Sheets (US$'000)				
Total assets	7,900,480	6,825,507	5,012,814	2,985,362
Total current assets	1,105,699	707,481	763,817	424,000
Total current liabilities	724,272	547,989	517,790	347,916
Total long-term liabilities	1,642,453	1,570,688	1,113,814	716,150
Minority interests	96,062	93,104	78,644	216,424
Equity attributable to equity holders	5,437,693	4,613,726	3,302,566	1,704,872
Ratios				
Sales growth	-23.2%	59.4%	65.8%	37.9%
Gross profit growth	-41.9%	33.1%	144.0%	34.7%
Operating profit growth	-68.9%	13.0%	126.1%	127.5%
Pre-tax profit growth	-69.5%	8.0%	143.4%	119.3%
EBITDA growth	-32.8%	11.7%	148.6%	32.3%
Net profit growth (2)	-56.1%	18.7%	147.5%	101.8%
Gross profit margin	22.2%	29.3%	35.1%	23.9%
Operating profit margin	26.9%	66.5%	93.8%	68.8%
EBITDA margin	17.5%	20.0%	28.5%	19.0%
Net profit margin (2)	26.5%	46.3%	62.2%	41.7%
Return on equity	11.2%	30.0%	35.3%	27.6%
Return on assets	7.7%	20.3%	23.2%	15.8%
Current ratio	1.53	1.29	1.48	1.22
Net debt to equity (3)	0.06	0.09	0.10	0.20
Receivable turnover (days) (4)	19	16	16	15
Inventory turnover (days) (5)	68	48	68	61
Other Information				
Average CPO market price - FOB Belawan (US$ per tonne)	632	872	716	416

Remarks

(1) EBITDA = earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, foreign exchange gain or loss, exceptional items and share of results of associated companies
(2) net profit = net profit attributable to equity holders
(3) net debt to equity = (total borrowings - cash and cash equivalents - short-term investments) / equity attributable to equity holders
(4) receivable turnover = average trade receivables / net revenue * 365
(5) inventory turnover = average inventory / cost of sales * 365
* As adjusted for the impact of the share splits that were effected in September 2007 and February 2008 as well as the effect of bonus issue and rights issue that were effected in April and July 2009
# Computed based on the weighted average number of shares adjusted for the share splits that were effected in September 2007 and February 2008 as well as bonus issue and rights issue that were effected in April and July 2009, in accordance with IAS 33, Earnings per Shares

Operations Highlights

	2009	2008	2007	2006
INDONESIA OPERATIONS				
Total planted area (hectares)				
Young (4 - 6 years)	47,279	23,037	9,532	13,580
Prime (7 - 18 years)	237,301	244,263	247,226	227,998
Old (> 18 years)	49,377	41,521	35,820	29,562
Total mature plantations	333,957	308,821	292,578	271,140
Immature plantations	93,296	82,821	67,154	35,710
Total planted area	427,253	391,642	359,732	306,850
Nucleus planted area (hectares)				
Young (4 - 6 years)	43,879	19,887	6,907	4,903
Prime (7 - 18 years)	165,921	170,388	171,071	158,438
Old (> 18 years)	42,786	37,991	35,820	29,562
Total mature plantations	252,586	228,266	213,798	192,903
Immature plantations	87,232	79,338	63,831	33,281
Total nucleus planted area	339,818	307,604	277,629	226,184
Plasma planted area (hectares)				
Young (4 - 6 years)	3,400	3,150	2,625	8,677
Prime (7 - 18 years)	71,380	73,875	76,155	69,560
Old (> 18 years)	6,591	3,530	-	-
Total mature plantations	81,371	80,555	78,780	78,237
Immature plantations	6,064	3,483	3,323	2,429
Total plasma planted area	87,435	84,038	82,103	80,666
FFB harvested (tonnes)				
Nucleus	5,716,112	5,049,810	5,077,782	4,376,687
Plasma	1,991,065	1,873,693	1,687,022	1,624,321
Total FFB harvested	7,707,177	6,923,503	6,764,804	6,001,008
FFB yield (tonnes per ha)	23.1	22.4	23.1	22.1
CPO produced (tonnes)	1,913,654	1,689,982	1,607,877	1,553,281
PK produced (tonnes)	433,446	382,721	359,215	336,657
OER (%)	23.20	23.12	22.97	23.24
KER (%)	5.25	5.24	5.13	5.04
Plantation locations (hectares)				
Sumatra				
Nucleus	141,363	139,511	139,150	138,991
Plasma	74,696	74,034	73,439	73,548
Total Sumatra	216,059	213,545	212,589	212,539
Kalimantan				
Nucleus	185,124	155,317	126,257	74,923
Plasma	12,739	10,004	8,664	7,118
Total Kalimantan	197,863	165,321	134,921	82,041
Papua				
Nucleus	13,331	12,776	12,222	12,270
CHINA OPERATIONS				
Crude soybean oil produced (tonnes)	155,000	137,000	134,000	146,000
Soybean meal produced (tonnes)	685,000	591,000	584,000	634,000

Chairman's Statement

"We are optimistic about the year 2010 and beyond given the positive outlook for the palm oil industry. GAR anticipates being able to continue enhancing value for all stakeholders by building on core competitive advantages and expanding capacity."

Dear Valued Shareholders,

The year 2009 saw a gradual recovery of global economic conditions as well as the palm oil industry. The industry experienced a relatively short period of low prices, with Crude Palm Oil ("CPO") market prices (FOB Belawan) strengthening from US$455 per tonne at the beginning of the year to approximately US$740 per tonne in May 2009, and strong price levels maintained until year's end. Although CPO market prices did not reach the high levels of early 2008, we believe that the fast recovery indicates the resilience of palm oil demand and a continuing improvement of industry conditions. To capitalise on this, we prudently executed our growth plans in 2009 and will continue this strategy with a more optimistic outlook in 2010.

Financial Performance

Golden Agri-Resources Ltd and its subsidiaries ("GAR") closed the year 2009 with record quarterly results, showing a sustained recovery throughout the year. We managed to achieve full-year 2009 revenue of close to US$2.3 billion. This was 23 percent lower than the previous year, mainly because of a 28 percent decline in CPO market prices compared to high prices the previous year. Throughout this recovery phase, GAR has managed to stay in good shape. We recorded EBITDA of US$401 million and net profit of US$607 million, which translate into earnings per share of US$0.05. This achievement was underpinned by robust production growth that beat expectations.

Our financial position remained healthy with a strong cash reserve and conservative gearing of 0.06 times. Total assets and equity grew steadily, reaching US$7.9 billion and US$5.4 billion respectively, as at 31 December 2009. As a pro-active measure to uphold GAR's balance sheet, financial flexibility and competitive position to capitalise on expansion opportunities, we undertook a Rights Issuance with free detachable Warrants in July 2009. Net proceeds from this successful exercise amounted to approximately US$216 million.

GAR continues to enhance shareholder value by proposing a final dividend for 2009 of 0.495 Singapore cents per share. At the same time, we have taken into consideration our strategy of conserving cash, both for capital expenditure and to retain the flexibility to seize acquisition opportunities that might arise.

Operational Achievements

GAR capitalised on growth opportunities during the year, expanding the total planted area by another 35,600 hectares. In December 2009, we concluded an agreement to acquire approximately 12,700 hectares of planted area. In addition, we continued our successful planting programme, planting approximately 22,900 hectares. With total planted area (including plasma programme) of 427,000 hectares as of 31 December 2009, we maintained our position as the largest palm oil player in Indonesia.

We reaped the benefits of a favourable age profile with 78 percent of planted area being mature, supported by favourable weather conditions and consistent implementation of best-in-class estate management. These enabled GAR to experience strong recovery in production starting in the second quarter of 2009. Another new record was set in fresh fruit bunch ("FFB") production of 7.7 million tonnes, as well as a record 2.3 million tonnes of palm products output. Likewise, processing facilities expanded with the completion of a mill in East Kalimantan with annual capacity of 200,000 tonnes and a kernel crushing plant in South Kalimantan with annual capacity of 90,000 tonnes.

Promising Outlook for 2010

We have started 2010 with greater confidence that global economic recovery is underway. We are optimistic about the year 2010 and beyond given the positive outlook for the palm oil industry. GAR anticipates being able to continue enhancing value for all stakeholders by building on core competitive advantages and expanding capacity.

We are well positioned to benefit from strong fundamentals of palm oil industry. GAR's strategy is to grow our high-margin upstream business supported by downstream business, extend research and development efforts to support our strong operational efficiencies and growth, and maintain both cost leadership and commitment to best practices in sustainable palm oil production.

Sustainable Development

We recognise that sustainability is key to the long-term survival of our company, our industry and the world. We therefore aim to be the leader in sustainable palm oil production while managing the environment responsibly, empowering communities where we operate and delivering shareholder value. The journey has started and we will continue to work with our stakeholders to achieve these goals regardless of the challenges that we may face.

In all locales where we operate, we comply strictly with relevant laws and regulations, and we are committed to the principles and criteria of the Roundtable on Sustainable Palm Oil ("RSPO") and United Nations Global Compact ("UNGC"). Our main subsidiaries, PT SMART Tbk and PT Ivo Mas Tunggal are in the process of RSPO certification. PT SMART Tbk has also recently reaffirmed to stakeholders our commitment to environmentally sustainable palm oil. To enhance our sustainability standards, we will be engaging independent consultants to review and audit our operations and standard operating procedures.

As a market leader, we will continue to leverage on our capabilities to promote best practices and productivity in the oil palm industry. For example, we take the lead in the International Conference on Palm Oil and Environment ("ICOPE"), which PT SMART Tbk hosted for the second time in February 2010. More than 400 scientists and practitioners from 14 countries participated in this important forum for experts to share best practices. The conference was a success, and I would like to express appreciation to our co-organizers Centre de coopération Internationale en Recherche Argonomoque pour le Dévelopement ("CIRAD"), France and the World Wildlife Fund ("WWF"), as well as all sponsors.

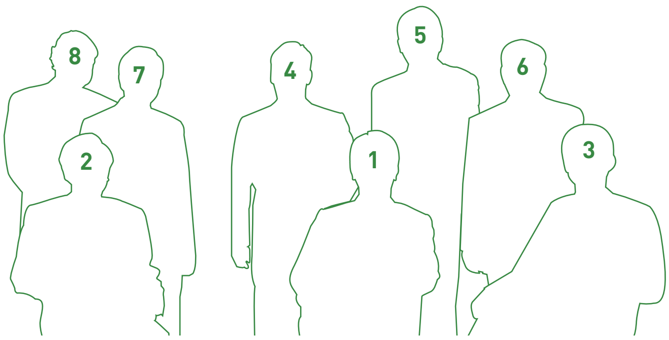
While addressing industry-wide issues, GAR continues to fulfill its responsibilities towards local communities. As with our own employees, the emphasis is on empowering people to better their lives. We achieve this through a number of programmes to provide education and healthcare, improve public infrastructure, create energy self-sufficiency and provide disaster relief.

Appreciation

On behalf of the Board of Directors, I wish to extend our deepest gratitude to all shareholders, employees, customers, business associates and bankers for your unwavering support and commitment to GAR. Your constant encouragement, combined with our healthy company, favourable conditions for the industry and global economy, will spur GAR's steady progress towards becoming the world's leading palm oil producer.

Franky Oesman Widjaja
Chairman and Chief Executive Officer
18 March 2010

Board of Directors



1. Franky Oesman Widjaja 2. Muktar Widjaja
3. Frankle (Djafar) Widjaja 4. Simon Lim
5. Rafael Buhay Concepcion, Jr. 6. Hong Pian Tee
7. Lew Syn Pau 8. Kaneyalall Hawabhay
9. William Chung Nien Chin (Not in photo)

FRANKY OESMAN WIDJAJA
Chairman and Chief Executive Officer
Mr. Franky Widjaja, aged 52 was appointed Chairman in 2000. He has been a Director and the Chief Executive Officer of GAR since 1996. He earned his Bachelor's degree in Commerce from Aoyama Gakuin University, Japan in 1979.

Mr. Franky Widjaja has extensive management and operational experience. Since 1982, he has been involved with different businesses, including pulp and paper, property, chemical, financial services and agriculture.

Mr. Franky Widjaja is a member of GAR's Executive/Board Committee, Nominating Committee and Remuneration Committee. He is President Commissioner of GAR's Indonesian subsidiary, PT Sinar Mas Agro Resources and Technology Tbk, which is listed on the Indonesia Stock Exchange.

Mr. Franky Widjaja is Executive Chairman of Asia Food & Properties Limited ("AFP") and Vice President Commissioner of its Indonesia Stock Exchange listed property subsidiaries, PT Duta Pertiwi Tbk and PT Bumi Serpong Damai Tbk. He held the posts of Chairman and Chief Executive Officer of AFP till December 2006. He also sits on the Boards of Directors of several subsidiaries of GAR and AFP.

MUKTAR WIDJAJA
Director and President
Mr. Muktar Widjaja, aged 55 was appointed as President of GAR since 2000. He has been a Director since 1999, and became non-executive Director since December 2006. His last re-election as a Director was in 2009. He obtained his Bachelor of Commerce in 1976 from the University Concordia, Canada.

Since 1983, Mr. Muktar Widjaja has been actively involved in the management and operations of the property, financial services, agriculture, chemical and pulp and paper businesses. Mr. Muktar Widjaja is a member of GAR's Executive/Board Committee and Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk. He was Vice Chairman of GAR till December 2006.

He is Director and, since December 2006, Chief Executive Officer of Asia Food & Properties Limited ("AFP").

Mr. Muktar Widjaja is President Commissioner of PT Duta Pertiwi Tbk and PT Bumi Serpong Damai Tbk. He also serves on the Boards of Directors of several subsidiaries of GAR and AFP.

FRANKLE (DJAFAR) WIDJAJA
Director

Mr. Frankle Widjaja, aged 53 has been a Director of GAR since 1999. He became non-executive Director since December 2006. His last re-election as a Director was in 2007. He graduated from the University of California, Berkeley, USA with a degree of Bachelor of Science in 1978.

Since 1979, he has been involved in the management and operations of the pulp and paper, financial services, food and agriculture, and real estate businesses.

Mr. Frankle Widjaja is a member of GAR's Executive/Board Committee. He was Vice President of GAR till December 2006. He is Director and President of Asia Food & Properties Limited ("AFP") and presently sits on the Boards of Directors of several subsidiaries of GAR and AFP.

SIMON LIM
Director and Chief Financial Officer

Mr. Lim, aged 47 was appointed as a Director and Chief Financial Officer in 2002. His last re-election as a Director was in 2008. A 1988 graduate from University of Trisakti, Indonesia, majoring in Accounting and Finance, he later obtained a Master in Business Management from the Asian Institute of Management, Philippines in 1992 with a full scholarship from ADB-Japan.

He has extensive financial, management and operational experience having worked in different industries.

Mr. Lim is a member of GAR's Executive/Board Committee, and Vice President Commissioner of PT Sinar Mas Agro Resources and Technology Tbk. He is Director and Deputy President of Asia Food & Properties Limited ("AFP") and Commissioner of PT Duta Pertiwi Tbk. He was Chief Financial Officer of AFP till December 2006.

Board of Directors

RAFAEL BUHAY CONCEPCION, JR.
Director
Mr. Concepcion, aged 43 was appointed as a Director in 2002. His last re-election as a Director was in 2009. He studied at the University of the Philippines where he obtained a Bachelor of Science in Economics in 1988. In 1992, he obtained a Master in Business Management from the Asian Institute of Management, Philippines with scholarship from SGV Philippines.

He worked on regional projects and has extensive experience in corporate and financial planning. After 5 years with Pilipinas Shell Petroleum Corporation, Mr. Concepcion joined PT Sinar Mas Agro Resources and Technology Tbk, and now holds the position of Commissioner. He is a member of GAR's Executive/Board Committee.

He is Director and Chief Financial Officer of Asia Food & Properties Limited.

HONG PIAN TEE
Independent Director and Chairman of Audit Committee and Nominating Committee
Mr. Hong, aged 65 joined GAR's Board of Directors in 2001. His last re-election as a Director was in 2008. Prior to retiring from professional practice, he was a partner of PricewaterhouseCoopers, a position he held from 1985 to 1999.

Mr. Hong's experience and expertise are in corporate advisory, financial reconstruction and corporate insolvencies since 1977. He has been a corporate/financial advisor to clients with businesses in Singapore and Indonesia and in addition was engaged to restructure companies with operations in Taiwan, Indonesia and Malaysia.

Mr. Hong was Director of Asia Food & Properties Limited from November 2001 to February 2006 and Sin Ghee Huat Corporation Ltd from March 2007 to October 2009.

He is Chairman of GAR's Audit Committee and Nominating Committee and member of its Remuneration Committee. He is Chairman of Pei Hwa Foundation Limited.

LEW SYN PAU
Independent Director and Chairman of Remuneration Committee
Mr. Lew, aged 56 re-joined GAR's Board of Directors in December 2007 and was re-elected as a Director in April 2008. Prior to that, he was Director of GAR from 1999 to May 2007. A Singapore Government scholar, Mr. Lew obtained a Master in Engineering from Cambridge University, UK and a Master of Business Administration from Stanford University, USA.

He is the Chairman of Stanbridge International Pte Ltd. Prior to Stanbridge, Mr. Lew was Senior Country Officer and General Manager for Banque Indosuez Singapore, where he worked from 1994 to 1997. He was General Manager and subsequently, Managing Director of NTUC Comfort from 1987 to 1993 and Executive Director of NTUC Fairprice from 1993 to 1994. He served as a Member of Parliament from 1988 to 2001. He was President of The Singapore Manufacturers' Federation from July 2002 to June 2006. Mr. Lew was Director of Asia Food & Properties Limited from July 1999 to February 2006, and from May 2007 to December 2007.

Mr. Lew sits on the Boards of Directors of several public listed companies namely, Poh Tiong Choon Logistics Ltd, Lafe Corporation Limited, Achieva Ltd, Food Empire Holdings Ltd and RSH Limited. He is also Chairman of CarrierNet Global Ltd.

Mr. Lew is Chairman of GAR's Remuneration Committee and member of its Audit Committee and Nominating Committee.

KANEYALALL HAWABHAY
Independent Director
Mr. Hawabhay, aged 62 was appointed as a Director of GAR in 2003. His last re-election as a Director was in 2009. He is a Fellow of the Institute of Chartered Accountants in England and Wales. He has been a Partner (Assurance and Business Advisory Services ("ABAS")) of De Chazal du Mée & Co, Mauritius from 1987 to June 2002 and a Director of Multiconsult Limited from July 2002 to 2005. Presently, he is Partner (ABAS) of BDO & Co, Mauritius.

Mr. Hawabhay is a member of GAR's Audit Committee.

WILLIAM CHUNG NIEN CHIN
Independent Director
Mr. Chung, aged 53 joined GAR's Board of Directors in December 2008. His last re-election as a Director was in 2009. He is a Member of the Institute of Chartered Accountants in England and Wales since 1980. Mr. Chung is currently a Tax Partner of Kemp Chatteris Deloitte, Chartered Accountants, Mauritius, a position which he held since July 2002. Previously, he was a Tax Partner of De Chazal du Mée & Co, Chartered Accountants, Mauritius for 14 years from January 1988 to June 2002.

He is currently Director of Ideas Ltd and Durable Manufacturing co. Ltd, Mauritius.

Operations Review

Operations Review

INDONESIA OPERATIONS

Largest vertically integrated oil palm plantation group in Indonesia

Through its Indonesia operations, GAR is one of the largest vertically integrated oil palm plantation groups in the world, leading the industry in productivity and efficiency.

GAR manages almost 140 estates through a combination of owned estates (nucleus) and estates owned by smallholders (plasma). The operations are well supported by the Company's own research and development centre, and high-yielding seed garden. Its oil palm estates are all located in Indonesia, spanning from the east to the west of the country. The harvested FFB are all processed in milling facilities that are strategically located near the plantations, producing the primary palm products CPO and PK.

Part of the CPO and PK produced are further processed in GAR's refineries and kernel crushing plants, strategically located in Indonesia. This generates higher value-added products such as refined palm oil, margarine, shortenings and fats, palm kernel oil and palm kernel meal. The products are marketed in the form of both unbranded and branded products to domestic and export markets.

Retained leadership in plantation growth

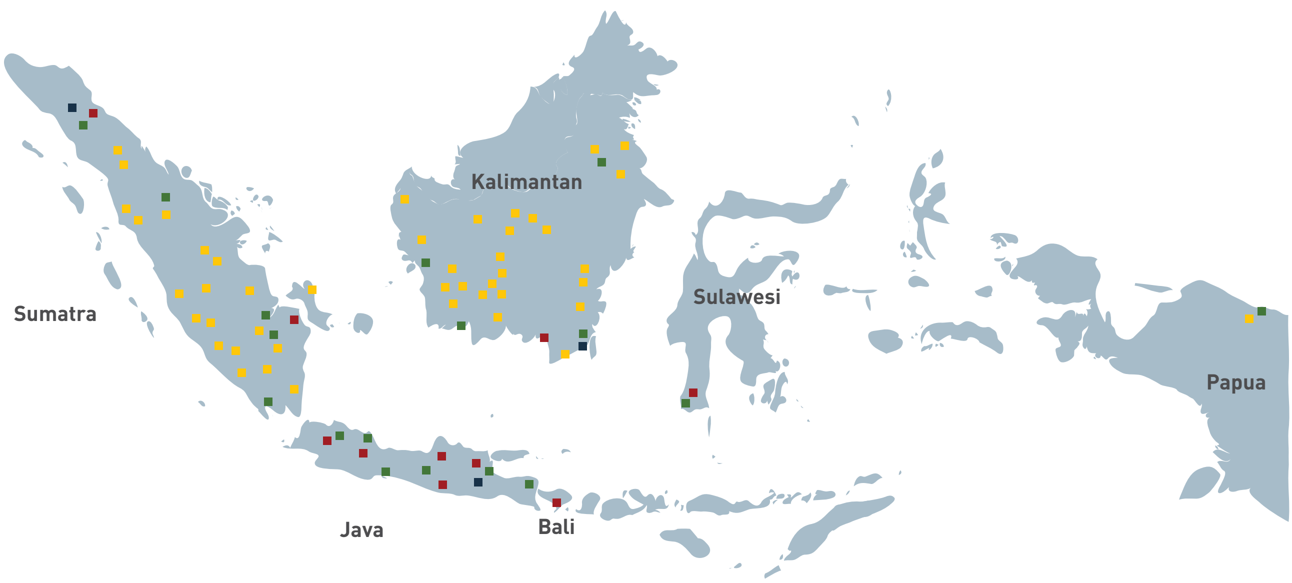
As at end 2009, GAR had approximately 427,000 hectares of oil palm plantation under its care, including plasma projects of 87,000 hectares. The total planted area was successfully expanded by 36,000 hectares or 9 percent compared to the previous year, resulting from a combination of greenfield expansion and acquisition. Of the 427,000 hectares, 22 percent are immature while 78 percent are mature. Over 70 percent of the mature estates are at the prime age of 7 to 18 years that produces optimum yield and therefore contributes strongly to GAR's production results. This favourable age profile also provides a solid foundation for GAR's long-term growth.

Best-in-class estate management sustaining high productivity

GAR successfully increased FFB production to a new record of more than 7.7 million tonnes, an 11 percent increase compared to 2008, in spite of the tree stress and unfavourable weather conditions experienced in early 2009. The average FFB yield per hectare in 2009 also grew to 23.1 tonnes from the previous year's 22.4 tonnes. This was despite the doubling of newly matured, low-FFB-yielding trees to 47,300 hectares from 23,000 hectares in 2008.

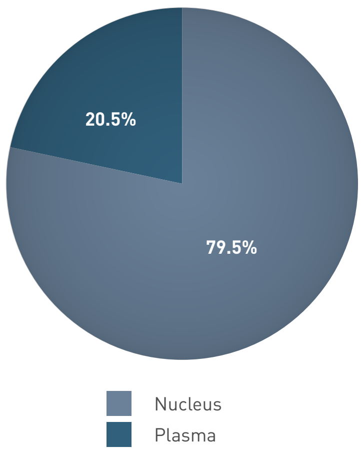
Our leading productivity is the result of best-in-class estate management that is supported by the "WAR ROOM" management information system. Serving as a one-stop multi-function monitoring and management control centre, this unique integrated system deploys SAP applications, Google Earth, Geographical Information System ("GIS"), Reuters, CCTV, Internet and satellite connectivity to provide operational, industry and general market information. The state-of-the-art system enables management to make decisions with complete factual input in a timely manner and to gather information in great detail as if on-site at each of our plantations.

Our qualified scientists and agronomists in the Research and Development division (SMART Research Institute or "SMARTRI") also play an important role in sustaining high productivity. They provide recommendations and innovative solutions for continual improvement in productivity, efficiency and environmental sustainability. SMARTRI has been accredited with ISO 9001 for quality management and ISO 17025 for excellent implementation of general requirements for testing and calibrating laboratories.

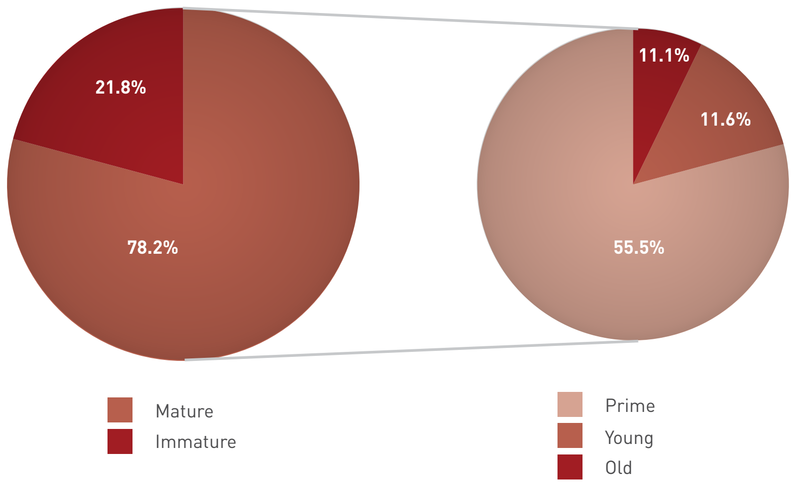


Bulking Stations | Refinieries | Distribution Centres | Plantations, CPO Mills and PK Crushing Plants

Plantation Ownership Profile



Age Profile (Nucleus and Plasma)



Growing output of palm products and processing facilities

During 2009, we completed the construction of a mill in East Kalimantan. This raised the total number of CPO mills to 34, with a combined installed capacity of 8.87 million tonnes of FFB per annum. With an average utilisation rate of 93 percent, FFB processed was 8.25 million tonnes in 2009, 13 percent higher than the 7.31 million tonnes in 2008. The FFB processed includes FFB purchased from nearby plantations of third parties.

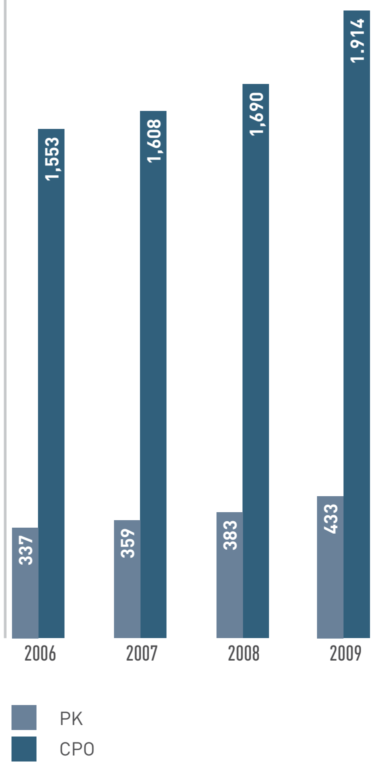
Output of palm products increased by a substantial 13 percent to 2.35 million tonnes in 2009, from 2.07 million tonnes the previous year, primarily on the back of larger FFB processed and higher extraction rates. The CPO extraction rate increased to 23.20 percent as compared to 23.12 percent last year, increasing total CPO production to 1.91 million tonnes from 1.69 million tonnes in 2008. The kernel extraction rate was also slightly higher at 5.25 percent, resulting in total PK production of 433 thousand tonnes compared with 383 thousand tonnes last year.

Our extraction rates are above the industry average, as a result of best-in-class estate management and regular maintenance of mills. Our objective is to achieve optimum levels of output through improving the quality of CPO extracted by our milling operations. We are committed to maintaining the quality of output by implementing ISO 9001:2008 for quality management in selected mills.

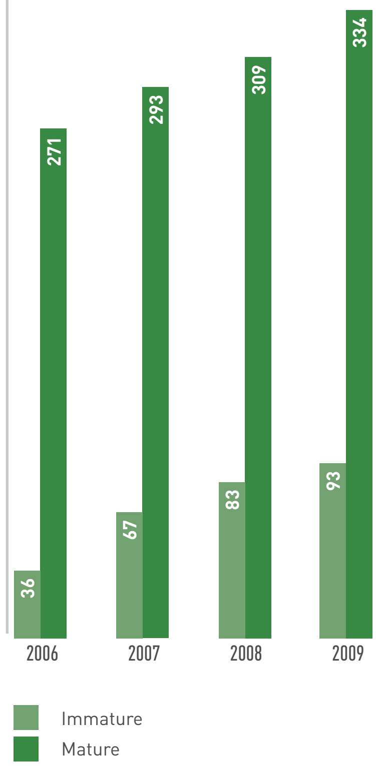
Well-established downstream operations capture value across the value chain

As at end 2009, the combined processing capacity of our refineries stood at 1.14 million tonnes per annum. Through our refinery facilities, we produce a wide range of refined products for domestic and export markets, such as cooking oil, margarine, butter oil substitute, shortening and fats for retail customers, restaurants and hotels, as well as industrial customers. We are in the process of completing a new refinery in Jakarta with an initial annual processing capacity of 240 thousand tonnes. This facility is well located in close proximity to our large customers, and will be dedicated to serving the branded products market. We believe this new refinery will help us to maintain cost competitiveness by reducing logistic costs.

Annual CPO and PK Production



Planted Area (Nucleus and Plasma)



Operations Review

We also commenced operation of a kernel crushing plant in Tarjun, South Kalimantan in the second half of 2009. This brings our total number of kernel crushing plants to 6, with a combined processing capacity of 459 thousand tonnes per annum.

All of our refined products are processed according to the HACCP (Hazard Analysis and Critical Control Point) principles in order to ensure that products are safe at the time of human consumption. After obtaining HACCP certifications in 2006, both our refineries in Medan and Surabaya were granted ISO 22000:2005 certification in 2008, international recognition that our products (including cooking oil, margarine and shortening) meet food safety standards.

We marketed our products both domestically and internationally. 2009 was a very challenging year, especially when the Indonesian Government removed the VAT-free policy for branded cooking oil products. Bulk cooking oils were exempt from the change. Amid these unfavourable conditions, we successfully maintained the 29 percent combined market share of our prominent cooking oil brands, Filma and Kunci Mas.

During the year, our marketing initiatives were carried out by focusing on consumer acceptance enhancement as well as product range extension. We rejuvenated two product lines of Palmboom consumer margarine and launched eight new product lines of Mitra cooking oil. At the same time, we continued to strengthen our foothold in export markets such as China, India, the Phillippines, Korea, Russia and Africa.

FILMA® Kunci Mas® bissOil Masku®

RED ROSE Palmboom® Mitra® MENARA®

DELICOA38® PALMVITA® PUSAKA® GOODFRY®

SMARTBaker i-SOC DELICIO® mitra®

In the next phase, we will focus our efforts on growing our value-added branded products, as the Indonesian Government will remove the VAT-free policy for bulk cooking oils as well in 2010. We will continue our expansion to absorb the growing purchasing power of our present markets as well as to broaden future markets in Indonesia and the ASEAN region, particularly Vietnam and Thailand.

CHINA OPERATIONS

Strategically located and fully integrated vegetable oil facilities capitalise on China's position as largest consumer of vegetable oils

Through its China operations, GAR owns integrated vegetable oil facilities comprising one of China's largest deep-sea ports, oilseed storage, crushing and refining facilities. The strategic location of our operations provides the key advantage of easy access to our target market, enabling us to achieve better cost efficiency and shorter delivery lead times.

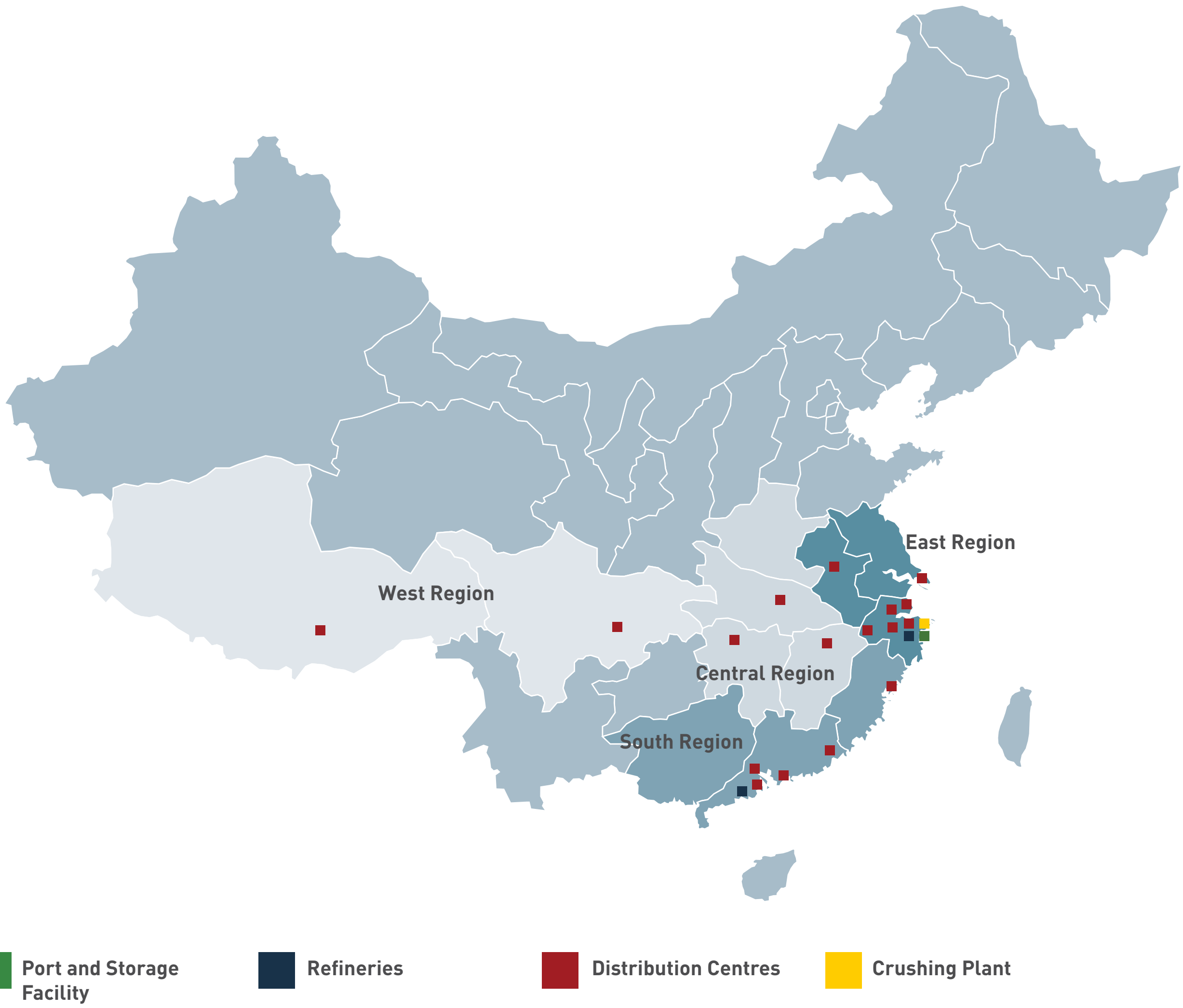
The oilseed crushing operations produce soybean meal that is sold domestically under an in-house brand and crude soybean oil which is, in turn, processed by the refineries together with other edible oils including palm oil. These refined oils and value-added products such as margarine, shortening and butter oil substitute, are sold in bulk and in consumer packs.

Improving performance in a challenging and competitive market

In Ningbo, Zhejiang Province, the division operates a deep-sea port and storage facility for oils and grains, and an oilseed crushing plant with 1 million tonnes annual capacity. This division also has refining facilities in Ningbo and a refining plant in Zhuhai, Guangdong Province, with combined annual capacity of 380 thousand tonnes.

The crushing business in China remained intensely competitive and challenging in 2009. Prices of soybean meal and vegetable oil were low at the beginning of the year, affected by the global financial crisis that occurred in the second half of 2008. These unfavourable conditions were worsened by the unexpected H1N1 epidemic that dampened prices and demand for soybean meal.

Prices increased gradually throughout the year as economic conditions progressively recovered, especially in China. As a result, crushing margins improved. The oils and grains commodities market in greater China remains positive supported by its strong growing demand.



Operations Review

The utilisation rate of our oilseed crushing facilities increased substantially to 84 percent from 72 percent in 2008, while the utilisation rate of refineries increased slightly to 70 percent in 2009 from 68 percent in previous year.

During 2009, 856 thousand tonnes of soybeans were processed by our crushing operations, 16 percent higher than last year. This resulted in 685 thousand tonnes of soybean meal with a yield of 80 percent and 155 thousand tonnes of crude soybean oil with a yield of 18.1 percent.

In order to overcome challenges posed by the intense competition in the meal industry especially in the coastal areas, our sales strategy has been focused on western China as the next potential market. More efforts have been directed into Sichuan Province to obtain higher market share in that region. Product distribution has been expanded to neighbouring areas around the upper Yangzi river. In addition, sales of specialty fats, a new product, have been growing steadily.

海鸥 SEAGULL

金鸥 GOLDEN SEAGULL

金舰 GOLDEN CARRIER

好品质·创造好味道 Master Chef 厨神

旗舰

大满贯

贝特力 Better Life

BUSINESS STRATEGY

Expand high-margin upstream business

We maintain our positive outlook on the future of the oil palm industry. We have therefore maintained our focus on expanding oil palm plantations with a target of 50,000 hectares per annum along with milling facilities to increase the production capacity of palm oil.

As part of this strategy, we will continue with our planting programme in Indonesia by utilising our undeveloped land resources and further cooperating with smallholders. In addition to greenfield projects, we will stay alert to any strategic opportunities to acquire well-positioned and high-quality oil palm estates and landbanks. To further secure our long-term growth, we have also been exploring development prospects in other countries.

Selectively expand downstream and distribution capabilities

We intend to maintain the balance between upstream and downstream business, to provide flexibility to shift product mix according to market demands. Therefore, we will expand downstream capacity selectively in strategic locations in line with our growing palm products output. In addition to extending the range of higher value-added products, we will increase our penetration in existing markets and broaden it in other potential domestic and export markets.

Our priority is to enlarge downstream capacity in the countries where we currently operate, namely Indonesia and China, while continuing to explore growth opportunities in other underserved countries.

We are strengthening our distribution and logistic infrastructure in strategic locations, as well as optimising and consolidating available distribution and transport options. The objectives are to cater to our growing production flows and to anticipate alternatives in case of port congestion. This will help us to independently secure and widen our market reach as well as realise cost efficiencies in distribution by leveraging operational scale and synergies.

Extend research and development capabilities

We constantly invest in research and development, to invent new technologies that will enhance yield productivity of our oil palm plantation operations in a sustainable way. Our research institute has been integral in developing practical field applications with the latest technology. The institute also undertakes research in plant breeding and biotechnology, such as tissue culture planting materials.

Increase profit margins through operational excellence

We consistently seek to sustain our cost leadership by relentlessly exploring options to further enhance the efficiency of our vertically integrated operations at our plantations and edible oils facilities.

We will carry on ensuring best-in-class field practices in agronomy at all of our nucleus and plasma estates, in terms of fertilising techniques, harvesting, transportation and processing efficiencies. For new planting, we will continue to use high-yielding seeds, improve planting techniques and ensure on-time availability of new planting facilities.

Operations Review

In addition, we aim to increase the utilisation rate of all our processing facilities, capitalise on various distribution channels and transportation options, diversify supply sources for materials, as well as implement prudent and effective trading strategies to obtain the highest quality input materials at the lowest price.

Deepen commitment to environmental and social responsibility

To realise our mission and our strong commitment to achieve sustainable palm oil production and contribute to local communities, we apply the most stringent sustainability practices across all operational areas.

With the support of our research institute, we continuously seek new agronomy practices that escalate the sustainability of our operations. As an active participant in the Roundtable on Sustainable Palm Oil ("RSPO"), we seek to certify most of our palm oil operating units by 2015.

Our social activities will continue to focus on the empowerment of surrounding communities in the economic, education and healthcare aspects, with the aim of empowering them to flourish in a harmonised and healthy environment.

Financial Review

Financial Review

In 2009, GAR achieved total revenue of US$2.3 billion, EBITDA of US$401 million and net profit attributable to equity holders of US$607 million. The balance sheet remained strong with very low gearing at 0.06 times net debt to equity ratio at the end of 2009.

Revenue

At US$2.3 billion, total revenue in 2009 was lower by 23 percent than the US$3.0 billion reached in the previous year.

Revenue from Indonesia Operations decreased by 28 percent to US$1.7 billion in 2009, as compared to US$2.3 billion in the previous year, primarily due to lower average CPO market prices during the year.

CPO prices remained volatile in 2009. Subsequent to a sharp decline in the fourth quarter of 2008, the CPO market price (FOB Belawan) gradually improved and reached its highest level of the year at US$785 per tonne in May 2009, eventually closing at US$750 per tonne at year's end. The average CPO market price (FOB Belawan) for 2009 was US$632 per tonne, 28 percent lower than the US$872 per tonne of the previous year.

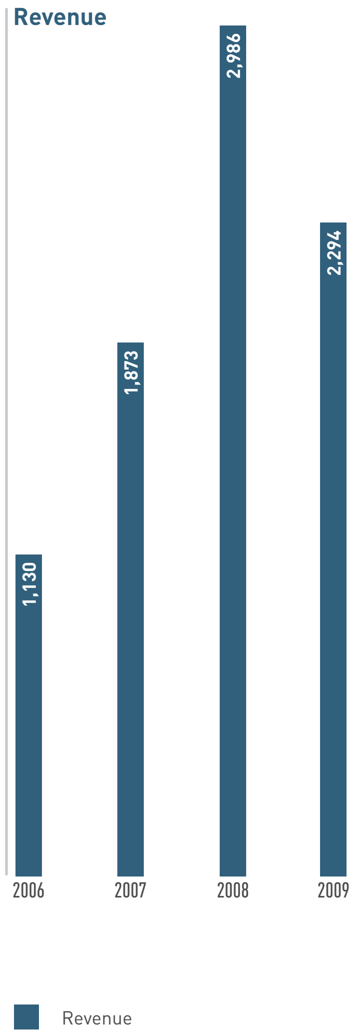
Revenue from China Operations was 7 percent lower than the prior year. The decrease was largely attributable to lower average selling prices of refined edible oil products, and was partially offset by higher sales volume. Revenue from China Operations stood at US$614 million, mainly comprising US$304 million from crushing operations and US$235 million from refinery operations.

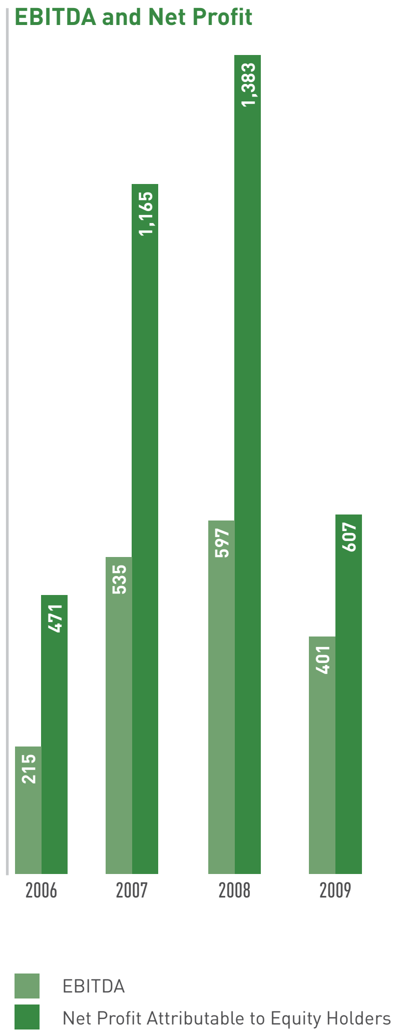
Cost of Sales

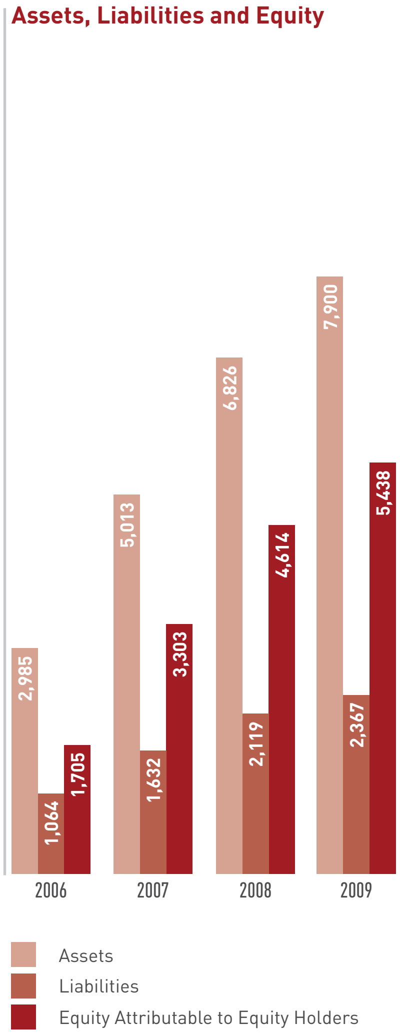
Cost of sales declined by 15 percent to US$1.8 billion in 2009, as compared to US$2.1 billion in the preceding year.

The 19 percent decrease in cost of sales from Indonesia Operations, to US$1.2 billion from US$1.5 billion in 2008, was mainly attributable to lower FFB and CPO purchase costs in line with the lower market prices. We purchased FFB from plasma farmers and third parties to maximise the utilisation rate of our mills. We also purchased CPO from third parties for the purpose of minimising logistic costs in meeting the requirements of our Medan, Surabaya and Tarjun refineries.

Cost of sales from China Operations also decreased by 8 percent to US$591 million, corresponding to the lower market prices of soybean and palm oil products that we purchased during the year.







Gross Profit

The gross profit margin of Indonesia Operations in 2009 declined to 29 percent. This was mainly due to the downward trend of international CPO prices, which did not see a corresponding decrease in certain costs such as fertiliser and maintenance expenses.

Gross profit margin of China Operations strengthened slightly to 4 percent in spite of the lower average selling prices of refined edible oil products.

Net Gain from Changes in Fair Value of Biological Assets

Net gain from changes in fair value of biological assets was recorded at US$303 million, 79 percent lower than the 2008 level, mainly due to the effect of a lower incremental CPO price assumption used in 2009.

Operating Expenses

Operating expenses decreased by 44 percent to US$195 million from US$347 million in 2008. The decrease was mainly due to selling expenses of US$78 million, which were a significant 66 percent lower than in the previous year. This substantial decrease was mostly attributable to lower applicable export tax rate on CPO and refined palm-based products during the year. General and administrative expenses were slightly lower at US$116 million.

Financial Expenses, net

The net financial expenses increased by US$6 million to US$41 million in FY2009, resulting from increased borrowings as well as higher interest rates.

Foreign Exchange Loss, net

Foreign exchange loss of US$2 million was mainly attributable to loss on translation of net Indonesian Rupiah (IDR) monetary liabilities of our Indonesia Operations to US Dollar (USD) as IDR strengthened against USD in 2009 and closed at IDR9,400 at the end of the year.

Other Operating Income, net

The US$8 million increase in 2009 of other operating income–net was mainly attributable to unrealised gain from changes in fair value of short-term investments held as financial assets.

Income Tax

The income tax credit of US$19 million in 2009 was primarily due to a net deferred tax credit of US$107 million recorded for changes in fair value of biological assets. This deferred tax credit mainly arose from adjustment of previously recognised deferred tax liabilities as a result of reduction in applicable income tax rate in our Indonesia Operations.

Assets

As at end 2009, GAR's total assets grew to US$7.9 billion from US$6.8 billion the previous year, mostly contributed by increased biological assets; cash, cash equivalents and short-term investments; inventories; and property, plant and equipment.

The increase in biological assets to US$563 million was attributable to recognition of net gain from changes in fair value for 2009 and expanded planted area of 35,600 hectares during the year.

Cash, cash equivalents and short-term investments totalled US$353 million as at end 2009, an increase of US$215 million compared to the previous year. This was mainly attributable to net proceeds from the rights issue in July 2009 and cash generated from operations, net of cash used for acquisition of subsidiaries.

The US$172 million increase in inventories was largely attributable to the higher inventory level and higher unit cost at the end of the year from both Indonesia Operations and China Operations.

Property, plant and equipment increased by US$132 million, mainly resulting from the construction of a new CPO mill, kernel crushing plant, refinery and other ancillary plantation facilities in our Indonesia Operations.

Liabilities

Total liabilities increased by 12 percent or US$248 million, primarily due to the increase in trade and other payables, as well as total borrowings.

Equity Attributable to Equity Holders

Total equity attributable to equity holders increased to US$5.4 billion from US$4.6 billion the previous year. The increase was mainly contributed by net income obtained during 2009 and the rights issue in July 2009.

Enriching talent management to perpetuate our success

Our people play a vital key role in achieving the success of the Company as well as overcoming the challenges in growing our business. We are committed to continuously investing and growing the human capital of the Company which we believe is a key foundation for our continued success in the years ahead.

Developing Culture

GAR continues to develop the shared values of the Company's culture: Integrity, Positive Attitude, Commitment, Continuous Improvement, Innovation and Loyalty. The Company relentlessly promotes these shared values to all employees as basic attitudes in their day-to-day work and personal life.

Learning

GAR has designed a training development program that is compulsory for each employee. The curriculum is constantly modified to be more applicable, and involves relevant field practices including the technical, managerial and leadership aspects.

Leadership Development

Management emphasises talent management and leadership development as one of the strategic factors in strengthening GAR's competency. Talent identification is conducted through the Gold Sieves Programme. Regular meetings are conducted to review existing talents and their development, to ensure a sustainable pool of high-quality talents and leaders.

Talent Searching

In supporting its growth, GAR proactively pursues competent candidates from qualified high schools and universities. We collaborate with many educational institutions to promote agribusiness advancement, hold seminars and present career opportunities in the palm oil agribusiness sector. We also participate in several job fairs.

Reward System

GAR practises merit-based compensation to reward its employees. High-performing employees receive better compensation, not only in terms of basic remuneration and annual bonus, but also longer term compensation.

Our best practices in human resource management were recognised when PT SMART Tbk received the Human Recources Excellence Award in 2009 from the Management Institute of University of Indonesia, the Human Resources Indonesia and the SWA magazine. PT SMART Tbk is our main subsidiary that manages GAR's entire operations in Indonesia. We topped the "Overall Employee Engagement" category and ranked second in the "Overall Talent Management" category. These awards are public acknowledgment of our long-term commitment to implementing the best human resource practices.

Our Shared Values

Integrity

to put statements or promises into actions so that one can earn the trust of others

Loyalty

to cultivate the spirit of knowing understanding, and implementing the Company's core values as part of the GAR family

Positive Attitude

to display encouraging behaviour towards the creation of a mutually appreciative and conducive working environment

Innovation

to come up with ideas or to create new products/ tools/systems that can increase productivity and the Company's growth

Commitment

to perform our work whole heartedly in order to achieve the best results

Continuous Improvement

to continuously enhance the capability of self, working unit and organisation to obtain the best results

Our Governance

The Company recognises the importance and is committed to attaining high standards of corporate governance. The Company is in conformity with a major part of the principles and guidelines of the Code of Corporate Governance 2005 (the "2005 Code"). Pursuant to the listing manual ("Listing Manual") of the Singapore Exchange Securities Trading Limited ("SGX-ST"), this report outlines the Company's corporate governance processes and activities with specific references to the 2005 Code, and provides explanation for deviations. For easy reference, the principles of the 2005 Code are set out in italics in this report.

The Board of Directors

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Company's board of directors' (the "Board") role is:

(a) Ensuring that the long-term interests of the shareholders are being served.

(b) Reviewing and approving management's strategic and business plans, including developing a depth of knowledge of the business being served, understanding and questioning the assumptions upon which plans are based, and reaching an independent judgement as to the probability that the plans can be realized.

(c) Monitoring the performance of management against plans and goals.

(d) Reviewing and approving significant corporate actions and major transactions.

(e) Assessing major risk factors relating to the Company and its performance, and reviewing measures, including internal controls, to address and mitigate such risks.

(f) Ensuring ethical behaviour and compliance with laws and regulations, auditing and accounting principles, and the Company's own governing documents.

(g) Assessing the effectiveness of the Board.

(h) Performing such other functions as are prescribed by law, or assigned to the Board in the Company's governing documents.

All directors are expected to fulfill their duty to objectively take decisions in the interests of the Company. Matters that specifically require the Board's approval are set out in the Internal Guidelines, which include the following corporate events and actions:

- approval of results announcements.
- approval of the annual report and accounts.
- convening of shareholders' meetings.
- material acquisitions and disposals of assets.
- annual budgets.
- interested person transactions.
- corporate governance.

Certain matters are delegated to the various Board committees (the "Board Committees") set up by the Board, which act within their respective terms of references as approved by the Board. See paragraphs (i) to (iv) on Board Committees below.

To facilitate directors attendance, meetings together with agenda items are scheduled in advance with Board members meeting each quarter. Ad-hoc board meetings are held whenever circumstances require. In 2009, the Board held 5 meetings with 1 held at the end of the financial year which was focused on the group's annual budget and strategic issues. Board meetings are chaired in Mauritius where participation by Board members by means of teleconference or similar communication equipment is permitted under the Company's constitution ("Constitution").

The attendance of directors and Board Committee members at meetings of the Board and Board Committees respectively and the number of meetings held, in 2009 are disclosed below:

Name	No. of Meetings Attended by Members			
	Board Meetings	Audit Committee Meetings	Nominating Committee Meetings	Remuneration Committee Meetings
Franky Oesman Widjaja (Executive)	5	-	1	2
Muktar Widjaja (Non-Executive, Non-Independent)	5	-	-	-
Frankle (Djafar) Widjaja (Non-Executive, Non-Independent)	4	-	-	-
Simon Lim (Executive)	5	-	-	-
Rafael Buhay Concepcion, Jr. (Executive)	5	-	-	-
Hong Pian Tee (Non-Executive, Independent)	5	6	1	2
Lew Syn Pau (Non-Executive, Independent)	5	6	1	2
Kaneyalall Hawabhay (Non-Executive, Independent)	5	6	-	-
William Chung Nien Chin (Non-Executive, Independent)	4	-	-	-
Number of Meetings Held	**5**	**6[a]**	**1**	**2**

[a] Inclusive of 1 adjourned meeting

Newly appointed directors are provided with a formal letter of appointment setting out the terms of appointment, duties and obligations. They are also given the relevant GAR governing documents and contact particulars of senior management. Those who do not have prior experience as a director of a Singapore listed company are required to undergo in-house training on their roles and responsibilities as a director of a listed company in Singapore.

Newly appointed non-executive directors who are not familiar with the Group's business, may, upon the Chairman/ Nominating Committee's ("NC") recommendation, be given orientation through overseas trips to familiarise them with the Group's operations. The Company has a training budget to fund any director's participation/attendance at seminars and training programmes that are relevant to his duties as a director, if he/the Chairman/the NC deems it necessary.

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board currently consists of 9 members. All the Board members except the Chairman/Chief Executive Officer, Chief Financial Officer and Executive Director, are non-executive. Of the 6 non-executive directors, 4 are independent directors making up more than one-third of the Board and providing a strong and independent element on the Board. Please refer to pages 12 to 14 of this Annual Report containing key information regarding each director. For information on whether each director is executive/non-executive/independent/non-independent, please refer to the above table.

Guidelines in the 2005 Code on the various relationships that would deem a director not to be independent, have been adopted by the Board. Each director is required to complete an independence checklist form at the time of appointment and annually based on these guidelines. The NC then considers and determines the independence of each director bearing in mind the completed form and any other salient factors.

The Board examines its size and, taking into account the scope and nature of operations, considers that the current board size of 9 directors is appropriate to facilitate effective decision making. Board members come from different industries, with vast experience and knowledge who as a group provide the core competencies for the leadership of the Company.

Non-executive directors are encouraged, in line with the Board's role, to constructively challenge and help develop proposals on strategy; and review the performance of management in meeting agreed goals and objectives and monitor the reporting of performance.

Principle 3: There should be a clear division of responsibilities at the top of the company – the working of the Board and the executive responsibility of the company's business - which will ensure a balance of power and authority, such that no one individual represents a considerable concentration of power.

Our Governance

Our Chairman and Chief Executive Officer is Mr. Franky Oesman Widjaja. We believe that the independent directors have demonstrated a high commitment in their roles as directors and have ensured that there is a good balance of power and authority. In view that the Chairman and Chief Executive Officer posts being held by the same person, the chairman of the Audit Committee ("AC") acts as the lead independent director.

The Chairman is also responsible to:

(a) lead the Board to ensure its effectiveness on all aspects of its role and set its agenda.

(b) ensure that the directors receive accurate, timely and clear information.

(c) ensure effective communication with shareholders.

(d) encourage constructive relations between the Board and management.

(e) facilitate the effective contribution of non-executive directors in particular.

(f) encourage constructive relations between executive directors and non-executive directors.

(g) promote high standards of corporate governance.

Principle 6: In order to fulfil their responsibilities, Board members should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis.

In order to ensure that the Board is able to fulfill its responsibilities, management provides the Board with complete and adequate information in a timely manner. Such information extend to documents on matters to be brought up before the Board at Board meetings, which are circulated to Board members in advance as a general rule, for their review and consideration. Senior staff and professionals who can provide additional insights into the matters to be discussed at Board meetings, are also invited to be present at meetings, where relevant. As directors may have further enquiries on the information provided, they have separate and independent access to the Company's senior management. Senior management accordingly addresses individual directors' request for information/ documents.

Management provides the Board with financial statements and management reports of the Group on a quarterly basis, and upon request as and when required. Explanation is given by management for material variance (if any) between the projections in the budget and actual results.

The directors also have separate and independent access to the company secretary or its nominee who attends all Board meetings. The company secretary's role is defined which include responsibility for ensuring that board procedures are followed and that applicable rules and regulations are complied with. Where the directors, either individually or as a group, in the furtherance of their duties, require professional advice, the company secretary or its nominee can assist them in obtaining independent professional advice, at the Company's expense.

Board Committees

Principle 4: There should be a formal and transparent process for the appointment of new directors to the Board.

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.

(i) Nominating Committee

The Company has established a Nominating Committee to, *inter alia*, make recommendations to the Board on all Board appointments. There are 3 directors in the NC, 2 of whom including the chairman, are non-executive and independent. Members of the NC are as follows:

Hong Pian Tee (NC Chairman)
Lew Syn Pau
Franky Oesman Widjaja

The NC has written terms of reference that describes the responsibilities of its members, ie, to:

(a) identify and nominate for the approval of the Board, all Board appointments including candidates to fill Board vacancies as and when they arise.

(b) reviewing the independent element on the Board annually.

(c) deciding how the Board's performance may be evaluated.

The NC is also responsible to make recommendations to the Board:

(a) as regards the re-appointment, re-election and re-nomination of any director.

(b) concerning the Board having a strong and independent element.

(c) concerning the re-appointment of any director having multiple board representations.

(d) concerning the Board's performance criteria.

(e) concerning any matters relating to the continuation in office as a director of any director at any time.

The Board believes that each director, when accepting new appointments or who already sit on multiple boards, has the individual responsibility to ensure that he can allocate sufficient time and attention to the affairs of each company, and therefore does not adopt internal guidelines for multiple board representations.

All new Board appointments are channeled to the NC first before being channeled to the Board for approval. Potential candidates to fill casual vacancies are sourced with suggestions from directors, management or external consultants. The NC then evaluates the suitability of the potential candidate for the position taking into account, *inter alia*, his knowledge, skills, experience and his ability to contribute to the Board's effectiveness. Upon the NC's recommendation, the Board approves the new appointment. In the event that the membership of the NC falls below the minimum number of 3 members, it shall be dissolved, and any new nominations are channeled directly to the Board for approval after which the NC is reconstituted with the requisite number of members.

Pursuant to the Constitution, save for the position of Chief Executive Officer, all directors are to submit themselves for re-election at regular intervals. In particular, one-third of the directors retire from office by rotation at the annual meeting ("AM"), and newly appointed directors must submit themselves for re-election at the AM immediately following his appointment. The Board is satisfied with the current practice.

Mr. Frankle (Djafar) Widjaja, Mr. Simon Lim and Mr. Hong Pian Tee retire from office by rotation at the forthcoming AM under Article 90 of the Constitution, and have offered themselves for re-election. The NC has recommended their re-election at the forthcoming AM.

The NC is tasked to carry out the processes as implemented by the Board for the purpose of assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board.

The Company has in place a system to assess the effectiveness/performance of the Board and acts, where appropriate, on feedback from Board members, on improvements.

During the evaluation process, each director is required to complete the respective forms for self-assessment as well as for assessment of the Board's performance, based on pre-determined performance criteria.

Principle 11: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

Principle 12: The Board should ensure that the Management maintains a sound system of internal controls to safeguard the shareholders' investments and the company's assets.

Principle 13: The company should establish an internal audit function that is independent of the activities it audits.

(ii) Audit Committee

The Company has established an Audit Committee comprising 3 members, with written terms of reference which clearly set out its authority and duties. All of the members including the chairman, are non-executive and independent. Members of the AC are as follows:

Hong Pian Tee (AC Chairman)
Lew Syn Pau
Kaneyalall Hawabhay

The Board is satisfied that the members of the AC are appropriately qualified to discharge their responsibilities.

The AC has the explicit authority to investigate any matter within its terms of reference. In addition, the AC has full access to and co-operation of management and full discretion to invite any director or executive officer to attend its meetings. Reasonable resources are made available to enable it to discharge its functions properly.

In addition to its statutory functions, the AC considers and reviews any other matters as may be agreed to by the AC and the Board.

In particular, the duties of the AC include:

(a) Reviewing the scope and results of the audit and its cost effectiveness, and the independence and objectivity of the external auditors. Where the auditors also supply a substantial volume of non-audit services to the Company, the AC should keep the nature and extent of such services under review, seeking to balance the maintenance of objectivity and value for money.

(b) Reviewing the significant financial reporting issues and judgements so as to ensure the integrity of the financial statements of the Company and any formal announcements relating to the Company's financial performance.

(c) Reviewing the adequacy of the Company's internal controls established by management.

(d) Reviewing the effectiveness of the Company's internal audit function.

(e) Making recommendations to the Board on the appointment, re-appointment and removal of the external auditor, and approving the remuneration and terms of engagement of the external auditor.

The AC reviews with management, and where relevant, the auditors, the results announcements, annual reports and accounts, interested person transactions and corporate governance, before submission to the Board for approval or adoption.

The AC reviews the independence of the external auditors.

In performing its functions, the AC meets with the internal and external auditors, and reviews the audit plans and overall scope of both internal and external audits, and the co-operation and assistance given by management to the auditors. Where necessary, the AC also meets with the internal and external auditors without the presence of management. The internal and external auditors have unrestricted access to the AC.

During the course of the audit, the external auditors carried out a review of the effectiveness of the Group's material internal controls, including financial, operational and compliance controls to the extent of their scope as laid out in their audit plan. Material non-compliance and internal control weaknesses noted during their audit are reported to the AC together with their recommendations. The AC has reviewed the Group's risk assessment, and, based on the audit reports and management controls in place, is satisfied that there are adequate internal controls in the Group.

The role of the internal auditor is to assist the AC to ensure that the Company maintains a sound system of internal controls. The Company's internal audit functions are serviced in-house. The Chief Internal Auditor reports to the chairman of the AC. On administrative matters, he reports to the Chief Executive Officer. The Chief Internal Auditor has met the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors.

The AC ensures that the internal audit function is adequately staffed and has appropriate standing within the Company. It also ensures the adequacy of the internal audit function.

Given that the internal audit function as a strong independent control unit within the Company reports to the AC, the Board is satisfied that the system is in place for any concerns to be reported to the members of the AC.

Internal Controls

There is appropriate and adequate review by the AC of the adequacy of the Company's internal financial controls, operation and compliance controls, and risk management policies and systems established by management. In this review, the AC had been assisted by both the external auditors and the internal auditors, and this review is conducted at least once every year.

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

Principle 8: The level of remuneration should be appropriate to attract, retain and motivate the directors needed to run the company successfully but companies should avoid paying more than is necessary for this purpose. A significant proportion of executive directors' remuneration should be structured so as to link rewards to corporate and individual performance.

Principle 9: Each company should provide clear disclosure of its remuneration policy, level and mix of remuneration, and the procedure for setting remuneration in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key executives, and performance.

(iii) Remuneration Committee

The Company has established a Remuneration Committee ("RC") with specified terms of reference, including the review of compensation policy. There are currently 3 directors in the RC, 2 are non-executive and, including the chairman, are independent. The Board views that the current RC composition is adequate as a majority of the members are independent, and the chairman is non-executive and independent. Members of the RC are as follows:

Lew Syn Pau	(RC Chairman)
Hong Pian Tee	
Franky Oesman Widjaja	

The RC's role is to review and recommend to the Board, an appropriate and competitive framework of remuneration or compensation policy for the Board and key executives within the Group.

Remuneration of directors of the Company in the relevant bands for the year ended 31 December 2009 is as follows:

Remuneration Band/ Name of Directors	Fixed Salary	Bonus/ Benefit	Directors' Fees	Total
S$1,500,000 – S$1,750,000				
Franky Oesman Widjaja	36.9%	63.1%	-	100%
S$750,000 – S$1,000,000				
Simon Lim	44.5%	55.5%	-	100%
S$500,000 – S$750,000				
Rafael Buhay Concepcion, Jr.	52.4%	47.6%	-	100%
Below S$250,000				
Muktar Widjaja	-	100%*	-	100%
Hong Pian Tee	-	-	100%	100%
Lew Syn Pau	-	-	100%	100%
Kaneyalall Hawabhay	-	-	100%	100%
William Chung Nien Chin	-	-	100%	100%

*Consultancy Fee

Variable bonus is based on performance in the same financial year.

The top 5 key executives of the GAR Group who are not directors of the Company ("Key Executives") are as follows:

Jo Daud Dharsono
Ng Milton Subianto
The Biao Ling
Budi Wijana
Chen Sau Hua

The Key Executives' remuneration for the year ended 31 December 2009 falls within the bands as set out below:

Key Executives' Remuneration Band	Number of Key Executives
S$750,000 – S$1,000,000	2
S$500,000 – S$750,000	2
S$250,000 – S$500,000	1

Mr. Franky Oesman Widjaja, Mr. Muktar Widjaja and Mr. Frankle (Djafar) Widjaja are brothers. For the year ended 31 December 2009, other than disclosed above, none of the directors had immediate family members who were employees and whose remuneration exceeded S$150,000.

Share Scheme

The Company introduced the GAR Group Restricted Share Plan ("RSP") which was approved by shareholders at the Special Meeting of the Company held on 24 October 2008. There were no long-term incentive schemes prior to this approved RSP.

The RSP is intended to align the interests of key management and executives with the interests of shareholders. It is also expected to enhance the Company's competitiveness in attracting and retaining talented key senior management and executives. The plan contemplates the award of fully paid shares of the Company free of charge, upon meeting prescribed performance target(s) and/or service condition(s).

Non-executive directors and controlling shareholders/their associates are not eligible to participate in the RSP.

Awards granted under the RSP will vest upon the satisfactory achievement of pre-determined operational and financial performance targets.

The RSP Committee will be formed to select the participant and determine the number of shares which would be awarded under the RSP. In the selection of the participant, the RSP Committee shall take into account criteria such as, *inter alia*, the participant's capability, scope of responsibility, skill, vulnerability to leaving the employment of the Company, job performance, years of service, potential for future development, contribution to the success and development of the GAR Group and the extent of effort and resourcefulness required to achieve the service conditions and/or performance targets within the performance and/or service periods (as the case may be).

The total number of new shares which may be issued pursuant to awards granted under the RSP, shall not exceed 15% of the total number of issued shares of the Company (excluding treasury shares) on the day preceding the relevant date of an award. Subject to prevailing rules and legislation, the Company may deliver shares to participants upon vesting of their awards by way of issue of new shares; and/or transfer of existing shares (by way of purchase of existing shares) for delivery to participants.

As at 31 December 2009, no awards have been granted by the Company under the RSP. The RSP Committee, comprising directors of the Company, will be duly appointed by the Board at the appropriate time for administration of the RSP.

Our Governance

(iv) Executive/Board Committee

The Board has established a committee of directors ("BC") to supervise the management of the business and affairs of the Group. The BC, which comprises the following members, assists the Board in the discharge of its duties by, *inter alia*, approving the opening, closing of banking accounts and acceptance of banking facilities up to certain limits:

Group A
Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja

Group B
Simon Lim
Rafael Buhay Concepcion, Jr.

Communication with Shareholders

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

Principle 14: Companies should engage in regular, effective and fair communication with shareholders.

Principle 15: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

Since 2003, the Company announces its results on a quarterly basis. The Company does not practice selective disclosure of material information. The Company conveys material information and its quarterly results through announcements made on SGXNET, and is required to comply with the Listing Manual on the continuous disclosure obligations. Results and annual reports are announced or issued within the specified/stipulated period.

The Company also meets with investors, analysts and fund managers from time to time. Please refer to Information to Investors on page 35 of the Annual Report.

All shareholders of the Company receive the annual reports and notice of AM. The notice is also advertised in the newspapers. At the AM, shareholders are given the opportunity to air their views and ask directors or management questions regarding the Group. Members of the NC, AC and RC and the external auditors are asked to be present to address questions at the AM.

The Constitution allows a member of the Company to appoint one or two proxies to attend and vote instead of the member at members meetings.

At members meetings, each distinct issue is proposed as a separate resolution. Absentia voting methods are currently not permitted.

Dealings in Securities

The Company complies with the SGX-ST best practices on dealings in securities, and has devised and adopted its own internal compliance code to provide guidance with regard to dealing in the Company's securities by the Company, its directors and officers.

Dealings in the Company's securities are prohibited during the period commencing (i) two weeks before announcement of the Company's first, second and third quarter results and (ii) one month before the announcement of the Company's full year results, and ending on the date of the announcement of the results. Such dealings in the Company as well as other listed companies' securities are also prohibited whilst in possession of unpublished material price-sensitive information in relation to those securities.

Information to Investors

Information to Investors

Since 2007, GAR has intensified its Investor Relations ("IR") activities to reflect its commitment to attaining high standards of corporate governance. The main role of IR is to enhance corporate transparency and communication to shareholders, with the ultimate objective of increasing shareholder value. In 2009, the IR team carried out further initiatives with active support from all divisions in the Company.

Enhancing corporate transparency and communication

Several projects were undertaken to further improve corporate transparency and communication.

We conducted quarterly analyst briefings to present our quarterly results. Our Chairman and key management team were present to share their insights and the business strategy of GAR. These were followed by conference call briefings to update investors.

We also provided members of the global investing community frequent updates on the Company throughout the year. This was done through one-on-one or group meetings, conference calls and participation in domestic and international conferences and road shows.

Our website, **www.goldenagri.com.sg**, is an important and effective communication tool for providing our stakeholders with up-to-date and comprehensive information about the Company. The site includes a dedicated IR section and offers the option of signing up for email alerts. Through our mailing list we also provide regular updates to relevant members of the investing community.

Increased awareness and interest in the Company

Our efforts to improve transparency and communication have resulted in increased awareness and heightened investor interest in GAR. This is reflected in the high liquidity of the Company's stock, which is consistently among the top five traded stocks on the Singapore Exchange. As a result, the stock has been included in the MSCI AC Far East ex-Japan index since May 2008 and the Straits Times Index since September 2008.

In 2009, four additional international financial institutions initiated coverage of GAR, bringing the total to 15 analysts. The following is a list of analysts covering GAR:

1. BNP Paribas - Michael Greenall
2. CIMB - Ivy Ng Lee Fang
3. CLSA - Wilianto Ie
4. Daiwa Institute of Research - Chris Sanda
5. Deutsche Bank - Niklas Olausson
6. JP Morgan - Chang Ying Jian
7. Morgan Stanley - Koh Miang Chuen
8. Nomura Securities - Ken Arieff Wong
9. OCBC - Carey Wong
10. OSK - Alvin Tai
11. Phillip Securities - Research Team
12. Standard Chartered - Adrian Foulger
13. The Royal Bank of Scotland (ABN AMRO) - Nirgunan Tiruchelvam
14. UBS - Alain Lai
15. UOB Kay Hian - Stefanus Darmagiri

GAR will continue to improve its corporate transparency and communications, while at the same time ensuring compliance with regulatory requirements. The ultimate objective is to increase shareholder value.

Dividend Policy

GAR's dividend policy is to distribute up to 30 percent of its underlying earnings, which is defined as earnings before net gain from changes in fair value of biological assets, goodwill, exceptional items and non-operating items.

The realisation of the dividend policy shall consider certain factors, including but not limited to:

- results of operations, cash flows and financial position;
- dividend payment from the subsidiaries;
- future prospects and capital expenditure programs; and
- other factors deemed relevant by the Board of Directors and our shareholders.

For the year 2009, GAR is proposing a final dividend of 0.495 Singapore cents per share, representing approximately 22 percent of underlying earnings. This cash dividend is in line with our dividend policy and takes into consideration our strategic expansion plan for 2010 and potential value-creating acquisitions.

Financial Calendar 2010

25 February	Announcement of Full Year 2009 results
9 April	Release of Annual Report 2009
27 April	Annual Meeting 2010
	Proposed 2009 final dividend*
30 April	Last day for trading for cum dividend (scrip-less holders)
5 May 5:00 PM	Entitlement date
6 May	Books closure date
17 May	Dividend payment date
May**	Announcement of First Quarter 2010 results
August**	Announcement of Second Quarter 2010 results
November**	Announcement of Third Quarter 2010 results

Notes:
The above calendar may not list every corporate event. For the latest updates, please refer to our website **www.goldenagri.com.sg**.
* Subject to shareholders' approval at the 2010 Annual Meeting
** Indicative timeline

Leading Sustainable Development

Leading Sustainable Development

We aim to be the leader in sustainable palm oil production by adopting the best industry practices and standards, managing the environment responsibly and empowering the communities where we operate while delivering shareholder value.

Our sustainability strategy is implementing the best practices holistically in all dimensions of sustainability (the environment, community, market place and work place), benchmarking our practices against the Roundtable on Sustainable Palm Oil ("RSPO") and the UnitedNations Global Compact ("UNGC"), and engaging stakeholders proactively.

STANDARDS AND BENCHMARKS

RSPO

GAR and its subsidiaries support the RSPO and are committed to adhering to RSPO principles and criteria. We seek to certify most of all our palm oil operating units by 2015. Two of our subsidiaries, PT SMART Tbk and PT Ivo Mas Tunggal are in the process of RSPO certification.

UNGC

The UNGC is the world's largest voluntary corporate responsibility initiative, and as a signatory member through our subsidiary, PT SMART Tbk, we support the ten core principles covering human rights, labour standards, the environment and anti-corruption.

ENSURING ENVIRONMENTAL SUSTAINABILITY

Cultivating on land designated and approved by the Indonesian government

Though our subsidiaries, we operate the largest palm oil business in Indonesia in terms of production and cultivated land. As a leader in the business, we play an important role in the stewardship of the primary rainforests and conduct thorough environmental assessments of the land that we cultivate. Furthermore, we strictly operate on land designated and licensed by the Indonesian government for oil palm cultivation. The land designated for oil palm cultivation is usually secondary forest or areas degraded by earlier widespread logging, shifting cultivation and other activities that have exposed the land to damaging erosion by rain and wind. Through our state-of-the-art rehabilitative agricultural techniques, we have progressively been nurturing degraded land into productive use to maximise our capacity.

Preserving high conservation value areas

We support efforts to preserve High Conservation Value ("HCV") and we are committed to conducting careful and comprehensive risk assessments and subsequent identification of potential HCV before we start any new plantation. Our HCV assessments are benchmarked against best practices and are incorporated into management plans for plantation development. Where necessary, we engage external experts to provide inputs to these HCV assessments.

As good stewards of land, we do not cultivate in areas designated as HCV. However, if HCV area is found in our plantations, we take the following measures to enhance its natural value and biodiversity:

- protecting the flora and fauna especially endangered species, by eliminating threats from illegal activities such as poaching;
- avoiding degradation and deterioration;
- continuously reviewing management plans to conserve HCV; and
- monitoring the HCV regularly and enriching or rehabilitating, if necessary.

An example is our commitment to conserve the endangered orang utan. Together with the leading environmental and orang utan conservation organisations and the Indonesian Forestry Department, we play an active role in the national orang utan Working Group in drafting the Strategy and Action Plan to conserve the orang utan. To date, we have set aside a 1,400-ha sanctuary in Central Kalimantan for orang utan habitat.

We also plan to expand it further by rehabilitating and reforesting a sizable 2,000 hectares of peat land in West Kalimantan for orang utan conservation. Our efforts to conserve the orang utan are further strengthened by collaborating with a leading NGO in promoting the sustainability of the Borneo orang utan.

Fauna and flora biodiversity in established plantations is promoted through the conservation of adequate habitats.

We manage and regularly monitor every environmental aspect in order to minimise adverse impact to the natural environment. The monitoring is in accordance with the Environment Management Plan (Rencana Pengelolaan Lingkungan) and the Environment Monitoring Plan (Rencana Pemantauan Lingkungan), as approved in the Social Environmental Impact Assessment (Analisa Mengenai Dampak Lingkungan) documents submitted to the Indonesian government. The assessment of the environmental parameters is conducted by SMART Research Institute ("SMARTRI"), our ISO 9001:2008 and ISO 17025-accredited internal laboratory, as well as external laboratories referred by the Indonesian authorities.

Our regular internal monitoring and assessments are guided by the ISO 14001:2004 Environment Management Systems and ISO 9001:2008 Quality Management Systems.

In China, GAR's manufacturing facilities comply with all environmental laws and regulations related to air protection, waste management and water protection, as stipulated by the Chinese authorities. We are committed to adopt effective measures to prevent pollution and environmental hazards arising from production, such as waste gases, waste water and other residues.

Zero burning policy

As a pioneer in zero burning policy, we have established policies on zero burning and adhere to the ASEAN Policy on Zero Burning. All our land is cleared using manual methods such as bulldozing and stacking the trees, thereby preventing air pollution and preserving the soil structure and nutrients.

Peat land

Peat is decaying plant material found under the ground. Over time, an accumulation of peat combined with water logged soils prevents the peat from decomposing and form a layer of peat soil commonly referred to as peat land. Developing peat land for agriculture releases carbon elements into the atmosphere and helps to trigger climate change.

As a policy, we do not develop on land with high carbon stock such as peat soils and primary forest.

Environmentally friendly practices: zero waste and integrated pest management

Our zero waste strategy is to reuse, recover and recycle. We recycle all production waste for organic fertiliser and as a source of energy. For example, we return nutrient-enriched waste from harvested fruit bunches and palm oil mill effluents to the plantations as organic fertiliser. This practice is fully integrated in our fertiliser management plan. We have invested in technology to convert the methane gas that is produced by the nutrient-enriched waste into energy. This technology is being implemented progressively in our operations. In addition, solid waste from the mills, such as the fibre from oil palm mesocarp, is used as fuel. The zero waste practices not only minimise the impact on the environment, but also result in significant cost savings. Regular control of soil fertility is implemented throughout our plantations in order to ensure that our nutrient management practices maintain, or when required, improve the soil fertility.

Integrated pest management is an essential part of oil palm cultivation and we are careful to minimise and mitigate the impact of chemical pesticides on the environment. The preferred method is to deploy biological controls. We use beneficial plants, natural predators and pathogens or bacteria, and handpicking or mechanical traps. Pesticides are deployed only to control outbreaks of infestation and used carefully in compliance with national laws. Their use is minimised throughout all growth phases of the palms.

LEADING AND SHAPING THE INDONESIAN OIL PALM INDUSTRY

As a market leader, we proactively collaborate with all our stakeholders to develop best practices and solutions for sustainable palm oil.

Pioneering the International Conference on Palm Oil and Environment

As a leader in the Indonesian oil palm industry, we believe that we are in the position to lead and shape the industry by collaborating with all our stakeholders and leveraging on the vast resources in our network. Riding on the extremely successful maiden International Conference on Palm Oil and Environment ("ICOPE") in November 2007, our highly regarded research institute, SMARTRI, hosted the second ICOPE in February 2010 in Bali. This was again co-organised with Centre de coopération Internationale en Recherche

Leading Sustainable Development

Argonomoque pour le Dévelopement ("CIRAD"), France and the World Wildlife Fund ("WWF").

Since its launch, ICOPE has gained international status as a unique and valuable platform for experts to network and share best practices. ICOPE 2010 saw more than 400 leading scientists and practitioners from 14 countries participate in the three-day conference. The 2010 conference was launched by the Indonesian Minister of Agriculture, Mr H Suswono, with the keynote address delivered by the Indonesian Minister of Environment, Mr Gusti Muhammad Hatta.

The gathering of the Indonesian government, key industry players, NGOs and smallholders at ICOPE 2010 reflects the strategic role of palm oil in the economic and social development of Indonesia and as a major source of food amid rising global demand for affordable food sources, and also as an alternative source of fuel. Domestically, the palm oil industry provides direct employment for approximately 4.5 million persons and, in 2009, generated US$10.4 billion worth of exports or 11 percent of Indonesia's non oil and gas exports.

ICOPE 2010 focused on the measurement and mitigation of the environmental consequences of the fast growing oil palm industry. The conference was an excellent opportunity for experts and practitioners to pool their experience and resources in developing sustainable palm oil to meet the growing demand for vegetable oil and fuel.

Supporting and promoting the Roundtable on Sustainable Palm Oil

Since its inception in April 2004, we have been supporting and co-operating with RSPO and its member organisations to develop sustainable palm oil throughout the entire supply chain.

For example, we have been actively involved in developing verification systems as guidelines for sustainable and environmentally friendly plantation practices in the palm oil industry. Our plantations in North Sumatra and South Kalimantan were registered with the RSPO Executive Board as trial locations for developing the important RSPO principles and criteria model.

In preparation for RSPO certification, we have been conducting training programmes to educate our plantation staff on RSPO principles and criteria.

As an active member of RSPO Indonesia Smallholder Taskforce, we have also played an integral role in establishing national standards for RSPO applications for smallholders (farmers), together with other Indonesian oil palm stakeholders. We work closely with our stakeholders to tailor the generic RSPO principles and criteria to our local context.

Tailoring HCV to Indonesian Oil Palm Industry

We continue to support and lead programmes with the Indonesian National Interpretation Working Group ("INA-NIWG") by establishing a working group with the Indonesian High Conservation Value Consortium to tailor the international HCV tool kit to the needs of Indonesia.

The working group is in the process of developing guidance for managing and monitoring high conservation value areas in the oil palm plantation sector and guidance for a compensation mechanism for such areas identified within the oil palm estates that were planted between November 2005 and November 2007.

Leadership in the Indonesian Global Compact Network

As a founding member of the Indonesian Global Compact Network since its inception in November 2008, we have been leading regular meetings among its members. At these meetings, we share information and implement joint collaborative actions to enhance environmental sustainability and best practices in relation to human rights and corporate governance. Through regular dialogue and collaboration, we are ensuring that our best practices are in line with the UNGC principles.

Promoting oil palm productivity

Together with the Indonesian Oil Palm Association, smallholders and government bodies, we promote the use of seeds that are derived from selected highly productive oil palms, prudent use of pesticides and biological pest control to enhance productivity of the entire industry. Increasing productivity is part of the industry's multi-pronged strategy to balance the growth of the oil palm industry and its impact on the environment. As approximately 3 million hectares or 40 percent of the plantations belong to smallholders, increasing the productivity of these plantations is crucial.

Our collaboration with smallholders (plasma) has been successful. In 2009, the yield per hectare of our plasma is 24.5 tonnes, an improvement of 5 percent compared to a year ago. To further reach out to the smallholders who have not yet taken advantage of our expertise, largely because of limited financial means, we are planning to implement a pilot gratis scheme in our estate in Kampar region to provide fertiliser together with the usual agricultural advice to these smallholders. We are confident that over time, all of our almost 59,000 smallholders will collaborate with us to increase the productivity of their plantations.

Our research institute, SMARTRI, continues to push the frontiers of innovation to enhance productivity of palm oil production in our estates as well as in smallholdings. An ongoing project involving the research units of a dozen Indonesian palm oil producers to breed palm oil seeds that are disease resistant, drought tolerant and productive is making good progress. As part of the project, over 54,000 seeds were collected from 105 species of palm oil trees in Cameroon, the originating country of the oil palm tree, and distributed to all members of the project. SMARTRI has developed and is closely observing the more than 3,000 seeds that we received.

Another significant project involving SMARTRI is the Oil Palm Genome Project, a worldwide initiative by a consortium of 16 reputable research organisations from 7 countries. The project uses molecular biology as a tool to support conventional breeding. The main objective is to map the entire genome spectrum of oil palm varieties, including identification of specific traits such as disease resistance, drought tolerance, superior quality oil, and high yield. The first phase started in 2009, and progress will be monitored closely over the next three years. As an active participant in this project, we have formed a separate team in our biotechnology division, and our staff have been involved in related research activities in Spain and France.

Mobilising Indonesia's strategy to alleviate the global food shortage

The Indonesian government, together with the Indonesian Chamber of Commerce and Industry, has mapped out a bold vision called "Feed the World" to ensure that Indonesia becomes self-sufficient in strategic food supplies and a major food supplier to the world by 2030. As Indonesia's significant player in the agribusiness, food and forestry sectors, GAR plays an active role in leading and shaping the agenda. By leveraging our strengths and expertise and collaborating with multi-stakeholders, we aim to find solutions to the global food shortage, secure a steady source of income for Indonesia's largely agrarian economy, and improve the lives of farmers and communities.

EMPOWERING THE COMMUNITY

As a leader in the industry, we recognise that we play a vital role in the well-being of our employees and the communities where we operate. We believe that the cultivation of oil palm is an effective way to alleviate poverty and hence has the potential to empower people to secure a better livelihood for themselves and future generations.

Our approach is to mobilise stakeholders such as the local communities, government bodies and our financial resources. GAR's leadership takes an active role by participating and driving our comprehensive community programmes, which range from education and energy self-sufficiency, to healthcare and disaster relief. Some of these programmes are carried out in collaboration with the Eka Tjipta Foundation (a non-profit social organisation founded by the family of Eka Tjipta Widjaja in 2006) and the Buddhist Tzu Chi Foundation in Indonesia (affiliated with the non-denominational global Tzu Chi organisation established in Taiwan).

Educating the future generation

Education is a key pillar of community development. We continue to support the Indonesian government's efforts, especially among promising but under-privileged students, through three scholarships schemes.

We fund the **SMART Diploma**, a scholarship jointly administered with the Palm Oil Vocational Programme of the Bogor Agricultural University, the most prominent agricultural university in Indonesia. The diploma equips students to be employed in the growing oil palm industry and also provides foundation skills for careers in the agriculture industry. This diploma is open to our employees as well as students who reside in the vicinity of our operations. Recipients are granted a full scholarship, including expenses to cover living costs during the academic year. During 2009, a total of 63 students were awarded scholarships. Since its inception in 2007, 257 students have graduated with the SMART Diploma.

The **Tjipta Agro Scholarship** is awarded and administered by the Eka Tjipta Foundation. This programme offers scholarships to high-performing agricultural undergraduates in 25 universities all over Indonesia. After completing the academic programme, scholars are encouraged to return to their hometowns and contribute to the development of their area. Last year, 30 undergraduates completed the programme, bringing the total to 151 students since its launch in 2006.

We recently initiated another scholarship programme, **SMART Engineer**, in collaboration with the Institute of Agricultural STIPER Yogyakarta of Palm Oil Industrial Engineering Programme. This scholarship programme began in 2009 with 29 students. Graduates of this programme will be employed directly in our mills.

In addition to the scholarships, we provide funding to build and maintain **schools and other educational facilities in our plantations**. This complements the efforts of local authorities to provide a good education to our employees' children as well as the children living near our plantations. We also highly subsidise the school fees. To date, we have constructed and manage more than 125 schools with over 1,000 teachers catering to more than 20,000 students. Free transport to and from school is also provided for students who need it. Our investment in educating the young also includes providing free training and teaching materials for our teachers.

Enabling communities

Besides enabling young people, we also seek to meet the needs of our employees and the people living near our operations, by:

- building and maintaining public infrastructure such as roads and bridges, and places of worship such as mosques and churches;
- providing the facilities and know-how to run cooperatives that ensure basic necessities are available at affordable prices;
- constructing well-built dwellings and sporting facilities; and
- providing financial help for communities to celebrate festive and religious events.

In tandem with our sustainability strategy, we continue to promote energy self-sufficiency through our Energy Self-Sufficient Village (Desa Mandiri Energi) programme in collaboration with the Eka Tjipta Foundation. In this programme, our inhouse experts train and guide local villagers in cultivating Jatropha Curcas, an oil plant, and processing it into oils for sale and for own use. To give the local villagers a headstart, we provide the necessary equipment and subsidise the operating expenses incurred in the first year. Our project launched in 2008 in Way Isem Village, North Lampung, Sumatra is performing well.

GAR also helps to develop micro-economies by providing indirect employment to local enterpreneurs near our estates, for example, by using local transporters to move our products, and engaging local contractors for land clearing.

Assisting the needy and humanitarian efforts

Our collaboration with the Buddhist Tzu Chi Foundation is the cornerstone of our community efforts. Together, we have implemented many successful programmes to assist and enable the needy. Our initiatives in 2009 included:

- Free medical and dental services for over 4,000 patients in Sumatra, Bangka, Kalimantan and Java;
- Mobilisation of about 150 doctors and nurses in our plantation clinics to provide free treatment for more than 800 patients daily;
- Eye check-ups for almost 2,000 students in Riau, Lampung and Jakarta, of whom more than 300 were provided with free spectacles;
- Surgery for almost 70 patients with conditions such as harelip, hernia, cataracts and tumours;
- Construction of public toilet facilities and two clean water sources that serve over 700 people in Bogor, West Java; and
- Assistance to the Indonesian government in executing its cooking oil programme by producing and distributing more than 500,000 litres of our "Minyakita" branded cooking oil. As part of the programme, we also sold about 185,000 litres of cooking oil at below market prices in rural areas, mainly in Jakarta, Bangka Belitung, South Kalimantan and several cities in Java island.

Another pillar of our humanitarian efforts is disaster relief. We provide emergency supplies to meet basic needs, such as food, water, hygiene packs, tents and clothes, as well as medical services. In 2009, we helped earthquake victims in Padang, Sumatra, flood victims in Bekasi and Situ Gintung, Tangerang in the province of West Java, and more than 1,400 fire victims in Bangkinang, Riau and Pademangan, Jakarta.

ENGAGING OUR EMPLOYEES

In addition to developing our people (see page 26 - "Our Human Capital"), we continue to engage and mobilise our staff to further our sustainability efforts. For example, our employees are encouraged to make regular donations to the Buddhist Tzu Chi Foundation. A dedicated team sees to the distribution and responsible use of these donations. We also encourage all employees to identify needy persons or causes within their own communities.

In 2009, we mobilised employees and tenants at our corporate headquarters to participate in regular blood donation exercises in conjunction with the Indonesian Red Cross. About 500 donors responded. When floods occurred in Situ Gintung, Tangerang, West Java, we organised teams of volunteers from among our employees to help victims clean up their homes.

Corporate Directory

BOARD OF DIRECTORS
Franky Oesman Widjaja (Chairman)
Muktar Widjaja
Frankle (Djafar) Widjaja
Simon Lim
Rafael Buhay Concepcion, Jr.
Hong Pian Tee
Lew Syn Pau
Kaneyalall Hawabhay
William Chung Nien Chin

AUDIT COMMITTEE
Hong Pian Tee (Chairman)
Lew Syn Pau
Kaneyalall Hawabhay

NOMINATING COMMITTEE
Hong Pian Tee (Chairman)
Lew Syn Pau
Franky Oesman Widjaja

REMUNERATION COMMITTEE
Lew Syn Pau (Chairman)
Hong Pian Tee
Franky Oesman Widjaja

SECRETARY
Multiconsult Limited

REGISTERED OFFICE
c/o Multiconsult Limited
Rogers House
5, President John Kennedy Street
Port Louis, Republic of Mauritius
Tel: (230) 405 2000
Fax: (230) 212 5265

CORRESPONDENCE ADDRESS
108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535
Tel: (65) 6590 0800
Fax: (65) 6590 0887

SHARE REGISTRAR AND TRANSFER OFFICE
B.A.C.S. Private Limited
63 Cantonment Road
Singapore 089758
Tel: (65) 6593 4848
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AUDITORS
Moore Stephens LLP
Public Accountants and Certified Public Accountants
10 Anson Road
#29-15 International Plaza
Singapore 079903
Tel: (65) 6221 3771
Fax: (65) 6221 3815
Partner-in-charge:
Christopher Bruce Johnson
(Appointed during the financial year ended 31 December 2009)

Moore Stephens
Chartered Certified Accountants
6th Floor, Newton Tower
Sir William Newton Street
Port Louis, Republic of Mauritius
Tel: (230) 211 6535
Fax: (230) 211 6964
Partner-in-charge: Ghanshyam Hurry
(Appointed during the financial year ended 31 December 2008)

PRINCIPAL BANKERS
Agricultural Bank of China
Bank of China Limited
Bank of Communications Co., Ltd.
Commerzbank AG
Deutsche Investitions – und Entwicklungsgesellschaft mbH
Indonesia Eximbank
Oversea-Chinese Banking Corporation Limited
PT Bank Central Asia Tbk
PT Bank CIMB Niaga Tbk
PT Bank ICBC Indonesia
PT Bank Internasional Indonesia Tbk
PT Bank Mandiri (Persero) Tbk
PT Bank Negara Indonesia (Persero) Tbk
PT Bank Rakyat Indonesia (Persero) Tbk
The Bank of Tokyo-Mitsubishi UFJ, Ltd.
WestLB AG

DATE AND COUNTRY OF INCORPORATION
15 October 1996
Republic of Mauritius

SHARE LISTING
The Company's shares are listed on the Singapore Exchange Securities Trading Limited

DATE OF LISTING
9 July 1999

Financial Reports

Consolidated Financial Statements

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

31 DECEMBER 2009

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)
AND ITS SUBSIDIARIES

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

31 DECEMBER 2009

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GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

REPORT OF THE DIRECTORS
31 DECEMBER 2009

The directors are pleased to present their report together with the audited financial statements of Golden Agri-Resources Ltd ("GAR" or the "Company") and its subsidiaries (the "Group") for the financial year ended 31 December 2009.

1 Directors

The directors of the Company in office at the date of this report are:

Franky Oesman Widjaja
Muktar Widjaja
Frankle (Djafar) Widjaja
Simon Lim
Rafael Buhay Concepcion, Jr.
Hong Pian Tee
Lew Syn Pau
Kaneyalall Hawabhay
William Chung Nien Chin

2 Arrangements to Enable Directors to Acquire Benefits by Means of the Acquisition of Shares and Debentures

Except as disclosed in the financial statements, neither at the end of the financial year nor at any time during the financial year did there subsist any arrangement whose object was to enable the directors to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.

3 Directors' Interests in Shares and Debentures

No director holding office at 31 December 2009 had an interest in the shares, share awards, warrants or debentures of the Company as at 31 December 2009 and 21 January 2010.

4 Directors' Receipt and Entitlement to Contractual Benefits

Since the beginning of the financial year, no director has received or become entitled to receive a benefit by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member, or with a company in which he has a substantial financial interest except that certain directors have received remuneration from related corporations in their capacity as directors and/or executives of those related corporations and except as disclosed in the financial statements.

There were certain transactions (shown in the consolidated financial statements) with corporations in which certain directors have an interest.

5 Share Plans

The GAR Group Restricted Share Plan ("RSP") was approved and adopted by shareholders at the Special Meeting of the Company held on 24 October 2008. Please refer to page 33 of the Corporate Governance Statement for details of the RSP.

6 Warrants

During the financial year, the Company issued 705,493,728 free detachable warrants, each warrant carrying the right to subscribe for one (1) new ordinary share of US$0.025 each ("New Share") at an exercise price of S$0.54 for each New Share, on the basis of two (2) warrants for every five (5) rights shares subscribed pursuant to the underwritten renounceable rights issue. The warrants may only be exercised on the third (3rd) anniversary of the date of the issue of the warrants (i.e. on 23 July 2012) ("Exercise Date"). If the Exercise Date falls on a day on which the Register of Members and/or the Register of Warrantholders are closed or is not a business day, the Exercise Date shall be the next business day on which the Register of Members and Register of Warrantholders are open. Warrants remaining unexercised after the Exercise Date shall lapse and cease to be valid. At the end of the financial year, the outstanding number of warrants is 705,493,728.

7 Interested Person Transactions Disclosure

The aggregate value of all interested person transactions during the financial year ended 31 December 2009 is as follows:

Name of interested person	Aggregate value of all interested person transactions during the financial year under review (excluding transactions less than S$100,000 and transactions conducted under shareholders' mandate*)	Aggregate value of all interested person transactions conducted under shareholders' mandate* (excluding transactions less than S$100,000)
	US$	US$
Asia Merchant Bank Limited	Nil	103,894
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	1,658,963
Ningbo Asia Pulp & Paper Co., Ltd	Nil	345,756
Ningbo Zhonghua Paper Co., Ltd	Nil	364,385
PT Asuransi Sinar Mas	Nil	2,144,045
PT Bank Sinarmas	Nil	1,723,755 [a]
PT Rolimex Kimia Nusamas	Nil	24,015,853
PT Royal Oriental	Nil	1,440,745
PT Sinar Jati Mitra	Nil	1,403,422
Zhuhai Huafeng Foodstuff Co., Ltd	Nil	1,548,379
Zhuhai Huafeng Food Industry (Group) Co., Ltd	Nil	2,001,687
Total	Nil	36,750,884

Notes:

* Renewed at Annual Meeting on 28 April 2009 pursuant to Rule 920 of the Singapore Exchange Securities Trading Limited's Listing Manual.

a Principal amount as at 31 December 2009 is approximately US$0.2 million.

8 Independent Auditors

The independent auditors, Moore Stephens LLP, Public Accountants and Certified Public Accountants, have expressed their willingness to accept reappointment.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

SIMON LIM
Director

18 March 2010

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

STATEMENT BY THE DIRECTORS
31 DECEMBER 2009

In the opinion of the directors, the consolidated financial statements set out on pages 7 to 77 are drawn up so as to give a true and fair view of the state of affairs of the Group as at 31 December 2009 and of the results of the business, changes in equity and cash flows of the Group for the financial year then ended and at the date of this statement there are reasonable grounds to believe that the Group will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

SIMON LIM
Director

18 March 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

We have audited the accompanying financial statements of Golden Agri-Resources Ltd (the "Company") and its subsidiaries (the "Group") set out on pages 7 to 77, which comprise the consolidated statement of financial position of the Group as at 31 December 2009 and the consolidated income statement, consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

(cont'd)

Opinion

In our opinion, the accompanying consolidated financial statements give a true and fair view of the state of financial position of the Group as of 31 December 2009 and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards.

Moore Stephens LLP
Public Accountants and
Certified Public Accountants

Singapore
Date: 18 March 2010

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

CONSOLIDATED INCOME STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 US$'000	2008 US$'000
Revenue	6	2,293,699	2,985,948
Cost of sales	7	(1,784,269)	(2,109,831)
Gross profit		509,430	876,117
Net gain from changes in fair value of biological assets	23	302,912	1,457,197
Operating expenses			
Selling expenses	8	(78,175)	(228,872)
General and administrative expenses	8	(116,432)	(118,126)
		(194,607)	(346,998)
Operating Profit		617,735	1,986,316
Other income/(expenses)			
Financial income	9	6,438	5,844
Financial expenses	9	(47,781)	(41,260)
Share of results of associated companies, net		6,782	5,382
Foreign exchange loss		(1,628)	(34,740)
Other operating income, net	10	12,974	5,385
		(23,215)	(59,389)
Exceptional items			
Negative goodwill	38	7,825	20,133
Impairment loss on loan receivable		(9,199)	-
		(1,374)	20,133
Profit before income tax	11	593,146	1,947,060
Income tax	12	19,487	(528,415)
Profit for the year		612,633	1,418,645
Attributable to:			
Owners of the Company		606,962	1,382,526
Minority interests		5,671	36,119
		612,633	1,418,645
Earnings per ordinary share (cents)			
Basic	13	5.25	12.49
Diluted	13	5.25	12.49

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 US$'000	2008 US$'000
Profit for the year	612,633	1,418,645
Other comprehensive income:		
Foreign currency translation differences on consolidation	595	7,077
Changes in fair value of cash flow hedges	(1,584)	(1,834)
Changes in fair value of cash flow hedges transferred to income statement	1,834	16,036
Other comprehensive income for the year, net of income tax	845	21,279
Total comprehensive income for the year	613,478	1,439,924
Total comprehensive income attributable to:		
Owners of the Company	607,814	1,403,372
Minority interests	5,664	36,552
	613,478	1,439,924

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	2009 US$'000	2008 US$'000
Assets			
Current Assets			
Cash and cash equivalents	14	287,539	133,214
Short-term investments	15	65,841	4,556
Trade receivables	16	102,665	140,830
Other current assets	17	229,529	180,797
Inventories	18	420,125	248,084
		1,105,699	707,481
Non-Current Assets			
Long-term receivables and assets	19	159,224	186,790
Long-term investments	20	25,050	25,050
Associated companies	21	6,420	4,406
Property, plant and equipment	22	1,102,608	971,004
Biological assets	23	5,357,537	4,794,558
Deferred income tax	24	18,499	12,252
Deferred charges	25	7,944	6,147
Brands and trademarks	26	1,601	1,921
Goodwill	27	115,898	115,898
		6,794,781	6,118,026
Total Assets		7,900,480	6,825,507

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

	Note	2009 US$'000	2008 US$'000
Liabilities and Equity			
Current Liabilities			
Short-term loans	28	314,008	309,543
Trade payables	29	268,385	150,969
Other payables	30	103,434	54,504
Taxes payable	12	38,425	32,967
Obligations under finance leases	31	20	6
		724,272	547,989
Non-Current Liabilities			
Obligations under finance leases	31	95	24
Long-term borrowings	32	369,074	244,344
Deferred income tax	24	1,250,044	1,310,747
Long-term payables	33	23,240	15,573
		1,642,453	1,570,688
Total Liabilities		2,366,725	2,118,677
Equity Attributable to Owners of the Company			
Issued capital	34	303,467	249,397
Share premium		934,315	772,232
Other paid-in capital		184,318	184,318
Other reserve		1,136	1,136
Hedging reserve		(1,584)	(1,834)
Foreign currency translation reserve		16,385	15,783
Cumulative translation adjustments		(16,684)	(16,684)
PRC statutory reserve		2,116	-
Retained earnings		4,014,224	3,409,378
		5,437,693	4,613,726
Minority Interests		96,062	93,104
Total Equity		5,533,755	4,706,830
Total Liabilities and Equity		7,900,480	6,825,507

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	<----Attributable to Owners of the Company---->										Minority Interests	Total Equity
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Foreign Currency Translation Reserve	Cumulative Translation Adjustments	PRC Statutory Reserve	Retained Earnings	Total		
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1.1.2009	249,397	772,232	184,318	1,136	(1,834)	15,783	(16,684)	-	3,409,378	4,613,726	93,104	4,706,830
Total comprehensive income for the year	-	-	-	-	250	602	-	2,116	604,846	607,814	5,664	613,478
Issuance of shares pursuant to Bonus Issue	9,976	(9,976)	-	-	-	-	-	-	-	-	-	-
Issuance of shares pursuant to Rights Issue	44,094	176,374	-	-	-	-	-	-	-	220,468	-	220,468
Share issuance expenses	-	(4,315)	-	-	-	-	-	-	-	(4,315)	-	(4,315)
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	-	(2,706)	(2,706)
Balance at 31.12.2009	303,467	934,315	184,318	1,136	(1,584)	16,385	(16,684)	2,116	4,014,224	5,437,693	96,062	5,533,755

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

	Attributable to Owners of the Company									Minority Interests	Total Equity
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Foreign Currency Translation Reserve	Cumulative Translation Adjustments	Retained Earnings	Total		
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Balance at 1.1.2008	249,397	772,100	184,318	1,136	(16,036)	9,139	(16,684)	2,119,196	3,302,566	78,644	3,381,210
Total comprehensive income for the year	-	-	-	-	14,202	6,644	-	1,382,526	1,403,372	36,552	1,439,924
Adjustment to share issuance expenses	-	132	-	-	-	-	-	-	132	-	132
Dividends paid to minority shareholders	-	-	-	-	-	-	-	-	-	(74)	(74)
Dividends (Note 35)	-	-	-	-	-	-	-	(92,344)	(92,344)	-	(92,344)
Change of interest in subsidiaries	-	-	-	-	-	-	-	-	-	(24,047)	(24,047)
Additional investment by minority shareholders	-	-	-	-	-	-	-	-	-	2,029	2,029
Balance at 31.12.2008	249,397	772,232	184,318	1,136	(1,834)	15,783	(16,684)	3,409,378	4,613,726	93,104	4,706,830

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009

	2009 US$'000	2008 US$'000
Cash flows from operating activities		
Profit before income tax	593,146	1,947,060
Adjustments for:		
Net gain from changes in fair value of biological assets	(302,912)	(1,457,197)
Depreciation	67,439	57,650
Amortisation	845	550
Unrealised foreign exchange loss/(gain) on short-term loans, long-term borrowings and receivables, net	31,965	(11,884)
Share of results of associated companies, net	(6,782)	(5,382)
Loss on disposal of property, plant and equipment	382	1,004
Property, plant and equipment written off	720	998
Negative goodwill	(7,825)	(20,133)
Allowance for impairment loss on:		
Inventories, net	-	2,796
Other receivables, net	155	-
Loan receivable, net	9,199	-
Receivables written off	-	476
Gain from changes in fair value of financial assets at fair value through profit or loss	(3,827)	-
Interest income	(6,438)	(5,844)
Interest expense	46,350	39,942
Operating cash flows before working capital changes	422,417	550,036
Changes in operating assets and liabilities:		
Trade receivables	38,726	(13,598)
Inventories	(169,223)	73,851
Other receivables	(42,085)	18,717
Trade payables	114,598	(4,108)
Other payables	21,916	(6,917)
Cash generated from operations	386,349	617,981
Interest paid	(45,509)	(38,505)
Interest received	5,362	6,040
Income tax paid	(89,841)	(158,138)
Net cash generated from operating activities	256,361	427,378

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

	2009 US$'000	2008 US$'000
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	2,972	7,489
Proceeds from disposal of biological assets	1,806	2,148
Capital expenditure on property, plant and equipment	(194,106)	(179,473)
Capital expenditure on biological assets	(62,095)	(64,593)
Investments in short-term investments, net	(57,458)	17,509
Dividend received from an associated company	3,584	1,636
Investments in Plasma/KKPA program plantations, net	(4,115)	(4,047)
Acquisition of subsidiaries, net of cash acquired (Note A)	(79,460)	(103,883)
Payments for deferred expenditure	(2,264)	(520)
Net decrease/(increase) in long-term receivables and assets	3,073	(17,937)
Net cash used in investing activities	(388,063)	(341,671)
Cash flows from financing activities		
Proceeds from short-term loans	270,920	283,872
Proceeds from long-term borrowings	251,616	116,805
Payments of dividends	(2,706)	(92,418)
Payments of short-term loans	(286,382)	(249,875)
Payments of long-term borrowings	(158,012)	(134,151)
Payments of obligations under finance leases	(8)	(591)
Net proceeds from Rights Issue	216,153	-
Deferred loan charges and long-term bank loan administration costs	(5,554)	(622)
Increase in time deposits pledged	(3,022)	(626)
Net cash generated from/(used in) financing activities	283,005	(77,606)
Net increase in cash and cash equivalents	151,303	8,101
Cash and cash equivalents at the beginning of the year	128,606	120,505
Cash and cash equivalents at the end of the year (Note 14)	279,909	128,606

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD AND ITS SUBSIDIARIES
(Incorporated in Mauritius)

CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009 (cont'd)

Note to the Consolidated Statement of Cash Flows:

A. Summary of the effect of acquisition of subsidiaries

	2009 US$'000	2008 US$'000
Cash and cash equivalents	541	2,117
Other current assets	7,019	31,524
Other current liabilities	(43,818)	(7,539)
Non-current assets	195,241	179,220
Non-current liabilities	(41,157)	(79,189)
Net assets acquired	117,826	126,133
Negative goodwill	(7,825)	(20,133)
Total purchase price	110,001	106,000
Purchase price payable	(30,000)	-
Cash of acquired subsidiaries	(541)	(2,117)
Net cash outflow on acquisition of subsidiaries	79,460	103,883

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying consolidated financial statements.

1 General

Golden Agri-Resources Ltd (the "Company" or "GAR") is a limited company incorporated in Mauritius. The registered office is c/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius.

The Company is principally engaged as an investment holding company. The principal activities of the subsidiaries and associated companies are described in Note 42 to the consolidated financial statements. The Controlling Shareholders of the Company comprise certain members of the Widjaja Family.

The consolidated financial statements as at and for the year ended 31 December 2009 were authorised for issue by the Board of Directors on 18 March 2010.

2 New and Revised International Financial Reporting Standards ("IFRSs")

(a) Adoption of New and Revised IFRS and Interpretations to IFRSs

During the current financial year, the Group has adopted all the new and revised IFRSs and Interpretations to IFRS issued that are relevant to its operations and effective for annual periods beginning on 1 January 2009. The adoption of these new and revised IFRSs and Interpretations to IFRS has had no material financial impact on the Group's financial statements. They did however give rise to additional disclosures. The principal effects of these changes are as follows:

IAS 1 (Amendment) Presentation of Financial Statements

IAS 1 (Amendment) requires to present "other comprehensive income" items as well as the usual income statement items on the face of the primary financial statements. IAS 1 allows this information to be presented in one "statement of comprehensive income", or in two separate statements; an "income statement" and a "statement of comprehensive income".

IAS 16 (Amendment) Property, Plant and Equipment

IAS 16 (Amendment) replaces the term "net selling price" with "fair value less cost to sell" in the definition of recoverable amount, for consistency with the wording used in IFRS 5 and IAS 36.

IAS 28 (Amendment) Investments in Associates – Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 28 (Amendment) clarifies that an investment in an associate is treated as a single asset for impairment testing. Therefore, an impairment loss recorded by an investor after applying the equity method is not allocated against any goodwill included in the equity accounted investment balance. Such an impairment loss should be reversed in a subsequent period to the extent that the recoverable amount of the associate increases.

2 **New and Revised International Financial Reporting Standards ("IFRSs")** (cont'd)

(a) Adoption of New and Revised IFRSs and Interpretations to IFRSs (cont'd)

IAS 36 (Amendment) Impairment of Assets – Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 36 (Amendment) extends the disclosures required when discounted cash flows are used to estimate fair value less costs to sell, to include (a) the period over which management has projected cash flows; (b) the growth rate used to extrapolate cash flow projections; and (c) the discount rate(s) applied to the cash flow projections.

IAS 41 (Amendment) Agriculture – Amendments resulting from May 2008 Annual Improvements to IFRSs

IAS 41 (Amendment) requires the current market rate to determine the fair value, but permits this to be a pre-tax or post-tax rate according to the valuation methodology used to determine the fair value. It removes the prohibition on taking "additional biological transformation" into consideration when calculating the fair value of biological assets using discounted cash flows. In addition, the definition of "agricultural activity" has been amended to include the harvest of biological assets.

IFRS 7 (Amendment) Financial Instruments: Disclosure

IFRS 7 (Amendment) requires additional disclosure about fair value measurement and liquidity risk. Fair value measurements are to be disclosed by source of inputs using a three level hierarchy for each class of financial instruments. The amendment also clarifies the requirements for liquidity risk disclosures.

IFRS 8 Operating Segments

IFRS 8 requires entities to disclose segment information based on the information reviewed by the entity's chief operating decision maker.

(b) New and Revised IFRSs and Interpretations issued but not yet effective

As at the date of these consolidated financial statements, the following revisions and amendments to the IFRSs and new Interpretations to IFRS that are relevant to the Group's operation were in issue but not yet effective:

- IAS 24, Related Party Disclosures – Revised definition of related parties
- IAS 27, Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3
- IAS 28, Investments in Associates – Consequential amendments arising from amendments to IFRS 3
- IAS 32, Financial Instruments: Presentation – Amendments relating to classification of rights issues
- IAS 39, Financial Instruments: Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments and Amendments for eligible hedged items
- IFRS 3, Business Combinations – Comprehensive revision on applying the acquisition method
- IFRS 9, Financial Instruments – Classification and Measurement

2 New and Revised International Financial Reporting Standards ("IFRSs") (cont'd)

(b) New and Revised IFRSs and Interpretations issued but not yet effective (cont'd)

- IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

Other amendments resulting from April 2009 Annual Improvements to IFRSs:
- IAS 1, Presentation of Financial Statements
- IAS 7, Statement of Cash Flows
- IAS 17, Leases
- IAS 36, Impairment of Assets
- IAS 38, Intangible Assets
- IFRS 2, Share-based Payment
- IFRS 8, Operating Segments
- IFRIC 9, Reassessment of Embedded Derivatives

Except for the revised IFRS 3 and the amendments to IAS 27, the directors expect that the adoption of the other IFRSs and Interpretations above will have no material impact on the financial statements in the period of initial application. The nature of the impending changes in accounting policy on adoption of the revised IFRS 3 and the amendments to IAS 27 are described below.

IFRS 3 (revised), IAS 27 (revised), IAS 28 (revised) Business Combinations – Comprehensive revision on applying the acquisition method (effective for annual periods beginning on or after 1 July 2009)

IFRS 3 (Revised) and IAS 27 (Revised) with consequential changes to IAS 28 (Revised) place greater emphasis on the use of fair value. The revised statements focus on changes in control as a significant economic event, introducing requirements to remeasure ownership interests to fair value at the time when control is achieved or lost, and recognising directly in equity the impact of all transactions between controlling and non-controlling (previously known as minority) shareholders not involving a loss of control. The revisions also focus on what is given to the seller as consideration, rather than what is spent to achieve the acquisition. Transaction costs changes in the value of contingent considerations, settlement of pre-existing contracts, share-based payments and similar items will generally be accounted for separately from business combinations and will generally affect profit or loss. An option will also now be given to recognise any non-controlling interest in the acquiree either at fair value or at the non-controlling interest's proportionate share of net identifiable assets of the entity acquired.

A further change will be the requirement at acquisition to reclassify and redesignate all contractual arrangements, excluding leases and insurance contracts.

The Group will apply IFRS 3 (Revised), IAS 27 (Revised) and the consequential changes to IAS 28 (Revised) prospectively to all business combinations from 1 January 2010.

3 Summary of Significant Accounting Policies

(a) Basis of Preparation

The consolidated financial statements, which are expressed in United States dollars, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below. The consolidated financial statements are drawn up in accordance with IFRS.

The preparation of financial statements requires the use of estimates and judgements that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses as well as the disclosures of contingent assets and liabilities. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the consolidated financial statements, and areas involving a higher degree of judgement or complexity, are disclosed in Note 5 to the consolidated financial statements.

(b) Functional and Presentation Currency

The functional currency of the Company, its Indonesian subsidiaries and a number of its other subsidiaries is the United States dollar. Because of the international nature of the crude palm oil and soybean products that the Group is principally engaged in and the fact that the transactions are usually denominated in or derived from United States dollar, the directors are of the opinion that the United States dollar reflects the primary economic environment in which the entities operate.

The consolidated financial statements are presented in United States dollar, which is the Company’s functional currency and presentation currency.

(c) Basis of Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries (the "Group") made up to 31 December.

Subsidiaries are entities over which any of the Group companies generally has the power to govern the financial and operating policies of the company so as to obtain benefits from its activities, which generally accompanies a shareholding of more than 50% of the voting rights. The financial statements of subsidiaries acquired or disposed during the year are included in or excluded from the consolidated financial statements from the effective date of acquisition or disposal.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interests.

In preparing the consolidated financial statements, balances, transactions and any unrealised profit or loss on inter-company transactions between Group entities are eliminated. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

3 **Summary of Significant Accounting Policies** (cont'd)

(c) Basis of Consolidation (cont'd)

Minority interests in the net assets of consolidated subsidiaries are identified separately from the Group's equity therein. Minority interests consist of the amount of those interests at the date of the original business combination and the minority's share of changes in equity since the date of the combination. Losses applicable to the minority in excess of the minority's interest in the subsidiary's equity are allocated against the interests of the Group except to the extent that the minority has a binding obligation and is able to make an individual investment to cover losses.

Business combinations which involve the transfer of net assets or the exchange of shares between entities under common control are accounted for as a uniting of interests. The financial information included in the consolidated financial statements reflects the combined results of the entities concerned as if the merger had been in effect for all periods presented.

(d) Associated Companies

Associated companies are entities in which the Group has significant influence, but not control, which generally occurs when the Group has a direct or indirect ownership interest of 20% to 50% or is in a position to exercise significant influence on the financial and operating policy decisions, and are accounted for by the equity method. Under the equity method, the cost of investment less impairment losses is increased or decreased by the Group's share in net profits or losses and other equity changes of the associated company since the date of acquisition. Losses of an associated company in excess of the Group's interest in that associated company (which includes any long-term receivables, which in substance, form part of the Group's net investments in that associated company) are not recognised.

Goodwill relating to an associated company is included as part of the carrying amount of the investment, and is assessed for impairment as part of the investment.

(e) Foreign Currencies

Foreign currency transactions are translated into the respective functional currencies of the companies in the Group at the exchange rates prevailing at the time the transactions are entered into. Currency translation differences arising from settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at exchange rates prevailing at the end of the reporting period are recognised in the income statement.

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates prevailing at the date of transactions. Non-monetary items that are measured at fair value in foreign currency are translated using the exchange rate at the date that the fair value was determined. Currency translation differences on non-monetary items are recognised as part of the fair value gain or loss in profit or loss, except for translation differences on available-for-sale financial assets, which are recognised in other comprehensive income.

3 Summary of Significant Accounting Policies (cont'd)

(e) Foreign Currencies (cont'd)

In the preparation of the consolidated financial statements, the financial statements of those subsidiaries whose functional currency is not the United States dollar (i.e. "foreign entities") have been translated to United States dollar, the presentation currency of the Company, as follows:

(i) assets and liabilities are translated at the exchange rates approximating those prevailing at the end of the reporting period;

(ii) share capital and reserves are translated at historical exchange rate; and

(iii) income and expenses are translated at the average exchange rates for the period (unless the average rate is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case, income and expenses are translated using the exchange rates at the dates of the transactions).

Exchange differences arising from the above translations are recognised in other comprehensive income and these are accumulated in foreign currency translation reserve within equity. Such cumulative translation differences are reclassified from equity to income statement in the period in which the foreign entity is disposed of.

On consolidation, exchange differences arising from the translation of the net investments in foreign entities (including monetary items that in substance form part of the net investments in foreign entities) are recognised in other comprehensive income.

(f) Property, Plant and Equipment

Property, plant and equipment are carried at cost, less accumulated depreciation and any impairment losses where the recoverable amount of the asset is estimated to be lower than its carrying amount.

Freehold land is not depreciated. Depreciation is calculated using the straight-line method to allocate the depreciable amount over the following estimated useful lives:

	No. of years
Storage tanks, land improvements and bridges	- 50
Buildings	- 20 to 50
Machinery and equipment	- 4 to 25
Furniture and fixtures	- 5 to 10
Transportation equipment	- 5 to 10

Land rights in the China Agri-business segment which have finite economic lives are amortised over the terms of the land rights, which range from 46 to 50 years. Amortisation commences upon obtaining regulatory approval from the relevant authorities. Land rights in the Indonesia Agri-business division are carried at cost less any impairment losses and not subject to amortisation.

Assets held under finance leases are depreciated over their estimated useful lives on the same basis as owned assets or, where shorter, the term of the relevant leases.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at the end of each reporting period.

3 Summary of Significant Accounting Policies (cont'd)

(f) Property, Plant and Equipment (cont'd)

Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

The cost of maintenance and repairs is charged to the income statement as incurred; significant renewals and improvements are capitalised. When assets are retired or otherwise disposed of, their carrying amounts are derecognised and any resulting gains or losses are recognised in the income statement.

The cost of construction in progress represents all costs (including borrowing costs on such borrowings) attributable to bringing the constructed asset to its working condition and getting it ready for its intended use. The accumulated costs will be reclassified to the appropriate asset class when the construction is completed. No depreciation charge is provided for construction in progress until the assets are transferred and used in operations.

(g) Biological Assets

Biological assets include mature plantations, immature plantations and nurseries that are established or acquired by the Group.

Plantations are stated at fair value less estimated point-of-sale costs from initial recognition up to the point of harvest. Any resultant gains or losses arising from changes in fair value are recognised in the income statement.

Nurseries are recognised at fair value which is normally the costs incurred in the preparation of the nursery, purchase of seedlings and their maintenance. The accumulated costs will be transferred to immature plantations at the time of planting. An oil palm plantation is considered mature when such plantations start to produce at the beginning of the fourth year.

(h) Deferred Charges

All incidental costs, incurred in connection with the acquisition or renewal of land rights, are capitalised and amortised over the term of the related land rights.

Costs incurred for acquisition of computer software, whose benefits extend over a period of more than one year, are being capitalised and amortised, over the periods benefited using the straight-line method.

(i) Brands and Trademarks

Brands and trademarks are initially stated at acquisition cost and subsequently carried at cost less accumulated amortisation and any impairment loss. The cost is amortised through the income statement over their estimated useful lives of 20 years using the straight-line method.

3 Summary of Significant Accounting Policies (cont'd)

(j) Goodwill

The excess of the cost of a business combination over the fair value of the Group's share of the identifiable net assets of the acquired subsidiaries accounted for under the purchase method is initially recognised as "Goodwill" in the consolidated financial statements. Subsequently, goodwill is carried at cost less any accumulated impairment losses. Goodwill is tested for impairment annually or when circumstances change, indicating that goodwill might be impaired. If the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities exceeds the cost of acquisition, the Group will reassess the identification and measurement of the identifiable assets, liabilities and contingent liabilities and the measurement of the cost of acquisition, and any excess thereafter is recognised as an income immediately.

For the purposes of impairment testing, goodwill is allocated to each of the Group's cash-generating units. If the recoverable amount of a cash-generating unit is estimated to be less than its carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata on the basis of the carrying amount of each asset in the unit. An impairment loss recognised for goodwill is not reversed in a subsequent period.

(k) Financial Assets

The Group classifies its non-derivative financial assets in the following categories: loans and receivables, fair value through profit or loss, and available-for-sale. The classification depends on the purpose for which the financial assets are acquired. Management determines the classification of its financial assets at initial recognition.

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Group provides money, goods or services directly to a debtor with no intention of trading the receivable. The Group's loans and receivables comprise trade and other receivables. Loans and receivables are recognised initially at fair value which is normally the original invoiced amount plus any directly attributable transaction costs, and subsequently carried at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in income statement when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition. Gains and losses are recognised in the income statement when the loans and receivables are derecognised or impaired.

Financial assets at fair value through profit or loss are financial assets held for trading. Financial assets at fair value through profit or loss are initially recognised at fair value with subsequent changes in fair value recognised in the income statement.

3 Summary of Significant Accounting Policies (cont'd)

(k) Financial Assets (cont'd)

Available-for-sale financial assets are non-derivatives that are either designated in this category or not classified in any other category. Available-for-sale financial assets are recognised initially at fair value plus any directly attributable transaction costs, and subsequently carried at fair value with gains and losses being recognised in other comprehensive income until the investment is derecognised or until the investment is determined to be impaired at which time the previous gain or loss that has been recognised in other comprehensive income is reclassified from equity to the income statement. Available-for-sale financial assets are stated at cost if it does not have a quoted market price in an active market and accordingly the fair value cannot be reliably measured. Impairment losses recognised in the income statement for investments in equity instruments classified as available-for-sale are not subsequently reversed through the income statement.

(l) Cash and Cash Equivalents

Cash and cash equivalents classified under current assets comprise cash on hand, cash in banks and time deposits which are short-term, highly liquid assets that are readily convertible into known amounts of cash and which are subject to an insignificant risk of change in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of time deposits pledged as security.

(m) Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is determined by the weighted average method for raw materials and finished goods and by the moving average method for other inventories, such as spare parts and fuel, chemical and packing supplies and others. Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and costs necessary to make the sale.

(n) Impairment of Non-Financial Assets excluding Goodwill

At the end of each reporting period, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and/or its fair value less cost to sell.

Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment loss is recognised as an expense immediately, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

3 Summary of Significant Accounting Policies (cont'd)

(n) Impairment of Non-Financial Assets excluding Goodwill (cont'd)

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised. A reversal of an impairment loss is recognised as an income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(o) Financial Instruments and Hedge Accounting

Derivative financial instruments are used to manage exposures to foreign exchange and commodity price risks arising from operational activities.

Derivative financial instruments are recognised initially at cost and are subsequently re-measured at fair value. The changes in the fair value of the derivative are recognised immediately in the income statement unless the derivative qualifies for hedge accounting where the recognition of any changes in the fair value depend on the nature of the item being hedged.

When a derivative is designated as a hedge of the variability in cash flows of a recognised asset or liability, or a highly probable forecast transaction, the effective portion is recognised in other comprehensive income. When the forecast transaction subsequently results in a recognition of a non-financial asset or non-financial liability, or the forecast transaction for a non-financial asset or non-financial liability becomes a firm commitment for which the fair value hedge accounting is applied, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the carrying amount of the non-financial asset or non-financial liability. For other cash flow hedges, the associated cumulative gain or loss previously recognised in other comprehensive income is transferred to the income statement in the same period or periods during which the hedged forecast transaction affects the income statement. The ineffective portion of any changes in the fair value of the derivative are recognised immediately in the profit or loss.

When a hedging instrument expires or is sold, terminated or exercised, or the entity revokes designation of the hedge relationship but the hedged forecast transaction is still expected to occur, the cumulative gain or loss previously recognised in other comprehensive income remains there and is recognised in accordance with the above policy when the transaction occurs. If the hedged transaction is no longer expected to take place, the cumulative gain or loss previously recognised in other comprehensive income is transferred to the profit or loss.

(p) Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new equity instruments, other than for the acquisition of a business, are taken to equity as a deduction, net of tax, from the proceeds.

3 Summary of Significant Accounting Policies (cont'd)

(q) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(r) Trade and Other Payables

Trade and other payables are carried at cost which is the fair value of the consideration to be paid in the future for goods and services received. Interest-bearing payables are recognised initially at cost less attributable transaction costs. Subsequent to initial recognition, interest-bearing payables are stated at amortised cost using the effective interest method.

(s) Interest-Bearing Borrowings

Interest-bearing borrowings are recorded at the proceeds received, net of direct issue costs. Direct issue costs are amortised over the term of each borrowing. Finance charges are accounted for on an accrual basis in the income statement using the effective interest method.

(t) Leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

Assets held under finance leases and the related lease obligations are recognised in the statement of financial position at the fair value of the leased assets at the inception of the leases. The excess of the lease payments over the recorded lease obligations is treated as a financial expense which is amortised over each lease term to give a constant rate of charge on the remaining balance of the obligation.

Payments made under operating leases are charged to the income statement in equal annual amounts over the period of the lease.

(u) Borrowing Costs

Interest expense and similar charges are expensed in the income statement in the period in which they are incurred, except to the extent they are capitalised as being directly attributable to the acquisition and construction of an asset which necessarily takes a substantial period of time to be prepared for its intended use or sale.

Certain subsidiaries capitalise borrowing costs, including interest and other financial charges on borrowings used to finance the construction of factories, expansion of plantations, construction of fixed assets and development of properties. Capitalisation ceases when substantially all the activities necessary to prepare the related assets for their intended use or sale are completed. The capitalised costs are depreciated over the same periods and on the same basis as the underlying assets.

3 Summary of Significant Accounting Policies (cont'd)

(v) Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event and it is probable that it will result in an outflow of economic benefits that can be reasonably estimated.

(w) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is recognised in the income statement, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred income tax is also dealt with in other comprehensive income or directly in equity respectively. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Deferred income tax is determined using tax rates that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred tax income asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associated companies except where the timing of the reversal of the temporary difference can be controlled and it is probable that the temporary difference will not reverse in the foreseeable future.

(x) Employee Benefits

Employee benefits are recognised as an expense, unless the cost qualified to be capitalised as an asset.

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions made into separate stated managed entities, such as the Central Provident Fund under a defined contribution plan, on a mandatory, contractual or voluntary basis with no further payment obligation once the contributions have been paid are recognised in the income statement in the period in which the related service is performed.

Certain subsidiaries have defined contribution retirement plans covering substantially all of their eligible permanent employees. The Group's contributions to the funds are computed at certain percentage of the basic income for its employees.

Certain subsidiaries also recognise additional provisions for employee service entitlements in accordance with the Indonesian Labor Law No. 13/2003 dated 25 March 2003 (the "Labor Law"). The said additional provisions, which are unfunded, are estimated using the projected unit credit method, with actuarial calculations based on the report prepared by an independent actuary.

3 Summary of Significant Accounting Policies (cont'd)

(x) Employee Benefits (cont'd)

Actuarial gains or losses are amortised on a straight-line method over the expected average remaining working lives. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised over the average period until the benefits become vested.

The related estimated liability for employee benefits is the difference between the present value of the estimated employee service entitlement based on the Labor Law and the projected cumulative funding based on the defined contribution plan.

(y) Government Grants

In 2009, the Singapore government introduced the job credit scheme, a cash grant to help businesses to preserve jobs. The job credit will be paid to eligible employers and the amounts of job credit an employer can receive would depend on the fulfillment of the conditions as stated in the scheme. Cash grants received from the government in relation to the job credit scheme are recognised as an offset against staff costs upon receipt.

(z) Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is recognised in the income statement as follows:

(i) Revenue from sales arising from physical delivery of products is recognised when delivery has taken place and transfer of risks and rewards has been completed.

(ii) Revenue from processing, shipping, repair services and trucking services is recognised when the services are rendered.

(iii) Rental income is recognised over the term of the lease contracts.

(iv) Dividend income from investments is recognised on the date the dividends are declared payable by the investees.

(v) Interest income is accrued on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

(aa) Segment Reporting

The chief operating decision-maker has been identified as the Executive Committee of the Group, which consist of the Chairman and Chief Executive Officer, and Executive Directors. This committee reviews the Group's internal reporting in order to assess performance and allocate resources. Operating segments are reported in a manner consistent with the internal reporting.

3 Summary of Significant Accounting Policies (cont'd)

(aa) Segment Reporting (cont'd)

The Executive Committee assess the performance of the operating segments based on a measure of adjusted earnings before income tax, minority interests, interests on borrowings, foreign exchange gain/(loss), depreciation and amortisation, exceptional item and share of results of associated companies ("EBITDA"). All inter segment sales and transfers are accounted for as if the sales or transfers were to third parties, i.e. at current market price.

4 Financial Risk Management

(a) Capital Risk Management

The Group manages its capital to safeguard the Group's ability to continue as a going concern in order to maximise the return to shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Group's overall strategy remains unchanged since 2008.

The capital structure of the Group consists of equity attributable to owners of the Company, comprising share capital, share premium, reserves and retained earnings and net debts, which includes the borrowings and net of cash and cash equivalents.

Neither the Group nor the Company is subject to externally imposed capital requirements.

The net debts-to-equity ratio as at 31 December 2009 and 2008 are as follows:

	2009	2008
	US$'000	US$'000
Total borrowings	683,197	553,917
Cash and cash equivalents	(287,539)	(133,214)
Net debts	395,658	420,703
Equity attributable to owners of the Company	5,437,693	4,613,726
Net debts-to-equity ratio	0.07	0.09

The directors review the capital structure on a semi-annual basis. As a part of the review, the directors consider the cost of capital and the risks associated with each class of capital. Accordingly, the Group will balance its overall capital structure through the payment of dividends, new share issues and share buy-back as well as the issue of new debt or the redemption of existing debt.

(b) Financial Risk Management

The Group's activities expose it to a variety of financial risks: market risks (including interest rate risk, foreign currency risk, price risk), credit risk, liquidity risk, and cash flow risks. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance. The Group may use relevant financial instruments to manage certain risks. Such financial instruments are not held for trade or speculative purposes.

4 **Financial Risk Management** (cont'd)

(b) Financial Risk Management (cont'd)

(i) Interest Rate Risk

The Group's exposure to cash flow and fair value interest rate risk arises primarily on its existing interest-bearing borrowings. Cash flow interest rate risk is the risk that the future cash flow of borrowings at variable rate will fluctuate because of changes to market interest rates. Fair value interest rate risk is the risk that the fair values of borrowings at fixed rate will fluctuate because of changes to market interest rates. The interest rate that the Group will be able to obtain on debt financing will depend on market conditions at that time, and may differ from the rates the Group has secured currently.

At 31 December 2009, if interest rates on all borrowings at variable rate had been 0.5% higher/lower with all other variables held constant, profit before income tax and total equity for the year would have been approximately US$3,054,000 and US$2,419,000 (2008: US$2,406,000 and US$1,782,000) lower/higher respectively, mainly as a result of higher/lower interest expense on the variable rate borrowings. This analysis is prepared assuming the amount of borrowings outstanding at the end of the reporting period was outstanding for the whole year.

In respect of interest-earning financial assets and interest-bearing financial liabilities, the interest rates and repayment terms are disclosed in the respective notes to the consolidated financial statements. The tables below set out the interest rate profile of the Group's interest-bearing financial instruments at carrying amount.

	2009 US$'000	2008 US$'000
Financial Assets		
Variable rate	334,785	152,568
Fixed rate	39,535	6,235
Non-interest bearing	173,927	224,168
	548,247	382,971
Financial Liabilities		
Variable rate	606,195	479,979
Fixed rate	178,526	150,223
Non-interest bearing	228,193	100,196
	1,012,914	730,398

(ii) Foreign Currency Risk

The Group operates in several countries. Entities within the Group regularly transact in currencies other than their respective functional currency ("foreign currency") such as Indonesian rupiah ("IDR"), the Chinese renminbi ("RMB") and the United States dollar ("USD") which is also the Group's presentation currency.

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(ii) Foreign Currency Risk (cont'd)

Sales to domestic customers within Indonesia and China are denominated in their local currencies, while export sales for most of the Group's products and cost of certain key purchases are quoted in United States dollar. Purchases and operating expenses in Indonesia and China are mainly denominated in their local currencies. To the extent that the revenue and purchases of the Group are denominated in different currencies, and may not evenly match in terms of quantum and/or timing, the Group has exposure to foreign currency risk.

The Group seeks to manage its foreign currency exposure by constructing a natural hedge where it matches revenue and expenses in any single currency or through financial instruments. The Group is also exposed to currency translation risk arising from its net investments in foreign operations. These net investments are not hedged as currency positions in these foreign operations are considered long-term in nature.

If the relevant foreign currencies strengthen/weaken against USD by 5% at the end of the reporting period, with all other variables, including interest rates remain constant, the Group's profit before income tax would all increase/decrease by the amounts shown as follows:

	2009	2008
	US$'000	US$'000
IDR	(1,713)	1,460
RMB	4,897	2,690

(iii) Price Risk

Price risk is the risk that the value of the financial instrument will fluctuate as a result of changes in market prices. The Group's exposure to price risk relates to its trading activities of commodities. The Group monitors market closely to ensure that the risk exposure to the volatility of the commodities is kept minimum.

(iv) Credit Risk

Credit risk is the risk of financial loss to the Group if a customer or counter-party to a financial instrument fails to meet its contractual obligations, and arises principally from the Group's receivables from customers and cash and cash equivalents. The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. The Group performs ongoing credit evaluation of its customers' financial conditions. Customers may be required to provide security in terms of cash deposits or letters of credit.

Cash and cash equivalents mainly comprise deposits with reputable banks with acceptable credit ratings.

The maximum exposure to credit risk in the event that the counter-parties fail to perform their obligations as at the end of the reporting period is the carrying amount of each class of assets in the statement of financial position.

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(v) Significant Concentrations of Credit Risk

Concentrations of credit risk exists when changes in economic, industry or geographical factors similarly affect counter-parties whose aggregate credit exposure is significant in relation to the Group's total credit exposure.

The Group has no significant concentration of credit risk, with exposure spread over a large number of counter-parties and customers.

(vi) Liquidity Risk

To manage liquidity risk, the Group maintains a level of cash and cash equivalents and funding facilities deemed adequate by management to finance its operations. In assessing the adequacy of the facilities, management reviews its working capital requirements. The table below analyses the maturity profile of the Group's financial liabilities based on the contractual undiscounted cash flows.

At 31 December 2009	Less than 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
Borrowings	315,980	328,326	43,346	687,652
Other financial liabilities	329,717	-	-	329,717
Total Financial Liabilities	645,697	328,326	43,346	1,017,369

At 31 December 2008	Less than 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
Borrowings	310,209	223,884	21,026	555,119
Other financial liabilities	176,481	-	-	176,481
Total Financial Liabilities	486,690	223,884	21,026	731,600

5 Critical Accounting Estimates, Assumptions and Judgements

The Group makes estimates and assumptions concerning the future. Estimates, assumptions and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

(a) Critical Accounting Estimates and Assumptions

(i) Impairment of Goodwill

The Group tests annually whether goodwill has suffered any impairment, in accordance with the accounting policy stated in Note 3(j). The recoverable amounts of the cash-generating units are determined from value in use calculations. The key assumptions for the value in use calculations are those regarding the discount rates and expected changes in crude palm oil ("CPO") prices and direct costs during the period. The growth and discount rates are based on industry forecasts. Changes in CPO prices and direct costs are based on past practices and expectations of future changes in the market. As of 31 December 2009, there is no impairment loss recognised in the financial statements and the carrying amount of goodwill amounted to US$115,898,000 (2008: US$115,898,000) (Note 27).

(ii) Useful Lives of Property, Plant and Equipment

The Group estimates the useful lives of property, plant and equipment based on the period over which the assets are expected to be available for use. The estimated useful lives of property, plant and equipment are reviewed periodically and are updated if expectations differ from previous estimates due to physical wear and tear, technical or commercial obsolescence and legal or other limits on the use of the relevant assets. In addition, the estimation of the useful lives of property, plant and equipment are based on the collective assessment of industry practice, internal technical evaluation and experience with similar assets. It is possible, however, that future results of operations could be materially affected by changes in the estimates brought about by changes in factors mentioned above. The amounts and timing of recorded expenses for any period would be affected by changes in these factors and circumstances. A reduction in the estimated useful lives of the property, plant and equipment and plantation assets would increase the recorded expenses and decrease the non-current assets.

There is no significant change in the estimated useful lives of property, plant and equipment during the period. The carrying amount of property, plant and equipment as of 31 December 2009 amounted to US$1,102,608,000 (2008: US$971,004,000) (Note 22).

(iii) Fair Value of Biological Assets

The Group determined the fair value of biological assets using the discounted cash flow method. The key assumptions for the discounted cash flow calculations are those regarding the average lives of plantations, yields per hectare, extraction rates, discount rates, expected changes in CPO and palm kernel prices and direct costs during the period as discussed in Note 23. The amount of changes in fair value would be different if there are changes to the assumptions used. A decrease in fair value would decrease the gain recognised during the year and the carrying value of biological assets. As of 31 December 2009, the carrying amount of biological assets amounted to US$5,357,537,000 (2008: US$4,794,558,000) (Note 23).

5 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(a) Critical Accounting Estimates and Assumptions (cont'd)

(iv) Impairment of Non-Financial Assets excluding Goodwill

The Group reviews the carrying amounts of the non-financial assets as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount or value in use is estimated. Determining the value in use of property, plant and equipment and other long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Group to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Group's financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Group believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment charges. As of 31 December 2009, there is no significant impairment loss on non-financial assets recognised in the financial statements.

(v) Post Employment Benefits

The present value of the post employment benefits obligations and cost for post employment benefits are dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions, which include among others, discount rates and rates of salary increase, are described in Note 36. In accordance with IAS 19 “Employee Benefits”, actual results that differ from the assumptions are accumulated and amortised over future periods and therefore, generally affect the recognised expense and recorded obligation in such future periods. While the Group believes that the assumptions are reasonable and appropriate, significant differences in the actual experience or significant changes in the assumptions may materially affect the post employment benefits obligations. As of 31 December 2009, the estimated post employment benefits liabilities amounted to US$23,042,000 (2008: US$15,573,000) (Note 36).

(b) Critical Judgements in Applying Accounting Policies

(i) Income Taxes

The Group is subject to income taxes in numerous jurisdictions. Significant judgement is required in determining the capital allowances, deductibility of certain expenses and taxability of certain income during the estimation of the provision for income taxes. There are many transactions and calculations for which the ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities based on estimates of whether additional taxes will be due. Where the final tax outcome is different from the amounts that were initially recorded, such differences will impact the income tax expenses and income tax payable in the period in which such determination is made.

5 Critical Accounting Estimates, Assumptions and Judgements (cont'd)

(b) Critical Judgements in Applying Accounting Policies (cont'd)

(ii) Deferred Tax Assets

The Group's assessment on the recognition of deferred tax assets on deductible temporary differences is based on the forecast taxable income of the following reporting period. This forecast is based on the Group's past results and future expectations on revenue and expenses. A decrease in estimated future income would decrease the recognised deferred tax credit and deferred tax assets. As of 31 December 2009, the Group has deferred tax assets of US$18,499,000 (2008: US$12,252,000) (Note 24).

6 Revenue

	Note	2009 US$'000	2008 US$'000
Sales in Indonesia			
Third parties		485,030	736,758
Associated companies		21,515	42,441
Related parties		5,351	6,775
		511,896	785,974
Sales outside Indonesia			
Third parties		1,778,109	2,195,702
Related parties	40a	3,694	4,272
		1,781,803	2,199,974
Total revenue		2,293,699	2,985,948

	2009 US$'000	2008 US$'000
Sales in Indonesia		
Palm oil based products:		
Crude palm oil	142,694	252,539
Margarine and fat	30,405	41,626
Palm fatty acid distillate	2,506	3,156
Palm kernel	37,985	66,405
Palm kernel meal	2,054	4,330
Palm kernel oil	1,830	11,335
Refined bleached deodorised olein	217,186	297,610
Refined bleached deodorised stearin	29,143	49,924
Refined bleached deodorised palm oil	17,654	24,298
Refined bleached deodorised palm kernel oil	9,598	13,060
Others	8,957	1,606
Sub total	500,012	765,889
Oleochemical products	11,876	18,374
Other products	8	1,711
Total sales in Indonesia	511,896	785,974

6 Revenue (cont'd)

	2009 US$'000	2008 US$'000
Sales outside Indonesia		
Palm oil based products:		
Crude palm oil	836,730	1,159,728
Margarine and fat	36,545	31,513
Palm fatty acid distillate	16,260	19,190
Palm kernel meal	7,497	12,682
Palm kernel oil	59,817	83,722
Refined bleached deodorised olein	164,880	210,116
Refined bleached deodorised palm oil	15,034	39,932
Refined bleached deodorised palm kernel oil	2,268	620
Refined bleached deodorised stearin	36,131	30,496
Others	42,112	35,282
Sub total	1,217,274	1,623,281
Oleochemical products	32,596	30,836
Soy bean based products	527,963	542,551
Revenue from provision of port and storage facilities	3,970	3,306
Total sales outside Indonesia	1,781,803	2,199,974
Total revenue	2,293,699	2,985,948

7 Cost of Sales

	2009 US$'000	2008 US$'000
Cost of inventories recognised as expenses	1,648,760	1,979,472
Depreciation charge for the year	54,120	46,200
Processing and direct costs	81,389	84,159
	1,784,269	2,109,831

8 Selling, General and Administrative Expenses

	2009 US$'000	2008 US$'000
Selling expenses:		
Transportation	40,315	42,791
Advertising and promotions	9,701	8,527
Export tax and administration	8,310	157,674
Salaries and employee benefits expense	6,242	5,138
Bulking	2,508	1,420
Depreciation	1,604	1,441
Others	9,495	11,881
	78,175	228,872
General and administrative expenses:		
Salaries and employee benefits expense	76,330	71,096
Depreciation	11,048	10,009
Rent, tax and licenses	6,697	6,437
Travelling	6,112	7,277
Professional fees	2,763	4,068
Office supplies	1,008	1,198
Amortisation of deferred charges, brands and trademarks	471	371
Management fees	45	5,044
Others	11,958	12,626
	116,432	118,126
	194,607	346,998

9 Financial Income and Financial Expenses

	Note	2009 US$'000	2008 US$'000
Interest income from:			
Third parties		5,290	3,901
Associated company		577	1,016
Related parties	40a	571	927
Financial income		6,438	5,844
Interest on borrowings from:			
Third parties		(44,036)	(39,040)
Associated company		-	(59)
Related parties	40a	-	(28)
Amortisation of deferred loan charges		(2,314)	(815)
Total interest expenses		(46,350)	(39,942)
Finance charges		(1,431)	(1,318)
Financial expenses		(47,781)	(41,260)
Financial expenses, net		(41,343)	(35,416)

10 Other Operating Income, Net

	2009 US$'000	2008 US$'000
Gain from changes in fair value of financial assets at fair value through profit or loss	3,827	-
Gain on sale of other materials and by-products	2,728	3,854
Miscellaneous income	2,564	716
Shipping income	1,314	923
Insurance claims	1,017	294
Workshop income	903	788
Property, plant and equipment written off	(720)	(998)
Depreciation	(667)	(428)
Loss on disposal of property, plant and equipment	(382)	(1,004)
Impairment of other receivables	(155)	-
Receivables written off	-	(476)
Others	2,545	1,716
	12,974	5,385

11 Profit Before Income Tax

In addition to the expenses and credits disclosed elsewhere in the notes to the consolidated financial statements, this item includes the following expenses:

	Note	2009 US$'000	2008 US$'000
Employee compensation			
Wages and salaries		78,647	71,575
Post employment benefits expense	36	4,546	4,777
Employer's contributions to defined contribution plans		1,189	1,230

12 Income Tax

	2009 US$'000	2008 US$'000
Income tax (credit)/expense attributable to the profit is made up of:		
Current income tax	95,299	114,256
Deferred income tax	(115,970)	412,713
Share of taxes of associated companies	1,184	1,446
	(19,487)	528,415

Substantially all the Group's operations are located in Indonesia. Accordingly, the Indonesian statutory tax rate is used in the reconciliation of the tax expense and the product of accounting profit multiplied by the applicable tax rate. During the financial year, the Indonesian corporate tax rate was reduced from 30% to 28%.

12 Income Tax (cont'd)

The income tax expense on the results for the financial year varies from the amount of income tax determined by applying the Indonesian statutory rate of income tax to profit before income tax due to the following factors:

	2009 US$'000	2008 US$'000
Profit before income tax	593,146	1,947,060
Less: Share of results of associated companies, net	(6,782)	(5,382)
	586,364	1,941,678
Tax calculated at a tax rate of 28% (2008: 30%)	164,182	582,503
Effect of reduction in tax rates	(192,083)	(28,737)
Effect of different tax rates in other countries	7,449	(16,605)
Permanent differences arising mainly from remeasurement, net of non-deductible expenses	20,138	(37,584)
Utilisation of previously unrecognised tax losses	(16,954)	(2,031)
Income tax at preferential rate	(5,880)	(10,903)
Unrecognised deferred tax assets	2,430	37,476
	(20,718)	524,119
Add: Share of taxes of associated companies	1,184	1,446
Add: Tax deducted at source	47	2,850
	(19,487)	528,415

Taxes Payable

As at the end of the financial year, the details of taxes payable are as follows:

	2009 US$'000	2008 US$'000
Estimated income tax payable of subsidiaries	22,020	21,957
Income and other taxes		
Article 21	2,648	2,002
Article 23	3,449	2,392
Article 25	6,956	5,872
Article 26	47	16
Value added tax	3,305	728
Total	38,425	32,967

13 Earnings Per Share and Net Asset Value Per Share

a) Basic Earnings Per Share

Basic earnings per share amounts are calculated by dividing net profit attributable to the equity holders of the Company by the weighted average number of ordinary shares outstanding during the year.

	2009	2008
Profit attributable to the owners of the Company (US$'000)	606,962	1,382,526
Weighted average number of ordinary shares* ('000)	11,557,969	11,066,600
Basic earnings per share (US cents)	5.25	12.49

* Weighted average number of ordinary shares during the year has been adjusted for the effect of Bonus Shares and Rights Issue in 2009.

b) Diluted Earnings Per Share

Diluted earnings per share are calculated by dividing net profit attributable to the equity holders of the Company by the weighted average number of ordinary shares during the year plus the weighted average number of ordinary shares that would be in issue on the conversion of all the dilutive potential ordinary shares into ordinary shares.

The outstanding warrants issued pursuant to the Rights Issue in 2009 of 705,493,728 (2008: Nil) have not been included in the calculation of diluted earnings per share because they are anti-dilutive for the current financial year.

	2009	2008
Profit attributable to the owners of the Company (US$'000)	606,962	1,382,526
Weighted average number of ordinary shares * ('000)	11,557,969	11,066,600
Diluted earnings per share (US cents)	5.25	12.49

* Weighted average number of ordinary shares during the year has been adjusted for the effect of Bonus Shares and Rights Issue in 2009.

13 Earnings Per Share and Net Asset Value Per Share (cont'd)

c) Net Asset Value Per Share

Net asset value per share is calculated by dividing total equity attributable to the owners of the Company by the number of issued ordinary shares as at the end of the reporting period.

	2009	2008
Total equity attributable to the owners of the Company (US$'000)	5,437,693	4,613,726
Number of ordinary shares as at the end of the reporting period ('000)	12,138,677	9,975,904
Net asset value per share (US$)	0.45	0.46

14 Cash and Cash Equivalents

Cash and cash equivalents which represent cash on hand, cash in banks and time deposits with a maturity of less than three months are detailed as follows:

	2009 US$'000	2008 US$'000
Cash on hand	409	440
Cash in banks		
United States dollar	129,948	37,476
Indonesian rupiah	54,370	17,867
Chinese renminbi	44,355	46,035
Singapore dollar	1,383	748
Others	108	82
	230,164	102,208
Time deposits		
United States dollar	47,193	17,405
Indonesian rupiah	9,144	9,538
Chinese renminbi	629	3,623
	56,966	30,566
Total	287,539	133,214

The above bank balances include balances with related parties (Note 40a) of US$203,000 (2008: US$716,000). For the purpose of the consolidated statement of cash flows, the cash and cash equivalents consist of the following:

	2009 US$'000	2008 US$'000
Total cash and cash equivalents	287,539	133,214
Less: Time deposits pledged	(7,630)	(4,608)
	279,909	128,606

14 Cash and Cash Equivalents (cont'd)

The above time deposits earn interest at the following rates per annum:

	2009	2008
	%	%
United States dollar	0.1 – 3.5	0.1 – 6.5
Indonesian rupiah	5.5 – 14.5	5.2 – 13.0
Chinese renminbi	1.2 – 2.3	1.5 – 4.1

15 Short-Term Investments

Short-term investments which represent investments in quoted bonds, placements in mutual funds and time deposits with a maturity over three months but not more than one year are detailed as follows:

	2009	2008
	US$'000	US$'000
Time deposits (a)		
Chinese renminbi	31,879	2,612
Indonesian rupiah	-	596
	31,879	3,208
Financial assets at fair value through profit or loss		
Quoted bonds, denominated in United States dollar	31,985	-
Quoted equity, denominated in Indonesian rupiah	6	6
Mutual funds, denominated in Indonesian rupiah	1,971	1,342
	33,962	1,348
	65,841	4,556

The above time deposits earn interest at the following rates per annum:

	2009	2008
	%	%
Chinese renminbi	1.2 – 2.3	1.5 – 4.1
Indonesian rupiah	-	12.0

(a) These time deposits have been pledged to banks as security for credit facilities (see Notes 28 and 32).

16 Trade Receivables

	Note	2009 US$'000	2008 US$'000
Third parties		101,184	139,836
Associated companies		97	53
Related parties	40a	1,939	1,424
		103,220	141,313
Less: allowance for impairment of trade receivables		(555)	(483)
		102,665	140,830

Movements in allowance for impairment of trade receivables are as follows:

	2009 US$'000	2008 US$'000
Balance as at beginning of the year	483	560
Receivables written off against allowance during the year	(1)	(171)
Translation adjustments	73	94
Balance as at end of the year	555	483

As at 31 December 2009, 13% (2008: 10%) and 1% (2008: 2%) of the Group's trade receivables are past due for less than 3 months and more than 3 months respectively. The above allowance for impairment of trade receivables is made for certain receivables that are past due for more than 3 months and the recovery of these amounts is impossible.

The trade receivables are denominated in the following currencies:

	2009 US$'000	2008 US$'000
United States dollar	63,886	108,009
Indonesian rupiah	23,033	17,996
Chinese renminbi	15,746	14,825
	102,665	140,830

Trade receivables of the Group, including intra-group trade receivables, amounting to US$16,538,000 (2008: US$30,146,000) have been pledged as security for credit facilities (see Notes 28 and 32).

17 Other Current Assets

	Note	2009 US$'000	2008 US$'000
Receivable from third parties #		15,404	21,068
Receivable from related parties *	40a	30,549	29,002
Receivable from associated companies		14	47
Derivative receivable		1,053	-
Staff advances		3,905	2,917
		50,925	53,034
Advances to suppliers		73,595	75,381
Prepaid value added tax		40,270	31,153
Prepaid expenses		12,194	10,404
Deposits		51,242	9,765
Others		1,303	1,060
		229,529	180,797

* The amounts receivable from related parties are unsecured and repayable on demand. As at 31 December 2009, included in the amounts receivable from related parties are US$15,896,000 (2008: US$15,648,000) which bears interest at the rate of 3.1% to 4.5% (2008: 3.3% to 6.4%) per annum.

The amount shown is net of allowance for impairment. Movements in allowance for impairment of other receivables are as follows:

	2009 US$'000	2008 US$'000
Balance as at beginning of the year	477	464
Allowance for impairment loss during the year	155	-
Translation adjustments	(12)	13
Balance as at end of the year	620	477

The other current assets are denominated in the following currencies:

	2009 US$'000	2008 US$'000
Indonesian rupiah	92,383	81,237
United States dollar	70,480	77,938
Chinese renminbi	63,741	19,378
Others	2,925	2,244
	229,529	180,797

18 Inventories

	2009 US$'000	2008 US$'000
Finished goods	91,789	58,729
Fertilisers and general material	81,800	82,895
Raw materials	189,501	69,516
Spare parts and fuel	11,164	10,886
Chemical and packing supplies	5,027	6,425
Goods in transit	27,314	1,257
Others	13,530	18,376
	420,125	248,084

During the financial year 2008, the Group recognised an allowance for net impairment loss of US$2,796,000 in cost of sales as the carrying amount of certain inventories was higher than the net realisable value due to reduction in selling prices.

Inventories amounting to US$57,418,000 (2008: US$43,822,000) have been pledged to banks as security for credit facilities (see Notes 28 and 32).

19 Long-Term Receivables and Assets

	2009 US$'000	2008 US$'000
Loan receivable from:		
Associated company (a)	7,027	6,535
Third party (b)	9,200	19,752
	16,227	26,287
Tax recoverable	86,736	93,383
Advances for projects	32,211	44,984
Land clearing	5,563	7,539
Advances for project plasma plantations, net (c)	11,387	7,255
Advances for investment in land	3,959	3,557
Advances for non-operating assets	30	1,434
Others	3,111	2,351
	159,224	186,790

The long-term receivables are denominated in the following currencies:

	2009 US$'000	2008 US$'000
Indonesian rupiah	141,355	159,236
Japanese yen	9,200	19,752
United States dollar	8,669	7,802
	159,224	186,790

19 Long-Term Receivables and Assets (cont'd)

(a) The unsecured receivable bears interest at 8.5% (2008: 8.5%) per annum and is repayable by 2014.

(b) The loan receivable is non-interest bearing, secured and repayable by 10 July 2011. The amount shown is net of allowance for impairment recognised during the year of US$9,199,000 (2008: Nil).

(c) In accordance with the policy of the Government of the Republic of Indonesia, certain land rights used to develop plantations are usually granted if a nucleus company agrees to develop areas for local small landholders (Plasma farmers) in addition to developing its own plantations. The nucleus company is also required to train and supervise the Plasma farmers and purchase the plantation production from the farmers at prices determined by the Government.

A Plasma Program plantation is funded by an investment credit facility by designated banks to the Plasma farmers.

Advances for Plasma plantations represent accumulated costs (including borrowing costs and indirect overhead costs) to develop Plasma areas, less the investment credit obtained from the bank. When a Plasma plantation is completed and ready to be transferred or turned-over to the Plasma farmers, the corresponding investment credit from the bank is also transferred to the Plasma farmers. Gain or loss resulting from the difference between the carrying amount of the Plasma plantation transferred and the related investment credit transferred is credited or charged to the income statement.

20 Long-Term Investments

	2009 US$'000	2008 US$'000
Available-for-sale financial asset		
Unquoted equity shares, at cost	25,050	25,050

The available-for-sale financial asset is denominated in United States dollar and stated at cost as it does not have a quoted market price in an active market and accordingly the fair value of this investment cannot be reliably measured.

In the opinion of the directors, the recoverable amount of the above investment is not less than its carrying amount, on the basis that the present value of estimated future cash flows expected to arise from its operations over the next few years will exceed the carrying amount of the investment.

21 Associated Companies

	2009 US$'000	2008 US$'000
Unquoted equity shares, at cost	2,122	2,122
Share of post-acquisition profits, net of dividend received	4,298	2,284
	6,420	4,406

Particulars of the associated companies are disclosed in Note 42 to the consolidated financial statements. Summarised financial information in respect of the Group's associated companies is as follows:

	2009 US$'000	2008 US$'000
Assets and liabilities		
Total assets	26,829	20,995
Total liabilities	(19,600)	(17,153)
Net assets	7,229	3,842
Results		
Revenue	50,862	53,675
Profit before income tax	15,260	6,621

As at 31 December 2009, the accumulated losses not recognised for an associated company amounted to US$1,092,000 (2008: US$3,124,000) as such losses are in excess of the Group's interest in that associated company.

22 Property, Plant and Equipment

	Freehold land	Land rights	Storage tanks, land improvements and bridges	Buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Transportation equipment	Construction in progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost									
Balance at 1.1.2009	-	140,271	104,231	370,520	535,019	65,673	108,969	98,516	1,423,199
Translation adjustment	-	(5)	-	1,269	(45)	(1)	(1)	191	1,408
Additions	7,354	12,736	5,394	11,849	4,768	7,050	19,135	125,913	194,199
Disposals	-	-	-	(136)	(432)	(231)	(7,734)	(16)	(8,549)
Write off	-	-	(44)	(503)	(341)	(842)	(1,646)	(1)	(3,377)
Acquisition of subsidiaries	-	1,133	1,052	1,363	161	545	3,335	860	8,449
Transfers *	-	-	9,311	44,768	22,368	(230)	4,667	(81,059)	(175)
Balance at 31.12.2009	7,354	154,135	119,944	429,130	561,498	71,964	126,725	144,404	1,615,154
Accumulated depreciation									
Balance at 1.1.2009	-	7,775	17,982	96,436	200,339	56,789	68,147	4,727	452,195
Translation adjustment	-	-	-	18	(13)	(1)	(1)	(207)	(204)
Charge for the year	-	1,253	3,461	13,623	24,817	6,933	17,352	-	67,439
Disposals	-	-	-	(24)	(327)	(201)	(4,643)	-	(5,195)
Write off	-	-	(34)	(238)	(172)	(819)	(1,394)	-	(2,657)
Acquisition of subsidiaries	-	35	191	-	23	134	585	-	968
Transfers	-	-	-	32	530	(655)	93	-	-
Balance at 31.12.2009	-	9,063	21,600	109,847	225,197	62,180	80,139	4,520	512,546
Net book values									
At 31.12.2009	7,354	145,072	98,344	319,283	336,301	9,784	46,586	139,884	1,102,608

The Group holds land rights in Indonesia in the form of Hak Guna Usaha (HGU) with expiry dates between 2015 to 2098 and the management believes that those land rights can be extended upon expiry. Certain licenses and certificates are expiring and are in the process of being extended.

* As at 31 December 2009, the Group has transferred US$152,000 and US$23,000 from property, plant and equipment to land clearing and deferred charges respectively.

22 Property, Plant and Equipment (cont'd)

	Land rights	Storage tanks, land improvements and bridges	Buildings	Machinery and equipment	Leasehold improvements, furniture and fixtures	Transportation equipment	Construction in progress	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Cost								
Balance at 1.1.2008	108,502	77,366	309,419	454,266	60,867	90,432	71,132	1,171,984
Translation adjustment	809	-	4,160	6,556	145	115	336	12,121
Additions	24,614	9,656	3,983	21,690	4,335	22,095	93,100	179,473
Disposals	-	(538)	(1,679)	(5,903)	(894)	(7,536)	(172)	(16,722)
Write off	-	(79)	(286)	(1,112)	(842)	(1,044)	(149)	(3,512)
Acquisition of subsidiaries	6,632	-	19,955	45,374	1,298	2,521	3,646	79,426
Transfers *	(286)	17,826	34,968	14,148	764	2,386	(69,377)	429
Balance at 31.12.2008	140,271	104,231	370,520	535,019	65,673	108,969	98,516	1,423,199
Accumulated depreciation								
Balance at 1.1.2008	8,270	15,316	71,546	143,126	50,737	58,631	4,412	352,038
Translation adjustment	124	-	857	2,272	86	60	315	3,714
Charge for the year	419	2,747	11,051	22,960	6,418	14,055	-	57,650
Disposals	-	(45)	(306)	(2,542)	(609)	(4,727)	-	(8,229)
Write off	-	(68)	(146)	(580)	(817)	(903)	-	(2,514)
Acquisition of subsidiaries	-	-	12,423	35,107	1,024	982	-	49,536
Transfers	(1,038)	32	1,011	(4)	(50)	49	-	-
Balance at 31.12.2008	7,775	17,982	96,436	200,339	56,789	68,147	4,727	452,195
Net book values								
At 31.12.2008	132,496	86,249	274,084	334,680	8,884	40,822	93,789	971,004

* As at 31 December 2008, there was a transfer to property, plant and equipment of US$429,000 as a net result of transfer from biological assets of US$850,000, and transfer to deferred charges and land clearing of US$300,000 and US$121,000 respectively.

As at 31 December 2009, the net carrying amount of property, plant and equipment which has been pledged as security for credit facilities (see Notes 28 and 32) amounted to US$396,001,000 (2008: US$291,812,000).

23 Biological Assets

	2009 US$'000	2008 US$'000
Balance at the beginning of the year	4,794,558	3,129,960
Additions	62,095	64,593
Disposals	(1,806)	(2,148)
Acquisition of subsidiaries	184,147	131,416
Transfers *	15,631	13,540
	5,054,625	3,337,361
Net gain from changes in fair value	302,912	1,457,197
Balance at the end of the year	5,357,537	4,794,558

* As at 31 December 2009 and 2008, the transfers to biological assets were mainly from land clearing.

The Group's oil palm plantations are located in Indonesia. As at the end of the year, the Group's total planted area of mature and immature plantations is approximately 334,000 (2008: 308,900) hectares and 93,300 (2008: 82,900) hectares respectively.

During the financial year, the Group harvested approximately 5,716,000 (2008: 5,050,000) tonnes of fresh fruits bunches ("FFB") from its nucleus plantations, which has a fair value less estimated point-of-sale costs of approximately US$1,051,193,000 (2008: US$782,447,000). The fair values of FFB were determined with reference to their market prices.

Matured oil palm trees produce FFB, which are used to produce CPO and Palm Kernel ("PK"). The fair values of biological assets are determined based on the present value of their expected net cash inflows of the underlying plantations. The expected net cash inflows of oil palm plantations are determined using the expected market price of CPO and PK which are largely dependent on the historical price trend of CPO.

Significant assumptions made in determining the fair values of the oil palm plantations are as follows:

(a) No new planting or re-planting activities are assumed;

(b) Oil palm trees have an average life of 25 years, with the first three years as immature and remaining years as mature;

(c) Yield per hectare, based on average historical performance;

(d) Discount rate of 11.4% (2008: 11.3%) per annum; and

(e) Average market price of CPO of US$721 (2008: US$670) per tonne.

The fair values of biological assets would be affected by changes in the above assumptions, particularly the average CPO price used. If we assume the market CPO prices as at year end increased/decreased by 5% with all other variables including exchange rate being held constant, profit attributable to the equity holders of the Company and total equity attributable to the Company would have increased/decreased by approximately US$4 million (2008: US$5 million), as a result of higher/lower gains arising from changes in fair value of biological assets net of tax and minority interests.

As at 31 December 2009, the fair value of biological assets which have been pledged as security for credit facilities (see Notes 28 and 32) amounted to US$1,916,020,000 (2008: US$1,701,250,000).

24 Deferred Income Tax

	Accelerated tax depreciation US$'000	Deferred charges US$'000	Unutilised tax losses/capital allowances US$'000	Valuation allowances/ others US$'000	Total US$'000
Balance at 1 January 2009	(95,970)	55	90,848	(1,293,428)	(1,298,495)
Credited to income statement	4,082	39	4,001	107,848	115,970
Acquisition of subsidiaries	(777)	-	-	(40,265)	(41,042)
Translation adjustment	(9,642)	-	2,246	(582)	(7,978)
Balance at 31 December 2009	(102,307)	94	97,095	(1,226,427)	(1,231,545)
Balance at 1 January 2008	(96,302)	(106)	59,205	(820,922)	(858,125)
(Charged)/Credited to income statement	(4,525)	37	30,900	(439,125)	(412,713)
Acquisition of subsidiaries	(3,536)	124	-	(33,965)	(37,377)
Translation adjustment	8,393	-	743	584	9,720
Balance at 31 December 2008	(95,970)	55	90,848	(1,293,428)	(1,298,495)

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority on different entities which intend to settle on a net basis, or realise the assets and liabilities simultaneously in the future. The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	2009 US$'000	2008 US$'000
Deferred tax liabilities	(1,250,044)	(1,310,747)
Deferred tax assets	18,499	12,252
	(1,231,545)	(1,298,495)

Realisation of deferred tax assets is dependent on the generation of sufficient taxable income prior to expiration of the tax losses carry-forward. Although realisation is not assured, the directors of the Company believe it is more likely than not that the deferred tax assets, net of the valuation allowance, will be realised. The amount of the deferred tax assets considered realisable could be reduced or increased if estimates of future taxable income during the carry-forward period are reduced or increased.

As at 31 December 2009, a subsidiary, Golden Agri International Pte Ltd ("GAI") has not provided for deferred tax liabilities amounting to approximately US$210,000 (2008: US$3,452,000) that would be payable upon remittance into Singapore of its offshore interest income, which amounted to approximately US$1,237,000 (2008: US$19,177,000) as it is the intention of the directors of GAI to permanently reinvest the unremitted interest income.

Deferred income tax liabilities of US$30,096,000 (2008: US$17,405,000) have not been recognised for taxes that would be payable on the remittance to Mauritius of unremitted retained earnings of US$1,003,209,000 (2008: US$580,181,000) of certain subsidiaries as the timing of the reversal of the temporary differences arising from such amounts can be controlled and such temporary differences are not expected to reverse in the foreseeable future.

24 Deferred Income Tax (cont'd)

At the end of the reporting period, the unutilised tax losses and capital allowances available for offsetting against future taxable profits amounted to US$104,465,000 (2008: US$218,559,000). The availability of the unutilised tax losses and capital allowances for set-off against future taxable profits is subject to the tax regulations of the respective countries in which the Group companies are incorporated. As at the end of the financial year 2009, the deferred tax benefit arising from unrecognised tax losses and unabsorbed capital allowances of US$20,451,000 (2008: US$52,964,000) has not been recognised in the financial statements.

25 Deferred Charges

	2009 US$'000	2008 US$'000
Cost		
Balance at the beginning of the year	8,356	7,481
Acquisition of subsidiaries	35	55
Additions	2,264	520
Transfers from land rights	23	300
Balance at the end of the year	10,678	8,356
Less: accumulated amortisation		
Balance at the beginning of the year	2,209	1,965
Acquisition of subsidiaries	-	15
Amortisation charged to general and administrative expenses	151	50
Amortisation charged to cost of sales	374	179
Balance at the end of the year	2,734	2,209
Net carrying amount	7,944	6,147

26 Brands and Trademarks

	2009 US$'000	2008 US$'000
Cost	6,924	6,924
Less: accumulated amortisation		
Balance at the beginning of the year	5,003	4,682
Amortisation charged to general and administrative expenses	320	321
Balance at the end of the year	5,323	5,003
Net carrying amount	1,601	1,921

27 Goodwill

	2009 US$'000	2008 US$'000
Balance at the beginning and end of the year	115,898	115,898

For the purpose of impairment testing, goodwill is allocated to the Group's cash-generating units ("CGU") identified according to countries of operations which is the business segment and operating units within the business segment which the goodwill is monitored for internal management purposes.

The above goodwill is allocated to the Indonesia Agri-Business segment.

The recoverable amount of the goodwill was determined based on value-in-use calculations using a 10-year cash flow projection. A terminal value was estimated based on the 10^{th} year's future cash flow at a 5% growth rate and a pre-tax discount rate of 11.4%. No impairment loss is recognised for the year ended 31 December 2009.

If the management estimates the growth rate at 4.5%, the recoverable amount of the goodwill will still exceed its carrying amount.

28 Short-Term Loans

	Note	2009 US$'000	2008 US$'000
Short-term bank loans:			
United States dollar		205,380	210,244
Indonesian rupiah		31,915	14,799
Chinese renminbi		6,007	29,285
		243,302	254,328
Current maturities of long-term borrowings	32	72,656	55,874
		315,958	310,202
Less: Unamortised loan charges	32	(1,950)	(659)
		314,008	309,543

Short-term bank loans of the Group, broken down by secured and unsecured are as follows:

	2009 US$'000	2008 US$'000
Secured bank loans	233,302	244,328
Unsecured bank loans	10,000	10,000
	243,302	254,328

As at the end of the financial year, there is no breach of loan covenants.

28 Short-Term Loans (cont'd)

The above short-term bank loans have a maturity period of less than 12 months from the end of the financial year and bear interest at the following rates per annum during the year:

	2009	2008
	%	%
United States dollar	1.0 – 8.5	3.4 – 10.0
Indonesian rupiah	9.5 – 14.0	12.8 – 15.0
Chinese renminbi	5.3 – 5.8	5.8 – 8.2

29 Trade Payables

	Note	2009	2008
		US$'000	US$'000
Trust receipts payable		101,524	76,285
Trade payables to:			
Third parties		124,533	70,736
Associated companies		422	172
Related parties	40a	41,906	3,776
		268,385	150,969

The above trust receipts payable, which represent amounts due to certain banks, bear interest ranging from 1.6% to 2.1% (2008: 2.2% to 3.2%) per annum. The trust receipts payable and trade payables are denominated in the following currencies:

	2009	2008
	US$'000	US$'000
United States dollar	194,697	89,256
Indonesian rupiah	66,957	43,819
Chinese renminbi	6,569	17,803
Others	162	91
	268,385	150,969

30 Other Payables

	Note	2009 US$'000	2008 US$'000
Payable to third parties		49,736	16,791
Payable to related parties (a)	40a	1,000	2,331
Derivative payable (b)		9,442	3,763
Interest payable		1,154	2,627
		61,332	25,512
Accrued expenses		19,847	16,442
Advances from customers		22,255	12,550
		103,434	54,504

The other payables are denominated in the following currencies:

	2009 US$'000	2008 US$'000
United States dollar	40,040	7,120
Indonesian rupiah	33,410	32,895
Chinese renminbi	26,497	9,337
Singapore dollar	3,319	5,152
Others	168	-
	103,434	54,504

(a) The unsecured payable to related parties is interest free and repayable on demand.

(b) As at 31 December 2009, this represented forward contracts to purchase soybeans and palm oil of US$22.4 million and US$12.0 million respectively. As at 31 December 2008, this represented foreign exchange forward contracts amounting to US$30.0 million.

31 Obligations under Finance Leases

	Minimum lease payments		Present value of minimum lease payments	
	2009	2008	2009	2008
	US$'000	US$'000	US$'000	US$'000
Finance leases payable:				
Within one year	22	7	20	6
In the second to fifth year	84	29	71	24
After five years	28	-	24	-
	134	36	115	30
Less: Future finance charges	(19)	(6)		
Present value of lease obligation	115	30		
Less: Amount due for settlement within 12 months			(20)	(6)
Amount due for settlement after 12 months			95	24
Net book value of assets under finance leases			115	34
Interest rate per annum			2.2% - 2.9%	2.9%

32 Long-Term Borrowings

	Note	2009	2008
		US$'000	US$'000
Long-term borrowings:			
United States dollar		314,535	253,073
Indonesian rupiah		84,894	6,758
Singapore dollar		44,787	40,924
Total long-term borrowings		444,216	300,755
Less: Current maturities of long-term borrowings	28	(72,656)	(55,874)
Non-current portion		371,560	244,881
Less: Unamortised loan charges		(2,486)	(537)
Non-current portion		369,074	244,344

Movements in unamortised loan charges are as follows:

	Note	2009	2008
		US$'000	US$'000
At the beginning of the year		1,196	1,389
Additions		5,554	622
Amortisation during the year		(2,314)	(815)
At the end of the year		4,436	1,196
Less: Current portion	28	(1,950)	(659)
Non-current portion		2,486	537

32 Long-Term Borrowings (cont'd)

The long-term borrowings of the Group bear interest at the following rates per annum during the year:

	2009	2008
	%	%
United States dollar	3.2 – 9.0	4.2 – 10.0
Indonesian rupiah	11.8 – 14.0	15.0
Singapore dollar	1.9 – 2.1	2.5 – 4.1

Long-term borrowings of the Group, broken down by secured and unsecured are as follows:

	2009	2008
	US$'000	US$'000
Secured borrowings	443,476	257,172
Unsecured borrowings	740	43,583
	444,216	300,755

(a) Certain time deposits, trade receivables, inventories, biological assets and property, plant and equipment have been pledged to banks to obtain the above secured borrowings (as disclosed in Notes 14, 15, 16, 18, 22 and 23).

(b) The loan agreements generally include covenants that require the maintenance of certain financial ratios, limit or require written notification of the amount of additional borrowings that may be incurred, and limit the transfer or disposal of pledged assets and acting as guarantor to other parties. Any non-compliance with these covenants will result in these loans becoming repayable immediately upon service of a notice of default by the lenders. In addition, certain loan agreements contain cross default clauses whereby non-compliance with covenants for other financial indebtedness would result in acceleration of the outstanding loan balances. As at end of the financial year, there is no breach of loan covenants.

(c) The scheduled maturities of the Group's borrowings as at 31 December 2009 and 2008 are as follows:

Year	Original loan currency			U.S. Dollar Equivalent
As at 31 December 2009	US$'000	Rp'000	S$'000	US$'000
Long-term borrowings:				
2010	61,301	92,000,000	2,200	72,656
2011	68,265	92,000,000	2,400	79,762
2012	125,429	132,000,000	2,400	141,181
2013	21,650	132,000,000	55,881	75,494
2014	13,400	173,000,000	-	31,805
Thereafter	24,490	177,000,000	-	43,318
Total	314,535	798,000,000	62,881	444,216
Current portion (Note 28)	(61,301)	(92,000,000)	(2,200)	(72,656)
Non-current portion	253,234	706,000,000	60,681	371,560

32 Long-Term Borrowings (cont'd)

(c)

Year	Original loan currency			U.S. Dollar Equivalent
As at 31 December 2008	US$'000	Rp'000	S$'000	US$'000
Long-term borrowings:				
2009	55,326	6,000,000	-	55,874
2010	56,721	12,000,000	2,400	59,485
2011	27,131	12,000,000	2,400	29,895
2012	30,312	12,000,000	2,400	33,076
2013	64,383	12,000,000	51,690	101,399
Thereafter	19,200	20,000,000	-	21,026
Total	253,073	74,000,000	58,890	300,755
Current portion (Note 28)	(55,326)	(6,000,000)	-	(55,874)
Non-current portion	197,747	68,000,000	58,890	244,881

33 Long-Term Payables

	Note	2009 US$'000	2008 US$'000
Post employment benefits liability	36	23,042	15,573
Rental deposits		198	-
		23,240	15,573

The long-term payables are denominated in the following currencies:

	2009 US$'000	2008 US$'000
Indonesian rupiah	23,042	15,573
Singapore dollar	198	-
	23,240	15,573

34 Issued Capital

	2009		2008	
	No of Shares	US$'000	No of Shares	US$'000
Issued and fully paid:				
Balance at beginning of the year	9,975,903,792	249,397	4,987,951,896	249,397
Subdivision of share (a)	-	-	4,987,951,896	-
Issuance of shares pursuant to Bonus Issue (b)	399,033,766	9,976	-	-
Issuance of shares pursuant to Rights Issue (c)	1,763,739,384	44,094	-	-
Balance at end of the year	12,138,676,942	303,467	9,975,903,792	249,397

34 Issued Capital (cont'd)

(a) Pursuant to the approval given by the shareholders at an Extraordinary General Meeting held on 15 February 2008, each ordinary share of the Company of par value US$0.05 each was sub-divided into two ordinary shares of par value US$0.025 each on 22 February 2008.

(b) On 2 April 2009, 399,033,766 ordinary shares of US$0.025 each have been allotted and issued to the shareholders of the Company pursuant to the bonus issue on the basis of one bonus share credited as fully paid by capitalisation of the Company's share premium account, for every 25 existing shares held in the Company. The bonus shares ranked pari passu in all respects with the existing shares of the Company.

(c) Subsequently, on 24 July 2009, 1,763,739,384 ordinary shares at an issue price of S$0.18 (equivalent to US$0.125) per share and 705,493,728 detachable warrants were allotted and issued pursuant to the rights issue exercise on the basis of 17 rights shares for every 100 existing shares held in the Company and 2 warrants for every 5 rights shares subscribed ("Rights Issue"). Each detachable warrant carries the right to subscribe for one new ordinary share at an exercise price of S$0.54 per share, on the exercise date.

The net proceeds of approximately S$311 million (equivalent to US$216 million) from the Rights Issue will be utilised for supporting the Group's on-going organic growth and capital expenditure, pursuing value-creating mergers and acquisitions and expansion opportunities and general corporate purposes. As at 31 December 2009, the Company, through its wholly-owned subsidiary, has disbursed US$80 million for the acquisition of new subsidiaries.

As at 31 December 2009, the number of outstanding warrants was 705,493,728 and may only be exercised on the third (3rd) anniversary of the date of issuance (i.e. 23 July 2012).

35 Dividends

	2009 US$'000	2008 US$'000
Final dividend paid in respect of the previous year of US$Nil (2008: US$0.005) per qualifying share	-	36,768
Interim dividend paid in respect of the current year of S$Nil (2008: S$0.008) per qualifying share	-	55,576
	-	92,344

At the Annual Meeting on 27 April 2010, a final dividend (tax not applicable) of S$0.00495 per share, based on the total number of issued and paid up shares of 12,138,676,942 shares of US$0.025 each, amounting to S$60,086,450.86 (equivalent to approximately US$42,797,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2010.

36 Post Employment Benefits Liability and Share-Based Payment

Certain subsidiaries have defined contribution retirement plan covering substantially all of their eligible permanent employees.

On top of the benefits provided under the defined contribution retirement plan, the subsidiaries have also recorded additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to the qualified employees, as required under the Labor Law. The amount for such additional provisions were determined based on actuarial computations valuations prepared by the independent actuary, PT Dayamandiri Dharmakonsilindo, using the projected unit credit method. The principal actuarial assumptions used by the actuaries were as follows:

	2009	2008
	%	%
Discount rate	10.5	12.0
Salary growth rate	8.0	8.0
Retirement age (years)	55	55

The amounts of additional provision for post employment benefits recognised in the statement of financial position are determined as follows:

	Note	2009	2008
		US$'000	US$'000
Present value of unfunded employees retirement benefit obligations in addition to the defined contribution scheme		28,198	16,076
Unrecognised net actuarial (loss)/gain		(3,268)	1,295
Unrecognised past service cost		(1,888)	(1,798)
Post employment benefit liability	33	23,042	15,573

The movements in the above-mentioned post employment benefits liability are as follows:

	2009	2008
	US$'000	US$'000
Balance at the beginning of the year	15,573	12,886
Post employment benefits expense during the year	4,546	4,777
Payments made during the year	(116)	(111)
Acquisition of subsidiaries	16	-
Translation adjustment	3,023	(1,979)
Balance at the end of the year	23,042	15,573

The components of the post employment benefit expenses recognised in the income statement are as follows:

	2009	2008
	US$'000	US$'000
Current service cost	2,498	2,524
Interest cost	1,895	1,857
Amortisation of actuarial losses and past service cost, net of gain from curtailment	153	396
Total post employment benefits expense	4,546	4,777

36 Post Employment Benefits Liability and Share-Based Payment (cont'd)

Share-based Payment

The Company introduced the GAR Group Restricted Share Plan ("RSP") which was approved by shareholders at the special meeting of the Company held on 24 October 2008. The RSP is intended to align the interests of key management and executives of the Company and its subsidiaries with the interests of shareholders. It is also expected to enhance the Company's competitiveness in motivating and retaining talented key senior management and executives. The plan contemplates the award of fully paid shares of the Company upon meeting prescribed performance target(s) and/or service condition(s). Awards granted will vest upon the satisfactory achievement of pre-determined operational and financial performance target(s).

As at 31 December 2009 and 31 December 2008, no awards have been granted by the Company under the RSP.

37 Financial Instruments

Fair Value of Financial Instruments

The carrying amounts of financial assets and liabilities with a maturity of less than one year, which include cash and cash equivalents, time deposits, short-term investments, trade and other receivables, trade and other payables, short-term loans, and obligations under finance leases are assumed to approximate their fair values due to their short-term maturities.

The fair values of long-term receivables and long-term interest-bearing borrowings are calculated based on discounted expected future principal and interest cash flows. The discount rates used are based on market rates for similar instruments at the statement of financial position. As at 31 December 2009 and 2008, the carrying amounts of the long-term receivables and long-term interest-bearing borrowings approximate their fair values.

Fair Value Hierarchy

Effective 1 January 2009, the Group adopted the amendments to IFRS 7 which require disclosure of fair value measurements by level of the following fair value measurement hierarchy:

(a) Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
(b) Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (that is as prices) or indirectly (i.e. Derived from prices); and
(c) Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

At 31 December 2009	Level 1 US$'000	Level 2 US$'000	Level 3 US$'000	Total US$'000
Financial assets at fair value through profit or loss	33,962	-	-	33,962
Available-for-sale financial assets	-	-	25,050	25,050
Total	33,962	-	25,050	59,012

38 Business Combinations

In December 2009, the Group through its wholly-owned subsidiary, Asia Palm Oil Investment Pte. Ltd., acquired 100% shareholding in Enterprise Capital Corporation ("ECC"), an investment holding company incorporated in Malaysia, with several subsidiaries that are principally engaged in the ownership and cultivation of oil palm plantations (the "ECC Group") in Indonesia.

The fair value of the identifiable assets and liabilities of ECC Group acquired amounted to US$117,826,000 after taking into account the fair value adjustments of US$120,793,000.

The acquired ECC Group contributed revenue of US$0.1 million and loss of US$0.2 million to the Group's profit before income tax for the period between the date of acquisition and the end of the reporting period. If the acquisition has been completed on 1 January 2009, total Group's revenue and profit before income tax for the year would have been US$2,293,921,000 and US$591,736,000 respectively.

The identifiable assets and liabilities acquired in the above transaction are as follows:

Net assets acquired:	Previous carrying amount in ECC Group	Fair value adjustments	Fair value recognised on acquisition
	US$'000	US$'000	US$'000
Property, plant and equipment	7,481	-	7,481
Biological assets	23,089	161,058	184,147
Other non-current assets	3,613	-	3,613
Cash and cash equivalents	541	-	541
Trade and other receivables	4,201	-	4,201
Inventories	2,818	-	2,818
Borrowings	(37,728)	-	(37,728)
Trade and other payables	(6,068)	-	(6,068)
Taxes payable	(22)	-	(22)
Deferred tax liability	(777)	(40,265)	(41,042)
Other non-current liabilities	(115)	-	(115)
	(2,967)	120,793	117,826
Negative goodwill			(7,825)
Total purchase consideration			110,001

The consideration is to be fully settled in cash in 2 tranches. The first tranche of US$80 million had been paid upon signing of the agreement during the financial year 2009, and the second tranche of US$30 million shall be made on or before 15 January 2010.

39 Operating Segment Information

The Group's reportable segments are the strategic business units that offer different products and services and operate in two different principal geographical areas, namely Indonesia and China. They are managed separately because each business unit requires different marketing strategies. Set out below are the Group's reportable segments:

Indonesia Agri-business - ownership and cultivation of oil palm plantation, ownership and operation of mills and refineries and producer of consumer cooking oil and margarine in Indonesia; and

China Agri-business - refinery, port, storage and oilseed crushing operations in China.

2009	Indonesia Agri-Business US$'000	China Agri-Business US$'000	Total US$'000
Total revenue	2,163,204	613,615	2,776,819
Inter-segment sales	(483,120)	-	(483,120)
Revenue from external customers	1,680,084	613,615	2,293,699
EBITDA	387,633	13,455	401,088
Other information			
Capital expenditure	251,963	4,331	256,294
Depreciation and amortisation	(61,141)	(7,143)	(68,284)
Net gain from changes in fair value of biological assets	302,912	-	302,912
Exceptional items, net	(1,374)	-	(1,374)
Interest on borrowings	(44,388)	(1,962)	(46,350)
Share of results of associated companies, net	6,782	-	6,782
Assets			
Segment assets	7,670,645 *	383,372	8,054,017
Liabilities			
Segment liabilities	(2,203,798)	(314,163)	(2,517,961)

* Segment assets in Indonesia Agri-Business include investment in associated companies of US$6,420,000.

39 Operating Segment Information (cont'd)

2008	Indonesia Agri-Business US$'000	China Agri-Business US$'000	Total US$'000
Total revenue	2,719,945	658,337	3,378,282
Inter-segment sales	(392,334)	-	(392,334)
Revenue from external customers	2,327,611	658,337	2,985,948
EBITDA	587,715	9,515	597,230
Other information			
Capital expenditure	239,792	4,274	244,066
Depreciation and amortisation	(51,241)	(6,959)	(58,200)
Net gain from changes in fair value of biological assets	1,457,197	-	1,457,197
Exceptional items, net	20,133	-	20,133
Interest on borrowings	(37,477)	(2,465)	(39,942)
Share of results of associated companies, net	5,382	-	5,382
Assets			
Segment assets	6,719,470 *	269,810	6,989,280
Liabilities			
Segment liabilities	(2,077,707)	(204,743)	(2,282,450)

* Segment assets in Indonesia Agri-Business include investment in associated companies of US$4,406,000.

A reconciliation of total EBITDA to total profit before income tax is as follows:

	2009 US$'000	2008 US$'000
EBITDA for reportable segments	401,088	597,230
Net gain from changes in fair value of biological assets	302,912	1,457,197
Depreciation and amortisation	(68,284)	(58,200)
Foreign exchange loss	(1,628)	(34,740)
Interest on borrowings	(46,350)	(39,942)
Exceptional items, net	(1,374)	20,133
Share of results of associated companies, net	6,782	5,382
Profit before income tax	593,146	1,947,060

39 Operating Segment Information (cont'd)

A reconciliation of total assets for reportable segments to total assets is as follows:

	2009 US$'000	2008 US$'000
Total assets for reportable segments	8,054,017	6,989,280
Elimination of inter-segment receivables	(153,537)	(163,773)
Total assets	7,900,480	6,825,507

A reconciliation of total liabilities for reportable segments to total liabilities is as follows:

	2009 US$'000	2008 US$'000
Total liabilities for reportable segments	2,517,961	2,282,450
Elimination of inter-segment payables	(151,236)	(163,773)
Total liabilities	2,366,725	2,118,677

Revenue based on geographical location of customers is as follows:

	2009 US$'000	2008 US$'000
Indonesia	511,896	785,974
China	637,766	690,537
Rest of Asia	899,330	1,101,346
Europe	66,150	114,150
India	159,582	236,737
Others	18,975	57,204
Consolidated total	2,293,699	2,985,948

The following is an analysis of the carrying amount of non-current assets, analysed by the geographical areas in which the assets are located:

	2009 US$'000	2008 US$'000
Indonesia	6,369,540	5,692,212
China	123,944	126,895
Singapore	92,104	70,421
Total non-current assets	6,585,588	5,889,528

40 Related Party Transactions

(a) Related parties are entities (except for the holding company and associated company) with common direct or indirect shareholders and/or directors. Parties are considered to be related (directly or indirectly) if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(b) In addition to the related party information disclosed elsewhere in the consolidated financial statements, significant transactions with related parties, on terms agreed between parties, were as follows:

	2009 US$'000	2008 US$'000
i) Sale of services		
Management fee income from associated companies	615	21
Port and storage handling fees from a minority shareholder of a subsidiary	1,072	879
ii) Purchase of goods and services		
Insurance premium to a related party	4,218	4,151
Management fee expense to a related party	-	4,943
Purchase of palm oil products from associated companies	876	898
Purchase of non-palm oil products from related parties	92,280	43,079
Rental and service charge expense to a related party	4,527	4,224
Toll manufacturing expense to an associated company	493	817
Transport and port expense to related parties	624	781
Advisory fee to a related party	207	141
Purchase of land from a related party	-	16,269
Port and storage charges to a minority shareholder of a subsidiary	1,866	1,878

(c) The remuneration of key management personnel who are also directors are as follows:

	2009 US$'000	2008 US$'000
Directors' remuneration:		
Directors of the holding company	2,570	3,085
Directors of subsidiaries	6,413	3,378

Included in the above remuneration are post employment benefits of US$99,000 (2008: US$98,000) for the financial year ended 31 December 2009.

41 Significant Commitments

Operating lease commitments

At the end of the reporting period, the commitment in respect of non-cancellable operating leases for the rental of office premises and properties with a term of more than one year are as follows. The leases have varying terms, escalation clauses and renewal rights.

	2009 US$'000	2008 US$'000
Within one year	3,985	3,749
Between one year to five years	7,359	10,724
Minimum lease payments paid under operating leases	4,651	4,230

Capital expenditure commitment

At the end of the reporting period, the estimated significant expenditure committed but not provided for in the financial statements are as follows:

	2009 US$'000	2008 US$'000
Capital expenditure	5,926	26,157

42 Group Companies

The details of the subsidiaries are as follows:

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held by the Company				
Asia Integrated Agri Resources Limited	Investment holding	Bermuda	100.00	100.00
Asia Palm Oil Investment Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Blue Sky Golden Energy Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Easton Capital Resources Pte. Ltd. (b4)	Investment holding	Singapore	100.00 [c]	-
Golden Agri Capital Pte. Ltd. (b4)	Investment holding	Singapore	100.00 [c]	-
Golden Agri International Finance Ltd (b1)	Treasury management	Mauritius	100.00	100.00
Golden Agri International Finance (2) Ltd (b2)	Treasury management	British Virgin Islands	100.00	100.00
Golden Agri International (Mauritius) Ltd (b1)	Provision of management and consultancy services	Mauritius	100.00	100.00
Golden Agri International Pte Ltd	Trading in crude palm oil and related products	Singapore	100.00	100.00
Golden Agri International Trading Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri Investment (S) Pte. Ltd.	Investment holding	Singapore	100.00	100.00
Golden Agri (Labuan) Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Madascar Investment Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Purimas Sasmita ("Purimas") (b1)	Investment holding, business and management consultancy, and trading	Indonesia	100.00 [a]	100.00 [a]

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held through subsidiaries				
AFP Agri-Resources Trading (M) Sdn. Bhd. (b1)	Investment holding	Malaysia	100.00	100.00
AFP International Trading (Shanghai) Co., Ltd (b6)	Dormant	People's Republic of China	100.00	100.00
PT Aditunggal Mahajaya (Note 38) (b7)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	-
PT Agrokarya Primalestari (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Agrolestari Mandiri (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Agrolestari Sentosa (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Agropalma Sejahtera (b4)	Investment holding	Indonesia	100.00	100.00
PT Aimer Sawitmas (b4)	Investment holding	Indonesia	100.00	100.00
PT Alam Sumber Rahmat (b4)	Ownership and cultivation of oil palm plantation	Indonesia	95.68	95.68
PT Bangun Nusa Mandiri (Note 38) (b8)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	-
PT Berau Sarana Jaya (b4)	Ownership and cultivation of oil palm plantation	Indonesia	95.21	95.21
PT Bhakti Manunggal Karya (b4)	Training services	Indonesia	100.00	100.00
PT Binasawit Abadipratama (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
Blue Sky Golden FPS Ltd (b2)	Investment holding	British Virgin Islands	100.00	100.00
Blue Sky Golden Fulcrum Ltd (b2)	Investment holding	British Virgin Islands	100.00	100.00
PT Buana Adhitama (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	Effective interest of the Company 2008 %
Subsidiaries held through subsidiaries (cont'd)				
PT Buana Artha Sejahtera (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Buana Indah Mandiri (b5)	Ownership and cultivation of oil palm plantation, transportation and general trading	Indonesia	100.00	100.00
PT Buana Wiralestari Mas (b1)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
PT Bumi Persada Sejahtera (b5)	Investment holding, ownership and cultivation of oil palm plantation, transportation and general trading	Indonesia	100.00	100.00
PT Bumi Sawit Permai (b5)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
PT Bumipalma Lestaripersada (b1)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
PT Bumipermai Lestari (b5)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
PT Cahayanusa Gemilang (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Citra Bhakti Mandiri (b5)	Investment holding	Indonesia	100.00	100.00
PT Djuandasawit Lestari (b5)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
Dragon Capital Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Dumai Golden Industry Complex (b5)	Refinery operation	Indonesia	100.00	100.00
Eco Investment Ltd (b2)	Investment holding	Malaysia	100.00	100.00

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held through subsidiaries (cont'd)				
Enterprise Capital Corporation (Note 38) (b2)	Investment holding	Malaysia	100.00	-
PT Forestalestari Dwikarya (b5)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
GAR Finance B.V. (b2)	Treasury management	The Netherlands	100.00	100.00
PT Gemamina Kencana (b4)	Ownership and cultivation of oil palm plantation	Indonesia	95.21	95.21
PT Genta Mas Perkasa (Note 38) (b7)	Investment holding	Indonesia	100.00	-
PT Global Media Telekomindo (b4)	Telecommunication and multimedia services	Indonesia	100.00	100.00
Goederhand Finance B.V. (b2)	Treasury management	The Netherlands	100.00	100.00
Golden Agri International (Cayman) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International (L) Ltd (b1)	Trading in crude palm oil and related products	Malaysia	100.00	100.00
Golden Agri International Trading (Cayman) Ltd (b2)	Trading in crude palm oil and related products	Cayman Islands	100.00	100.00
Golden Agri International Trading (Mauritius) Ltd (b1)	Investment holding	Mauritius	100.00	100.00
Golden Agri Plaza Pte. Ltd. *(formerly known as "Golden Techno Suites Pte. Ltd.")*	Commercial and industrial real estate management	Singapore	100.00	100.00
Golden Agri SEA (Labuan) Ltd (b4)	Trading in crude palm oil and its related products	Malaysia	100.00	100.00
Golden Agri Trading (L) Ltd (b1)	Trading in edible oils and its related products	Malaysia	100.00	100.00
Golden Bio Energy (S) Pte. Ltd.	Investment holding	Singapore	100.00	100.00

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held through subsidiaries (cont'd)				
Golden Natural Resources (HK) Investment Co. Limited *(formerly known as "Golden Bluesky Energy Limited")* (b9)	Dormant	Hong Kong	100.00	100.00
Golden Veroleum Limited (b4)	Investment holding	Hong Kong	100.00 [c]	-
PT Griyagraha Sarimakmur (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Ivo Mas Tunggal (b1)	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill and refinery	Indonesia	100.00	100.00
PT Ivomas Oil & Fat (b5)	Investment holding, ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Ivomas Tunggal Lestari (b1)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00
PT Kartika Prima Cipta (Note 38) (b7)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	-
PT Kencana Graha Permai (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Kresna Duta Agroindo (b1)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	95.21	95.21
PT Kurnia Cakra Sakti (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Langgeng Subur (b5)	Ownership and cultivation of ornamental plants	Indonesia	95.21	95.21
Madascar Capital Pte. Ltd.	Investment holding	Singapore	100.00	100.00
PT Mantap Andalan Unggul (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held through subsidiaries (cont'd)				
PT Maskapai Perkebunan Leidong West Indonesia (b1)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	95.21	95.21
PT Meganusa Intisawit (b1)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Meganusa Karya Langgeng (Note 38) (b7)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	-
PT Mitra Ekasukses Abadi (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Mitrakarya Agroindo (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Nabati Energi Mas (b5)	Production of palm oil based bio-diesel and other renewable resources based bio-fuel	Indonesia	95.21	95.21
Ningbo Shining Gold Cereal Oil Port Co., Ltd (b1)	Port and storage facilities	People's Republic of China	68.91	68.91
Ningbo Shining Gold Cereal Oil Storage Co., Ltd (b1)	Provide services in port loading, storage, packaging and transportation	People's Republic of China	68.91	68.91
PT Nusantara Candra (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Paramitra Agung Cemerlang (b7)	Provision of shipping and chartering services	Indonesia	100.00	100.00
PT Paramitra Internusa Pratama (Note 38) (b7)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	-
PT Pelangi Sungai Siak (b4)	Ownership and cultivation of oil palm plantation	Indonesia	80.92	80.92
PT Persada Graha Mandiri (Note 38) (b7)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	-
PT Perusahaan Perkebunan Panigoran (b5)	Ownership and cultivation of oil palm plantation	Indonesia	95.21	95.21
PT Pratama Ronaperintis (b4)	Investment holding	Indonesia	66.64	66.64

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held through subsidiaries (cont'd)				
Premier Foods International Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Propertindo Prima (b5)	Transportation service	Indonesia	95.21	95.21
PT Putra Manunggal Abadi (b5)	Investment holding	Indonesia	100.00	100.00
PT Rama Flora Sejahtera (b4)	Ownership and cultivation of oil palm plantation	Indonesia	95.21	95.21
PT Ramajaya Pramukti (b1)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
Rapid Growth Investments Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Rawa Bangunyaman (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Sangatta Andalan Utama (b4)	Ownership and cultivation of oil palm plantation	Indonesia	95.21	95.21
PT Satrindo Jaya Agropalma (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Satya Kisma Usaha (b5)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	95.21	95.21
PT Sawit Mas Sejahtera (b5)	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
PT Sawitakarya Manunggul (b5)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
Shining Gold Foodstuffs (Ningbo) Co., Ltd (b1)	Refinery of palm and vegetable oil	People's Republic of China	100.00	100.00
Shining Gold Oilseed Crushing (Ningbo) Co., Ltd (b1)	Manufacturing of crude vegetable oil	People's Republic of China	100.00	100.00

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held through subsidiaries (cont'd)				
Silverand Holdings Ltd (b1)	Investment holding	Mauritius	100.00	100.00
PT Sinar Kencana Inti Perkasa (b8)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
PT Sinar Mas Agro Resources and Technology Tbk (b1)	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill, refinery and producer of consumer cooking oil, shortening and margarine	Indonesia	95.21	95.21
Sinar Mas Natural Resources (China) Investment Co., Ltd (b4)	Investment holding	People's Republic of China	100.00 [c]	-
Sinarmas Natural Resources Foodstuff Technology (Nanjing) Co., Ltd (b4)	Refinery of palm and vegetable oil	People's Republic of China	100.00 [c]	-
Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co., Ltd (b4)	Refinery of palm and vegetable oil	People's Republic of China	100.00 [c]	-
PT Sinar Mas Super Air (b5)	Aerial manuring	Indonesia	98.32	98.32
Sinarkonex Korea Co., Ltd (b4)	Dormant	Korea	70.00	70.00
PT Soci Mas (b1)	Oleochemical industries	Indonesia	95.26	95.26
Sterling International Investment Ltd (b4)	Investment holding	Malaysia	100.00	100.00
Straits Investments Ltd (b1)	Investment holding	Mauritius	84.31	84.31
PT Sumber Indahperkasa (b5)	Ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	100.00	100.00
PT Swakarya Adhi Usaha (b5)	Provision of maintenance services for palm oil processing units	Indonesia	100.00	100.00

42 Group Companies (cont'd)

Name of Company	Principal activities	Place of business/ incorporation	Effective interest of the Company 2009 %	2008 %
Subsidiaries held through subsidiaries (cont'd)				
PT Tapian Nadenggan (b1)	Investment holding, ownership and cultivation of oil palm plantation, ownership and operation of mill	Indonesia	95.21	95.21
PT Tarunacipta Kencana (b7)	Ownership and operation of marine cargo	Indonesia	100.00	100.00
PT Tradisi Mas Sejahtera (b4)	Investment holding	Indonesia	62.50	62.50
PT Tradisi Sawit Mandiri Utama (b4)	Ownership and cultivation of oil palm plantation	Indonesia	85.00	85.00
PT Trans Indojaya Mas (b5)	Transportation services	Indonesia	98.34	98.34
PT Trimeru (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
PT Universal Transindo Mas (b5)	Transportation services	Indonesia	98.34	98.34
PT Usaha Malindo Jaya (b4)	Ownership and cultivation of oil palm plantation	Indonesia	100.00	100.00
Zhuhai Shining Gold Oil and Fats Industry Co., Ltd (b1)	Refinery of palm and vegetable oil	People's Republic of China	85.00	85.00
The Group's associated companies are:				
PT Hortimart Agrogemilang (b4)	Production and sale of seeds	Indonesia	37.23	37.23
PT Sinar Meadow International Indonesia (b1)	Production of special vegetable oil and fat	Indonesia	50.00	50.00
PT Dami Mas Sejahtera (b8)	Production and sale of oil palm seeds	Indonesia	50.00	50.00

42 Group Companies (cont'd)

Notes:

(a) 86.04% of the share capital of Purimas is directly held by the Company and the remaining 13.96% of the share capital is held by Silverand Holdings Ltd.

(b) The above group companies are audited by Moore Stephens LLP, Singapore except for group companies that are indicated below:

(1) Audited by member firms of Moore Stephens International Limited of which Moore Stephens LLP, Singapore is a member.

(2) Statutory audit not required by law in its country of incorporation.

(3) Audited by other firm of accountants, Kanaka Puradiredja, Robert Yogi, Suhartono.

(4) Statutory audit is not required as the subsidiary is newly incorporated/inactive.

(5) Audited by other firm of accountants, Drs. RB Tanubrata & Rekan (BDO).

(6) Audited by other firm of accountants, BDO International, Shanghai Zhonghua.

(7) Audited by other firm of accountants, Eddy Prakarsa Permana & Siddharta.

(8) Audited by other firm of accountants, Purwantono, Sarwoko & Sandjaja (Ernst & Young).

(9) Audited by other firm of accountants, Lam, Lee & So C.P.A. Company Limited.

(c) During the financial year 2009, the following new companies have been incorporated:

Subsidiaries	Initial Issued and Paid-up Capital
Easton Capital Resources Pte. Ltd.	1 ordinary share of US$1
Golden Agri Capital Pte. Ltd.	1 ordinary share of US$1
Golden Veroleum Limited	1 ordinary share of HK$1
	Registered capital
Sinar Mas Natural Resources (China) Investment Co., Ltd	US$30,000,000
Sinarmas Natural Resources Foodstuff Technology (Nanjing) Co., Ltd	US$12,000,000
Sinarmas Natural Resources Foodstuff Technology (Tianjin) Co., Ltd	US$33,000,000

Financial Statements

GOLDEN AGRI-RESOURCES LTD

(Incorporated in Mauritius)

REPORT OF THE DIRECTORS
AND FINANCIAL STATEMENTS

31 DECEMBER 2009

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

REPORT OF THE DIRECTORS AND FINANCIAL STATEMENTS

31 DECEMBER 2009

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

COMMENTARY OF THE DIRECTORS

The directors present their report, together with the audited financial statements of Golden Agri-Resources Ltd (the "Company") for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITY

The Company was incorporated on 15 October 1996 and its principal activity is that of an investment holding company.

RESULTS AND DIVIDENDS

The Company's net gain for the year ended 31 December 2009 was US$827,177,000 (2008: US$68,907,000).

At the Annual Meeting on 27 April 2010, a final dividend (tax not applicable) of S$0.00495 per share, based on the total number of issued and paid-up shares of 12,138,676,942 shares of US$0.025 each, amounting to S$60,086,450.86 (equivalent to approximately US$42,797,000) will be recommended by the directors.

STATEMENT OF DIRECTORS' RESPONSIBILITIES IN RESPECT OF THE FINANCIAL STATEMENTS

Company law requires the directors to prepare financial statements for each financial year, which present fairly the financial position, financial performance, changes in equity and cash flows of the Company. In preparing those financial statements, the directors are required to:

- Select suitable accounting policies and then apply them consistently;
- Make judgements and estimates that are reasonable and prudent;
- State whether International Financial Reporting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records, which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the Mauritian Companies Act 2001. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

INDEPENDENT AUDITORS

The independent auditors, Moore Stephens, have expressed their willingness to continue in office and are automatically reappointed under the Mauritian Companies Act 2001 at the next Annual Meeting.

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

CERTIFICATE FROM THE SECRETARY

We certify that, to the best of our knowledge and belief that we have filed with the Registrar of Companies all such returns as are required of Golden Agri-Resources Ltd under the Mauritian Companies Act 2001 for the financial year ended 31 December 2009.

CORPORATE SECRETARY
c/o Multiconsult Limited
Rogers House,
5, President John Kennedy Street,
Port Louis,
MAURITIUS

Date: 18 March 2010

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

This report, including the opinion, has been prepared for and only for the Company's members, as a body, in accordance with Section 205 of the Mauritian Companies Act 2001 and for no other purpose. We do not in, giving this opinion, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.

Report on the Financial Statements

We have audited the financial statements of Golden Agri-Resources Ltd, set out on pages 5 to 24, which comprise the statement of financial position at 31 December 2009 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and a summary of significant accounting policies and other explanatory notes.

Directors' Responsibility for the Financial Statements

The directors are responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards and in compliance with the requirements of the Mauritian Companies Act 2001. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair representation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with International Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Company’s preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

REPORT OF THE INDEPENDENT AUDITORS TO THE MEMBERS OF GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

Opinion

In our opinion, the financial statements on pages 5 to 24 give a true and fair view of the financial position of the Company at 31 December 2009 and of its financial performance, its changes in equity and its cash flows for the year then ended in accordance with International Financial Reporting Standards and comply with the Mauritian Companies Act 2001.

Report on Other Legal and Regulatory Requirements

We have no relationship with or interests in the Company other than in our capacities as auditors and tax advisers.

We have obtained all the information and explanations we have required.

In our opinion, proper accounting records have been kept by the Company as far as it appears from our examination of those records.

Moore Stephens
Chartered Certified Accountants

Port Louis, Mauritius
Date: 18 March 2010

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 US$'000	2008 US$'000
Management fee income from subsidiaries		-	4,200
Administrative expenses		(1,825)	(6,637)
Dividend income		-	43,113
Financial income	6	10,654	28,809
Financial expenses	7	(363)	(1,455)
Foreign exchange (loss)/gain, net		(1,639)	2,240
Gain on disposal of a subsidiary	11	820,509	-
Profit before income tax	8	827,336	70,270
Income tax	9	(159)	(1,363)
Profit for the year, representing total comprehensive income for the year		827,177	68,907

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2009

	Note	2009 US$'000	2008 US$'000
Current assets			
Cash and cash equivalents	10	1,140	1,249
Non-trade receivable from a related party	13	386	377
Prepaid expenses		45	24
Other receivables		-	8
		1,571	1,658
Non-current assets			
Interest in subsidiaries	11	2,755,328	1,727,746
Total Assets		2,756,899	1,729,404
Current liabilities			
Short-term bank loan, unsecured	12	10,000	10,000
Accrued operating expenses		401	300
Other payables		28	109
Non-trade payable to a related party	13	128	2,467
Loans and advances from subsidiaries, unsecured	14	33,113	46,268
Income tax payable		-	361
		43,670	59,505
Net Assets		2,713,229	1,669,899
Equity			
Issued capital	15	303,467	249,397
Share premium		1,569,185	1,407,102
Retained earnings		840,577	13,400
		2,713,229	1,669,899

On behalf of the Board of Directors,

FRANKY OESMAN WIDJAJA
Director

SIMON LIM
Director

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2009

	Issued Capital US$'000	Share Premium US$'000	Retained Earnings US$'000	Total US$'000
Balance as at 1 January 2009	249,397	1,407,102	13,400	1,669,899
Issuance of shares pursuant to Bonus Issue	9,976	(9,976)	-	-
Issuance of shares pursuant to Rights Issue	44,094	176,374	-	220,468
Share issuance expenses	-	(4,315)	-	(4,315)
Total comprehensive income for the year	-	-	827,177	827,177
Balance as at 31 December 2009	303,467	1,569,185	840,577	2,713,229
Balance as at 1 January 2008	249,397	1,406,970	36,837	1,693,204
Adjustment to share issuance expenses	-	132	-	132
Dividends (Note 17)	-	-	(92,344)	(92,344)
Total comprehensive income for the year	-	-	68,907	68,907
Balance as at 31 December 2008	249,397	1,407,102	13,400	1,669,899

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2009

	Note	2009 US$'000	2008 US$'000
Cash flows from operating activities			
Profit before income tax		827,336	70,270
Adjustments for:			
Interest expense		363	1,455
Interest income		(10,654)	(28,809)
Gain on disposal of a subsidiary		(820,509)	-
Dividend income		-	(43,113)
Operating cash flow before working capital changes		(3,464)	(197)
Changes in operating assets and liabilities:			
Non-trade payable to a related party		(2,339)	1,771
Accrued operating expenses		101	(92)
Non-trade receivable from a related party		(9)	(51)
Prepaid expenses		(21)	(1)
Other payables		-	(64)
Cash (used in)/generated from operations		(5,732)	1,366
Interest paid		(200)	(407)
Interest received		17	79
Income tax paid		(520)	(3,326)
Net cash used in operating activities		(6,435)	(2,288)
Cash flows from investing activities			
(Disbursements of)/Proceeds from loans and advances to subsidiaries, net		(401,648)	183,843
Redemption of /(Payments for) bonds issued by subsidiaries, net		205,220	(134,328)
Dividend income received from subsidiaries		-	43,113
Net cash (used in)/generated from investing activities		(196,428)	92,628
Cash flows from financing activities			
(Repayments of)/Proceeds from loans and advances from subsidiaries, net		(13,399)	11,732
Payment of short-term bank loan, unsecured		-	(10,000)
Payment of dividends		-	(92,344)
Net proceeds from Rights Issue		216,153	-
Decrease/(Increase) in time deposits pledged		35	(36)
Net cash generated from/(used in) financing activities		202,789	(90,648)
Net decrease in cash and cash equivalents		(74)	(308)
Cash and cash equivalents at the beginning of the year		264	572
Cash and cash equivalents at the end of the year	10	190	264

The accompanying notes form an integral part of these financial statements.

GOLDEN AGRI-RESOURCES LTD
(Incorporated in Mauritius)

NOTES TO THE FINANCIAL STATEMENTS
31 DECEMBER 2009

These notes are an integral part of and should be read in conjunction with the accompanying financial statements.

1 General

Golden Agri-Resources Ltd (“GAR” or the "Company") was incorporated in Mauritius on 15 October 1996 under Section 19 of the Companies Act 1984 as a private company limited by shares and was granted an offshore certificate under Section 16(4) of the Mauritius Offshore Business Activities ("MOBA") Act 1992 on 16 October 1996. On 9 July 1999, the Company was admitted to the Official List of the Singapore Exchange Securities Trading Limited.

The Companies Act 1984 and the MOBA Act 1992 had been repealed and replaced by the Companies Act 2001 and the Financial Services ("FS") Act 2007, respectively. With effect from 1 December 2001, "offshore companies" are now referred to as "Global Business Licence Category 1 ("GBL1") companies".

The registered office of the Company is c/o Multiconsult Limited, Rogers House, 5, President John Kennedy Street, Port Louis, Mauritius. The principal activity of the Company is that of an investment holding company.

The financial statements were authorised for issue by the Board of Directors on 18 March 2010.

2 Adoption of New and Revised International Financial Reporting Standards ("IFRS")

During the current financial year, the Company has adopted all the new and revised IFRSs and Interpretations to IFRS issued that are relevant to its operations and effective for annual periods beginning on 1 January 2009. The adoption of these new and revised IFRSs and Interpretations to IFRS has had no material financial impact on the Company’s financial statements.

As at the date of these financial statements, the following revisions and amendments to the IFRSs and new Interpretations to IFRS that are relevant to the Company’s operation were in issue but not yet effective:

- IAS 1, Presentation of Financial Statements – Amendments resulting from April 2009 Annual Improvements to IFRSs
- IAS 7, Statement of Cash Flows – Amendments resulting from April 2009 Annual Improvements to IFRSs
- IAS 17, Leases – Amendments resulting from April 2009 Annual Improvements to IFRSs
- IAS 24, Related Party Disclosures – Revised definition of related parties
- IAS 27, Consolidated and Separate Financial Statements – Consequential amendments arising from amendments to IFRS 3
- IAS 28, Investments in Associates – Consequential amendments arising from amendments to IFRS 3
- IAS 32, Financial Instruments: Presentation – Amendments relating to classification of rights issues
- IAS 36, Impairment of Assets – Amendments resulting from April 2009 Annual Improvements to IFRSs
- IAS 38, Intangible Assets – Amendments resulting from April 2009 Annual Improvements to IFRSs

2 Adoption of New and Revised International Financial Reporting Standards ("IFRS") (cont'd)

- IAS 39, Financial Instruments: Recognition and Measurement – Amendments for embedded derivatives when reclassifying financial instruments; Amendments resulting from April 2009 Annual Improvements to IFRSs and Amendments for eligible hedged items
- IFRS 2, Share-based Payment – Amendments resulting from April 2009 Annual Improvements to IFRSs and Amendments relating to group cash-settled share-based payment transactions
- IFRS 3, Business Combinations – Comprehensive revision on applying the acquisition method
- IFRS 8, Operating Segments – Amendments resulting from April 2009 Annual Improvements to IFRSs
- IFRS 9, Financial Instruments – Classification and Measurement
- IFRIC 14, IAS 19, The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction
- IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

The directors anticipate that the adoption of these IFRSs and Interpretations to IFRS in future periods will not have a material financial impact on the financial statements.

3 Summary of Accounting Policies

(a) Basis of Financial Statements Preparation

The financial statements, which are expressed in United States dollar, are prepared in accordance with the historical cost convention, except as disclosed in the accounting policies below and are drawn up in accordance with the provisions of IFRS.

The preparation of financial statements in conformity with IFRS requires the use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the end of the reporting period and the reported amounts of revenues and expenses during the financial year. Although these estimates are based on management's best knowledge of current events and actions, actual results may actually differ from these estimates. Critical accounting estimates and assumptions used that are significant to the financial statements and areas involving a higher degree of judgement and complexity are disclosed in Note 5 to the financial statements.

(b) Functional and Presentation Currency

The functional and presentation currency of the Company is the United States dollar as the directors are of the opinion that the United States dollar provides information about the Company which is useful and reflects the primary economic environment in which the Company operates.

(c) Foreign Currencies

Transactions in a currency other than the functional currency ("foreign currency") are translated into United States dollar at the rates of exchange prevailing at the time the transactions are entered into. At the end of the reporting period, monetary assets and liabilities denominated in foreign currencies are translated into United States dollar at exchange rates prevailing at such date. Exchange differences arising from the settlement of foreign currency transactions and from translation of foreign currency denominated monetary assets and liabilities are taken to the profit or loss.

3 Summary of Accounting Policies (cont'd)

(c) Foreign Currencies (cont'd)

Non-monetary items that are measured in terms of historical cost in foreign currency are translated using the exchange rates at the date of initial transactions. Non-monetary items denominated in foreign currencies that are measured at fair value are translated using the exchange rate at the date that the fair value was determined. Currency translation differences on non-monetary items are recognised as part of the fair value gain or loss in profit or loss, except for differences arising from translation of available-for-sale financial assets, which are recognised in other comprehensive income.

(d) Revenue Recognition

Management income is recognised in the period in which the services are rendered.

Interest income from time deposits and other financial assets are recognised on a time-proportion basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend income from investments is recognised when the Company's right to receive payment has been established.

(e) Income Tax

Current income tax for current and prior years is recognised at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax liabilities are recognised on temporary differences arising on investments in subsidiaries except where the timing of the reversal of the temporary difference can be controlled by the Company and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred income tax is charged or credited to the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred income tax is also dealt with in equity. Deferred income tax assets and liabilities are offset when they relate to income taxes levied by the same tax authority. Tax rates enacted or substantively enacted by the end of the reporting period are used to determine deferred tax.

(f) Cash and Cash Equivalents

Cash and cash equivalents comprise cash at banks and time deposits with maturities of three months or less at the time of placement. For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of time deposits pledged as security.

3 Summary of Accounting Policies (cont'd)

(g) Investment in Subsidiaries

Investment in subsidiaries is stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount.

A subsidiary is an entity controlled by the Company. Control is normally evidenced when the Company owns directly or indirectly, more than 50% of the voting rights of the entity's issued share capital and is able to govern the financial and operating policies of the entity so as to benefit from its activities.

(h) Financial Instruments and Equity

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of trading the receivable. The Company's loans and receivables comprise non-trade and other receivables.

Receivables are measured at initial recognition at fair value which is normally the face value, and are subsequently measured at amortised cost using the effective interest method. Appropriate allowances for estimated irrecoverable amounts are recognised in the profit or loss when there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Non-trade and other payables are stated at face value which is the fair value of the debts. Where the effect of time value of money is material, the liabilities are the present values of the expenditures expected to be required to settle the obligation.

Interest-bearing bank loans are initially recorded at the proceeds received, net of direct issue costs and subsequently carried at amortised cost. Finance charges are recognised in profit or loss over the period of borrowings using the effective interest method.

Ordinary shares are classified as equity. Equity is recorded at the proceeds received, net of direct issue costs.

(i) Impairment of Non-Financial Assets

At the end of each reporting period, the Company reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss or whether there is any indication that an impairment loss previously recognised for an asset in prior years may no longer exist or may have decreased. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. An asset's recoverable amount is calculated as the higher of the asset's value in use and/or its fair value less cost to sell.

3 Summary of Accounting Policies (cont'd)

(i) Impairment of Non-Financial Assets (cont'd)

Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognised as an expense immediately, unless the relevant asset is land or buildings at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but only to the extent that it does not restate the asset to a carrying amount in excess of what would have been determined (net of depreciation) had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised as income immediately, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(j) Dividend Distribution

Dividend distribution to the Company's shareholders is recognised as a liability in the Company's financial statements in the period in which the dividends are approved by the Company's shareholders.

(k) Financial Guarantees

The Company has issued corporate guarantees to creditors for borrowings of its subsidiaries. These guarantees are financial guarantee contracts as they require the Company to reimburse the creditors if the subsidiaries fail to make principal or interest payments when due in accordance with the terms of their borrowings.

Financial guarantee contracts are initially recognised at their fair values plus transaction costs.

Financial guarantee contracts are subsequently amortised to the profit or loss over the period of the subsidiaries' borrowings, unless the Company has incurred an obligation to reimburse the creditors for an amount higher than the unamortised amount.

In this case, the financial guarantee contracts shall be carried at the expected amount payable to the creditors.

4 Financial Risk Management

(a) Capital Risk Management

The Company manages its capital to safeguard the Company's ability to continue as a going concern in order to provide return for shareholders and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital. The Company's overall strategy remains unchanged since 2008.

4 Financial Risk Management (cont'd)

(a) Capital Risk Management (cont'd)

The capital structure of the Company consists of equity attributable to owners of the Company, comprising share capital, share premium and retained earnings and net debts, which includes the borrowings, loans and advances from subsidiaries, net of cash and cash equivalents.

The Company is not subjected to externally imposed capital requirements.

The debts-to-equity ratio as at 31 December 2009 and 2008 are as follows:

	2009 US$'000	2008 US$'000
Bank borrowings	10,000	10,000
Loans and advances from subsidiaries	33,113	46,268
	43,113	56,268
Cash and cash equivalents	(1,140)	(1,249)
Net debts	41,973	55,019
Equity	2,713,229	1,669,899
Debts-to-equity ratio	0.02	0.03

(b) Financial Risk Management

The Company's activities exposed it to a variety of financial risks, including the effects of changes in interest rate risk, foreign exchange risk, credit risk and liquidity risk arising in the normal course of the Company's business. The Company's risk management seeks to minimise the potential adverse effects from these exposures. The management reviews and agrees policies for managing each of these risks and they are summarised below:

(i) Interest Rate Risk

The Company's exposure to interest rate risk arises from its short-term bank loan and loans and advances to and from subsidiaries. The Company constantly reviews its debt portfolio and monitors the changes in interest rate environment to ensure that interest receipts and payments are within acceptable level. Information relating to the interest rates and terms of repayment of interest-bearing financial assets and liabilities are disclosed in Notes 10 to 14 to the financial statements

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(i) Interest Rate Risk (cont'd)

The table below set out the interest rate profile of interest-bearing financial assets and liabilities:

	2009 US$'000	2008 US$'000
Assets at Variable Rates		
Cash and cash equivalents	1,140	1,249
Other financial assets	100,262	361,382
	101,402	362,631
Liabilities at Variable Rates		
Borrowings	10,000	10,000
Other financial liabilities	9,846	13,451
	19,846	23,451

At 31 December 2009, if interest rates on all variable rate borrowings had been 0.5% higher/lower with all other variables held constant, profit before income tax and total comprehensive income for the year would have been approximately US$50,000 and US$48,000 (2008: US$50,000 and US$48,000) lower/higher respectively, mainly as a result of higher/lower interest expense on the variable rate borrowings. This analysis is prepared assuming the amount of borrowings outstanding at date of the statement of financial position was outstanding for the whole year.

(ii) Credit Risk

The Company's policy is to enter into transactions with creditworthy counterparties so as to mitigate any significant credit risk. Bank balances were placed in financial institutions of good credit rating and are monitored closely by the Company on an on-going basis.

The maximum exposure to credit risk in the event that the counterparties fail to perform their obligations as at the end of the reporting period in relation to each class of recognised financial assets is the carrying amount of those assets as stated in the statement of financial position, except as follows:

	2009 US$'000	2008 US$'000
Corporate guarantees provided to financial institutions on subsidiaries' borrowings:		
- Total facilities	603,866	526,510
- Total utilisation	356,160	223,906

As at the end of the reporting period, the Company does not have any significant concentration of credit risk.

4 Financial Risk Management (cont'd)

(b) Financial Risk Management (cont'd)

(iii) Foreign Currency Risk

The Company's foreign currency exposure arises mainly from the exchange rate movements of the Singapore dollar and the United States dollar which is also the Company's functional currency.

As at the end of the reporting period, the Company's net monetary assets are denominated in United States dollar, hence the Company does not have any significant exposure to foreign currency.

(iv) Liquidity Risk

To manage liquidity risk, the Company monitors and maintains a level of cash and cash equivalents deemed adequate by the management to finance its operations and mitigate the effects of fluctuations in cash flows. The Company relies on funds from subsidiaries as a significant source of liquidity.

The table below analyses the maturity profile of the Group's financial guarantees provided to financial institutions on subsidiaries' borrowings that shows the remaining contractual maturities:

At 31 December 2009	Less than 1 year US$'000	1 to 5 years US$'000	Over 5 years US$'000	Total US$'000
Financial guarantee contracts	146,167	190,793	19,200	356,160

5 Critical Accounting Estimate and Assumption

Impairment of Assets

The Company reviews the carrying amounts of the assets as at the end of each reporting period to determine whether there is any indication of impairment. If any such indication exists, the assets recoverable amount or value in use is estimated. Determining the value in use of long-lived assets, which require the determination of future cash flows expected to be generated from the continued use and ultimate disposition of such assets, requires the Company to make estimates and assumptions that can materially affect the financial statements. Any resulting impairment loss could have a material adverse impact on the Company's financial position and results of operations.

The preparation of the estimated future cash flows involves significant judgement and estimations. While the Company believes that the assumptions are appropriate and reasonable, significant changes in the assumptions may materially affect the assessment of recoverable amounts and may lead to future impairment charges.

As at 31 December 2009, there is no significant impairment loss recognised in the financial statements.

6 Financial Income

	2009 US$'000	2008 US$'000
Interest income:		
- loans to subsidiaries	10,645	28,722
- cash and cash equivalents	9	87
	10,654	28,809

7 Financial Expenses

	2009 US$'000	2008 US$'000
Interest expenses:		
- short-term bank loan	119	495
- loans from subsidiaries	244	960
	363	1,455

8 Profit before Income Tax

This is arrived at after charging:

	2009 US$'000	2008 US$'000
Staff costs*	724	296

* This represents short-term employment benefits paid to key management personnel who are also directors.

Share-based Payment

The Company introduced the GAR Group Restricted Share Plan ("RSP") which was approved by shareholders at the special meeting of the Company held on 24 October 2008. The RSP is intended to align the interests of key management and executives of the Company and its subsidiaries with the interests of shareholders. It is also expected to enhance the Company's competitiveness in motivating and retaining talented key senior management and executives. The plan contemplates the award of fully paid shares of the Company upon meeting prescribed performance target(s) and/or service condition(s). Awards granted will vest upon the satisfactory achievement of pre-determined operational and financial performance target(s).

As at 31 December 2009 and 31 December 2008, no awards have been granted by the Company under the RSP.

9 Income Tax

	2009 US$'000	2008 US$'000
Tax expense attributable to profit is made up of:		
- Current income tax	211	1,352
- (Over)/Under-provision of income tax in respect of prior years	(52)	11
	159	1,363

The reconciliation of the current year tax expense and the product of accounting profit multiplied by the Mauritius statutory tax rate is as follows:

	2009 US$'000	2008 US$'000
Profit before income tax	827,336	70,270
Tax calculated at tax rate of 15% (2008: 15%)	124,100	10,541
Expenses not deductible for tax purposes	49	63
Income not subject to tax	(123,128)	(3,791)
(Over)/Under-provision of income tax in respect of prior years	(52)	11
Deemed foreign tax credit	(810)	(5,461)
	159	1,363

The Company, being a GBL1 company for the purpose of the FS Act 2007 (see Note 1), is taxed in Mauritius at a fixed rate of 15% (2008: 15%). It is, however, entitled to a tax credit equivalent to the higher of the foreign taxes paid and 80% (2008: 80%) of the Mauritius tax on its foreign source income, thereby giving an effective tax rate of 3%. Interest income from any bank under the Banking Act 2004 is exempt from tax and there is no tax on capital gains in Mauritius.

10 Cash and Cash Equivalents

	2009 US$'000	2008 US$'000
Cash at banks	190	264
Time deposits	950	985
Total cash and cash equivalents	1,140	1,249
Less: Time deposits pledged as security for banker guarantee	(950)	(985)
Cash and cash equivalents for statement of cash flows purposes	190	264

Cash and cash equivalents are denominated in the following currencies:

	2009 US$'000	2008 US$'000
United States dollar	1,067	1,147
Singapore dollar	73	102
	1,140	1,249

10 Cash and Cash Equivalents (cont'd)

The above time deposits earn interest ranging from 0.1% - 3.5% (2008: 2.6% - 4.7%) per annum. The carrying amounts of these assets approximate their fair values due to the relatively short-term maturity of these balances.

11 Interest in Subsidiaries

	2009 US$'000	2008 US$'000
Investment in unquoted equity shares, at cost [a]	826,574	1,012,792
Loans and advances to subsidiaries, unsecured [b]	1,928,754	509,734
Bonds issued by subsidiaries, unsecured [c]	-	205,220
	2,755,328	1,727,746

(a) Details of the direct subsidiaries held by the Company are as follows:

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of equity held by the Company 2009	2008	Cost of investment 2009	2008
		%	%	US$'000	US$'000
Asia Integrated Agri Resources Limited (i) Bermuda	Investment holding	100	100	98,000	98,000
Asia Palm Oil Investment Pte. Ltd. (i) Singapore	Investment holding	100	100	-*	-*
Blue Sky Golden Energy Ltd Mauritius	Investment holding	100	100	-*	-*
Easton Capital Resources Pte. Ltd. Singapore (iii), (d)	Investment holding	100	-	-**	-
Golden Agri Capital Pte. Ltd. Singapore (iii), (d)	Investment holding	100	-	-**	-
Golden Agri International Finance Ltd Mauritius	Treasury management	100	100	-*	-*
Golden Agri International Finance (2) Ltd (ii) British Virgin Islands	Treasury management	100	100	-***	-***
Golden Agri International (Mauritius) Ltd Mauritius	Provision of management and consultancy services	100	100	-*	-*
Golden Agri International Pte Ltd (i) Singapore	Trading in crude palm oil and related products	100	100	14,614	14,614

11 Interest in Subsidiaries (cont'd)

Name of subsidiary/Country of incorporation and Place of business	Principal activities	Percentage of equity held by the Company		Cost of investment	
		2009	2008	2009	2008
		%	%	US$'000	US$'000
Golden Agri International Trading Ltd (i) Malaysia	Trading in crude palm oil and related products	100	100	-**	-**
Golden Agri Investment (S) Pte. Ltd. (i) Singapore	Investment holding	100	100	-**	-**
Golden Agri (Labuan) Ltd (i) Malaysia	Trading in crude palm oil and related products	100	100	-**	-**
Madascar Investment Ltd Mauritius	Investment holding	100	100	67,600	67,600
P.T. Purimas Sasmita (i) Indonesia	Investment holding, business and management consultancy, and trading	100	100	646,360	646,360
Silverand Holdings Ltd (e) Mauritius	Investment holding	-	100	-	186,218
				826,574	1,012,792

* Cost of investment amounted to US$2.
** Cost of investment amounted to US$1.
*** Cost of investment amounted to US$450.

Notes:
The above subsidiaries are audited by Moore Stephens, Mauritius except for subsidiaries that are indicated below:

(i) Audited by member firms of Moore Stephens International of which Moore Stephens, Mauritius is a member.
(ii) No statutory audit required by law in its country of incorporation.
(iii) Statutory audit not required as the subsidiary is newly incorporated/inactive.

(b) The loans to subsidiaries included US$100,262,000 (2008: US$361,382,000) which bears interest from 1.7% - 3.8% (2008: 3.6% - 6.4%) per annum and are not expected to be repaid in the near future. The fair value of loans and advances is not determinable as the timing of the future cash flows arising from this amount cannot be measured reliably, hence this amount is recognised at transaction price.

11 Interest in Subsidiaries (cont'd)

(b) The loans and advances to subsidiaries are denominated in the following currencies:

	2009 US$'000	2008 US$'000
United States dollar	1,928,704	479,136
Singapore dollar	34	30,598
Malaysian ringgit	16	-
	1,928,754	509,734

(c) As at 31 December 2008, the balance represented 5-year Zero Percent Convertible Bonds issued by a subsidiary, P.T. Purimas Sasmita, with maturity dates in 2012 and 2013. These bonds were denominated in United States dollar and were fully redeemed during the financial year 2009.

(d) During the financial year 2009, the following new wholly-owned companies have been incorporated:

Subsidiaries	Initial Issued and Paid-up Capital
Easton Capital Resources Pte. Ltd.	1 ordinary share of US$1
Golden Agri Capital Pte. Ltd.	1 ordinary share of US$1

(e) During the financial year 2009, the Company disposed its entire interest in the share capital of Sliverand Holdings Ltd to Golden Agri Capital Pte. Ltd.

In the opinion of the directors, the recoverable amount of its interest in subsidiaries is not less than the carrying amount of the interest in subsidiaries, on the basis that the present value of estimated future cash flows expected to arise from the subsidiaries' operations over the next few years will exceed the carrying amount of the investment in these subsidiaries.

12 Short-Term Bank Loan, Unsecured

The unsecured short-term bank loan, denominated in United States dollar, bears interest at 1.0% to 4.3% (2008: 3.3% to 5.4%) per annum and is repayable on demand. The carrying amount of this loan approximates its fair value due to the relatively short-term maturity of this balance.

13 Non-Trade Receivable from/Payable to a Related Party

The unsecured non-trade receivable from/payable to a related party is interest free, repayable on demand and is denominated in the following currencies:

	2009	2008
	US$'000	US$'000
Receivable from a related party:		
Singapore dollar	386	377
Payable to a related party:		
Singapore dollar	128	2,467

The carrying amount of this receivable approximates its fair value due to the relatively short-term maturity of this balance. The carrying amount of this payable approximates its fair value due to the relatively short-term maturity of this balance.

14 Loans and Advances from Subsidiaries, Unsecured

The unsecured loans and advances from subsidiaries, denominated in United States dollar, included US$9,846,000, (2008: US$13,451,000) which bears interest ranging from 0.3% to 4.4% (2008: 2.2% to 6.4%) per annum and are repayable on demand. The carrying amounts of these loans approximate their fair values due to the relatively short-term maturity of these balances.

15 Issued Capital

	2009		2008	
	No of Shares	US$'000	No of Shares	US$'000
Issued and fully paid:				
Balance at beginning of the year	9,975,903,792	249,397	4,987,951,896	249,397
Subdivision of share (a)	-	-	4,987,951,896	-
Issuance of shares pursuant to Bonus Issue (b)	399,033,766	9,976	-	-
Issuance of shares pursuant to Rights Issue (c)	1,763,739,384	44,094	-	-
Balance at end of the year	12,138,676,942	303,467	9,975,903,792	249,397

(a) Pursuant to the approval given by the shareholders at an Extraordinary General Meeting held on 15 February 2008, each ordinary share of the Company of par value US$0.05 each was sub-divided into two ordinary shares of par value US$0.025 each on 22 February 2008.

15 Issued Capital (cont'd)

(b) On 2 April 2009, 399,033,766 ordinary shares of US$0.025 each have been allotted and issued to the shareholders of the Company pursuant to the bonus issue on the basis of one bonus share credited as fully paid by capitalisation of the Company's share premium account, for every 25 existing shares held in the Company. The bonus shares ranked pari passu in all respects with the existing shares of the Company.

(c) Subsequently, on 24 July 2009, 1,763,739,384 ordinary shares at an issue price of S$0.18 (equivalent to US$0.125) per share and 705,493,728 detachable warrants were allotted and issued pursuant to the rights issue exercise on the basis of 17 rights shares for every 100 existing shares held in the Company and 2 warrants for every 5 rights shares subscribed ("Rights Issue"). Each detachable warrant carries the right to subscribe for one new ordinary share at an exercise price of S$0.54 per share, on the exercise date.

The net proceeds of approximately S$311 million (equivalent to US$216 million) from the Rights Issue will be utilised for supporting the Group's on-going organic growth and capital expenditure, pursuing value-creating mergers and acquisitions and expansion opportunities and general corporate purposes. As at 31 December 2009, the Company, through its wholly-owned subsidiary, has disbursed US$80 million for the acquisition of new subsidiaries.

As at 31 December 2009, the number of outstanding warrants was 705,493,728 and may only be exercised on the third (3rd) anniversary of the date of issuance (i.e. 23 July 2012).

16 Related Party Transactions

(a) Related parties are entities (except for holding company and associated company) with common direct or indirect shareholders and/or directors. Parties are considered to be related (directly or indirectly) if one party has the ability to control the other party or exercise significant influence over the other party in making financial and operating decisions.

(b) In addition to the related party information disclosed elsewhere in the financial statements, significant transactions with related party, on terms agreed between parties, are as follows:

	2009 US$'000	2008 US$'000
Management fee expense paid/payable to a related party	-	4,943
Advisory fee to a related party	207	141

17 Dividends

	2009 US$'000	2008 US$'000
Final dividend paid in respect of the previous year of US$Nil (2008: US$0.005) per qualifying share	-	36,768
Interim dividend paid in respect of the current year of S$Nil (2008: S$0.008) per qualifying share	-	55,576
	-	92,344

At the Annual Meeting on 27 April 2010, a final dividend (tax not applicable) of S$0.00495 per share, based on the total number of issued and paid up shares of 12,138,676,942 shares of US$0.025 each, amounting to S$60,086,450.86 (equivalent to approximately US$42,797,000) will be recommended. These financial statements do not reflect this dividend, which will be accounted for in shareholders' equity as an appropriation of retained earnings for the financial year ending 31 December 2010.

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Shareholding Statistics

As at 11 March 2010

STATED CAPITAL : US$1,872,652,475.28
CLASS OF SHARES : Ordinary shares of US$0.025 each with equal voting rights

There are no treasury shares held in the capital of the Company.

Size of Shareholdings	No. of Shareholders	%	No. of Shares	%
1 - 999	3,349	8.83	1,559,430	0.01
1,000 - 10,000	17,280	45.57	99,182,515	0.82
10,001 - 1,000,000	17,204	45.36	805,778,216	6.64
1,000,001 & ABOVE	91	0.24	11,232,156,781	92.53
Total	37,924	100.00	12,138,676,942	100.00

TWENTY LARGEST SHAREHOLDERS

Name of Shareholders	No. of Shares	%
FLAMBO INTERNATIONAL LIMITED	3,165,908,259	26.08
RAFFLES NOMINEES (PTE) LTD	1,991,922,190	16.41
CITIBANK NOMINEES S'PORE PTE LTD	1,210,095,915	9.97
HSBC (SINGAPORE) NOMINEES PTE LTD	1,005,015,285	8.28
MASSINGHAM INTERNATIONAL LTD	1,000,016,678	8.24
DBS NOMINEES PTE LTD	814,976,512	6.72
CIMB-GK SECURITIES PTE. LTD.	471,083,244	3.88
DBSN SERVICES PTE LTD	454,021,857	3.74
UNITED OVERSEAS BANK NOMINEES PTE LTD	344,907,503	2.84
NOMURA SINGAPORE LIMITED	248,427,772	2.05
UOB KAY HIAN PTE LTD	49,749,060	0.41
OCBC SECURITIES PRIVATE LTD	39,589,588	0.33
BNP PARIBAS SECURITIES SERVICES SPORE	33,812,859	0.28
PHILLIP SECURITIES PTE LTD	31,689,904	0.26
DBS VICKERS SECURITIES (S) PTE LTD	31,316,285	0.26
DB NOMINEES (S) PTE LTD	30,132,518	0.25
MORGAN STANLEY ASIA (S'PORE) SECURITIES PTE LTD	25,887,670	0.21
HL BANK NOMINEES (S) PTE LTD	24,142,484	0.20
MERRILL LYNCH (S'PORE) PTE LTD	20,856,132	0.17
TM ASIA LIFE SINGAPORE LTD-PAR FUND	14,800,000	0.12
Total	11,008,351,715	90.70

SUBSTANTIAL SHAREHOLDERS

	No. of Shares in which they have an interest				
Name	**Direct Interest**	**Percentage (%)**	**Deemed Interest**	**Percentage (%)**	**Total Direct & Deemed Interest (%)**
MASSINGHAM INTERNATIONAL LTD ("MIL")	2,377,110,393	19.58	–	–	19.58
FLAMBO INTERNATIONAL LIMITED[1] ("Flambo")	3,521,464,359	29.01	2,377,110,393	19.58	48.59
THE WIDJAJA FAMILY MASTER TRUST(2)[2] ("WFMT(2)")	–	–	5,898,574,752	48.59	48.59

Notes:

1 The deemed interest of Flambo arises from its interest in 2,377,110,393 shares held by its wholly-owned subsidiary, MIL in the Company.

2 The deemed interest of WFMT(2) arises from its interest in 2,377,110,393 shares held by MIL and 3,521,464,359 shares held by Flambo in the Company.

Based on the information available to the Company as at 11 March 2010, approximately 51% of the issued ordinary shares of the Company is held by the public and therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Warrantholding Statistics

As at 11 March 2010

NO. OF WARRANTS	:	705,493,728
EXPIRY DATE OF WARRANTS	:	23 July 2012 ("Exercise Date"), provided if such day falls on a day on which the Register of Members and/or the Register of Warrantholders are closed or is not a business day, then the Exercise Date shall be the next business day on which the Register of Members and the Register of Warrantholders are open.

Each Warrant entitles the holder to subscribe for one (1) new ordinary share of US$0.025 each ("New Share") at an exercise price of S$0.54 for each New Share on the Exercise Date.

Size of Warrantholdings	No. of Warrantholders	%	No. of Warrants	%
1 - 999	10,969	59.62	5,156,162	0.73
1,000 - 10,000	6,657	36.19	17,483,648	2.48
10,001 - 1,000,000	743	4.04	48,760,528	6.91
1,000,001 & ABOVE	28	0.15	634,093,390	89.88
Total	18,397	100.00	705,493,728	100.00

TWENTY LARGEST WARRANTHOLDERS

Name of Warrantholders	No. of Warrants	%
FLAMBO INTERNATIONAL LIMITED	184,001,505	26.08
RAFFLES NOMINEES (PTE) LTD	132,690,018	18.81
CITIBANK NOMINEES S'PORE PTE LTD	89,534,496	12.69
MASSINGHAM INTERNATIONAL LTD	58,120,627	8.24
HSBC (SINGAPORE) NOMINEES PTE LTD	43,465,032	6.16
CIMB-GK SECURITIES PTE. LTD.	30,615,064	4.34
DBS NOMINEES PTE LTD	17,015,118	2.41
KIM ENG SECURITIES PTE. LTD.	16,013,029	2.27
NOMURA SINGAPORE LIMITED	15,948,831	2.26
UNITED OVERSEAS BANK NOMINEES PTE LTD	7,727,931	1.10
DBSN SERVICES PTE LTD	5,553,328	0.79
KO SENG HOCK	4,705,120	0.67
DB NOMINEES (S) PTE LTD	3,101,169	0.44
NG CHEE LEONG	3,046,120	0.43
PHILLIP SECURITIES PTE LTD	2,730,344	0.39
OCBC SECURITIES PRIVATE LTD	2,102,920	0.30
TENG LAM SENG	2,085,600	0.30
MORGAN STANLEY ASIA (S'PORE) SECURITIES PTE LTD	1,999,639	0.28
CHEAH SIEW CHIN	1,900,000	0.27
LEE HON LEONG	1,800,800	0.26
Total	624,156,691	88.49

Notice of Annual Meeting

GOLDEN AGRI-RESOURCES LTD

(Incorporated in the Republic of Mauritius)

NOTICE IS HEREBY GIVEN that an Annual Meeting of Golden Agri-Resources Ltd (the "Company" or "GAR") will be held on **Tuesday, 27 April 2010 at 2.00 p.m.** at Holiday Inn Atrium Singapore, Level 4, Atrium Ballroom, 317 Outram Road, Singapore 169075 to transact the following business:

AS ORDINARY BUSINESS

1. To receive and adopt the Audited Financial Statements for the year ended 31 December 2009 together with the Directors' and Auditors' Reports thereon. **(RESOLUTION 1)**

2. To declare a first and final dividend of S$0.00495 per ordinary share for the year ended 31 December 2009. **(RESOLUTION 2)**

3. To approve the Directors' Fees of S$258,336 for the year ended 31 December 2009. (FY2008: S$228,000) **(RESOLUTION 3)**

4. To re-elect the following Directors retiring by rotation pursuant to Article 90 of the Constitution of the Company:

   a) Mr Frankle (Djafar) Widjaja **(RESOLUTION 4)**
   b) Mr Simon Lim **(RESOLUTION 5)**
   c) Mr Hong Pian Tee *{please see note 1}* **(RESOLUTION 6)**

5. To re-appoint Moore Stephens LLP as Auditors and to authorise the Directors to fix their remuneration. **(RESOLUTION 7)**

AS SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without any amendments, the following resolutions as Ordinary Resolutions:

RENEWAL OF AUTHORITY TO ALLOT AND ISSUE SHARES ("SHARE ISSUE MANDATE")

6A. "That pursuant to The Companies Act 2001 of Mauritius and the Listing Rules of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to allot and issue (including the allotment and issue of shares and convertible securities pursuant to offers, agreements or options made or granted by the Company while this authority remains in force) or otherwise dispose of shares in the Company (including making and granting offers, agreements and options which would or which might require shares and convertible securities to be allotted, issued or otherwise disposed of) at any time, whether during the continuance of such authority or thereafter, to such persons, upon such terms and conditions and for such purposes as the Directors may in their absolute discretion deem fit without first offering such shares and convertible securities to the members of the Company provided that the aggregate number of shares and convertible securities to be issued pursuant to this Resolution shall not exceed fifty percent (50%) of the issued share capital of the Company (excluding treasury shares) at the date of this Resolution, and provided further that where members of the Company with registered addresses in Singapore are not given an opportunity to participate in the same on a pro-rata basis, then the shares and convertible securities to be issued under such circumstances shall not exceed twenty percent (20%) of the issued share capital of the Company (excluding treasury shares) at the date of this Resolution." *{please see note 2}* **(RESOLUTION 8)**

AUTHORITY TO ALLOT AND ISSUE SHARES UP TO 100% OF THE TOTAL NUMBER OF ISSUED SHARES VIA A PRO-RATA RENOUNCEABLE RIGHTS ISSUE

6B. "That subject to and pursuant to the share issue mandate in Resolution 8 above being obtained, and notwithstanding the fifty percent (50%) limit in Resolution 8 above, that pursuant to The Companies Act 2001 of Mauritius and in accordance with and subject to the requirements of the Singapore Exchange Securities Trading Limited, the Directors of the Company be and are hereby authorised to allot and issue shares in the Company at any time by way of a pro-rata renounceable rights issue to shareholders of the Company upon such terms and conditions **(RESOLUTION 9)** and for such purposes as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution shall not exceed one hundred percent (100%) of the issued share capital of the Company (excluding treasury shares) at the date of this Resolution." *{please see note 3}*

AUTHORITY TO ALLOT AND ISSUE SHARES AT A DISCOUNT OF UP TO 20% UNDER SHARE ISSUE MANDATE

6C. "That subject to and pursuant to the share issue mandate in Resolution 8 above being obtained, authority be and is hereby given to the Directors of the Company to allot and issue new shares on a non pro-rata basis at an issue price per new share which shall be determined by the Directors in their absolute discretion provided that such price shall not represent more than twenty percent (20%) discount to the weighted average price per share determined in accordance with the requirements of the Singapore Exchange Securities Trading Limited." *{please see note 4}* **(RESOLUTION 10)**

RENEWAL OF SHARE PURCHASE MANDATE

6D. "(a)That for the purposes of The Companies Act 2001 of Mauritius (the "Act"), the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire ordinary shares ("Shares") in the issued share capital of the Company not exceeding in aggregate the Prescribed Limit (as hereafter defined), at such price or price as may be determined by the Directors from time to time up to the Maximum Price (as hereafter defined), whether by way of: **(RESOLUTION 11)**

(i) market purchases (each a "Market Purchase") on the Singapore Exchange Securities Trading Limited ("SGX-ST"); and/or

(ii) off-market purchases (each an "Off-Market Purchase") effected in accordance with any equal access schemes as may be determined or formulated by the Directors as they consider fit, which schemes shall satisfy all the conditions prescribed by the Act,

and otherwise in accordance with all other laws, regulations and rules of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");

(b)That unless varied or revoked by the Company in members meeting, the authority conferred on the Directors of the Company pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the passing of this Resolution and expiring on the earlier of:

(i) the date on which the next Annual Meeting of the Company is held; or

(ii) the date by which the next Annual Meeting of the Company is required by law to be held;

(c)That in this Resolution:

"Prescribed Limit" means ten percent (10%) of the issued ordinary share capital of the Company as at the date of the passing of this Resolution; and

"Maximum Price" in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase:	105% of the Average Closing Price
(ii) in the case of an Off-Market Purchase:	120% of the Highest Last Dealt Price

where:

"Average Closing Price" means the average of the closing market prices of a Share over the last five (5) market days, on which transactions in the Shares were recorded, preceding the day of the Market Purchase and deemed to be adjusted for any corporate action that occurs after the relevant 5-day period;

"Highest Last Dealt Price" means the highest price transacted for a Share as recorded on the market day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase; and

"day of the making of the offer" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

(d)That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they may consider expedient or necessary to give effect to the transactions contemplated by this Resolution." *{please see note 5}*

RENEWAL OF INTERESTED PERSON TRANSACTIONS MANDATE

6E. "(a)That pursuant to Chapter 9 of the Listing Manual of the Singapore Exchange Securities Trading Limited, approval be and is hereby given to the Company, its subsidiaries and associated companies that are not listed on the Singapore Exchange Securities Trading Limited or an approved exchange, provided that the Company and its subsidiaries (the "Group"), or the Group and its interested person(s), has control over the associated companies, or any of them to enter into any of the transactions falling within the types of Interested Person Transactions, particulars of which are set out in the Appendix 1 to this Notice of Annual Meeting *{please see note 6}*, with any party who is of the class of Interested Persons described in the said Appendix 1, provided that such transactions are carried out in the ordinary course of business and in accordance with the guidelines of the Company for Interested Person Transactions as set out in the said Appendix 1 (the "IPT Mandate"); **(RESOLUTION 12)**

(b)That the IPT Mandate shall, unless revoked or varied by the Company in members meeting, continue in force until the next Annual Meeting of the Company; and

(c)That the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including executing all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution." *{please see note 6A}*

By Order of the Board

Simon Lim
Director
9 April 2010
Singapore

Notes:

A member entitled to attend and vote at the Annual Meeting is entitled to appoint no more than two proxies to attend and vote in his stead. A proxy need not be a member of the Company. Proxies must be lodged at the mailing address of the Company at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 not later than 48 hours before the Annual Meeting.

Additional information relating to the Notice of Annual Meeting:

1. Mr Hong Pian Tee if re-elected, will remain on the Audit Committee. Mr Hong Pian Tee is considered to be independent.

2. The Ordinary Resolution 8 proposed in item 6A above, if passed, is to empower the Directors from the date of the above Meeting until the date of the next Annual Meeting, to issue shares and convertible securities in the capital of the Company. The number of shares and convertible securities that the Directors may issue under this Resolution would not exceed fifty percent (50%) of the issued capital of the Company (excluding treasury shares) at the time this Resolution is passed. For issue of shares and convertible securities other than on a pro-rata basis to shareholders, the aggregate number of shares and convertible securities to be issued shall not exceed twenty percent (20%) of the issued capital of the Company (excluding treasury shares).

   The percentage of issued capital is based on the Company's issued capital (excluding treasury shares) after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or any employee share options on issue or vesting of share awards outstanding or subsisting at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

3. The Ordinary Resolution 9 proposed in item 6B above, if passed, will empower the Directors to allot and issue shares in the Company up to 100% (from the existing 50%) of its issued capital by way of a pro-rata renounceable rights issue. This is one of the new measures introduced by Singapore Exchange Ltd, in consultation with the Monetary Authority of Singapore, on 20 February 2009 to accelerate and facilitate listed issuers' fund raising efforts and will be in effect until 31 December 2010 or such later date as may be determined by the exchange.

   This mandate is conditional upon the Company:
   - making periodic announcements on the use of the proceeds as and when the funds are materially disbursed; and
   - providing a status report on the use of proceeds in the annual report.

   The percentage of issued capital is based on the Company's issued capital (excluding treasury shares) after adjusting for (a) new shares arising from the conversion or exercise of convertible securities or any employee share options on issue or vesting of share awards outstanding or subsisting at the time this Resolution is passed and (b) any subsequent bonus issue, consolidation or subdivision of shares.

   This mandate, if passed, will provide the Directors with an opportunity to raise funds and avoid prolonged market exposure by reducing the time taken for shareholders' approval, in the event the need arises. Minority shareholders' interests are mitigated as all shareholders have equal opportunities to participate and can dispose their entitlements through trading of nil-paid rights if they do not wish to subscribe for their rights shares.

4. The Ordinary Resolution 10 proposed in item 6C above, if passed, is to authorise the Directors to allot and issue new shares on a non pro-rata basis at an issue price of up to 20% discount to the weighted average price per share determined in accordance with the requirements of the Singapore Exchange Securities Trading Limited. This is one of the new measures introduced by Singapore Exchange Ltd, in consultation with the Monetary Authority of Singapore, on 20 February 2009 to accelerate and facilitate listed issuers' fund raising efforts and will be in effect until 31 December 2010 or such later date as may be determined by the exchange.

5. The Ordinary Resolution 11 proposed in item 6D above, if passed, is to renew for another year, up to the next Annual Meeting of the Company, the mandate for share purchase as described in the Appendix 2 to this Notice of Annual Meeting, which will, unless previously revoked or varied by the Company at members meeting, expire at the next Annual Meeting.

6. The mandate for transactions with Interested Persons as described in the Appendix 1 (the "Appendix 1") to this Notice of Annual Meeting includes the placement of deposits by the Company with financial institutions in which Interested Persons have an interest.

6A. The Ordinary Resolution 12 proposed in item 6E above, if passed, is to renew for another year, up to the next Annual Meeting of the Company, the mandate for transactions with Interested Persons as described in the Appendix 1, which will, unless previously revoked or varied by the Company at members meeting, expire at the next Annual Meeting.

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GOLDEN AGRI-RESOURCES LTD
(Incorporated in the Republic of Mauritius)

Proxy Form

Annual Meeting

IMPORTANT
1. For investors who have used their CPF monies to buy shares of Golden Agri-Resources Ltd, the Annual Report is forwarded to them at the request of their CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by such CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

I/We , ______________________________ (Name)

of ______________________________ (Address)

being a member/members of Golden Agri-Resources Ltd (the "Company" or "GAR") hereby appoint:

Name	Address	NRIC/Passport Number	Proportion of Shareholdings	
			No. of Shares	%

and/or (delete as appropriate):

or failing him/her, the Chairman of the Annual Meeting of the Company (the "AM") as my/our proxy/proxies to attend and vote for me/us on my/our behalf and, if necessary, to demand a poll at the AM to be held on **Tuesday, 27 April 2010 at 2.00 p.m. at Holiday Inn Atrium Singapore, Level 4, Atrium Ballroom, 317 Outram Road, Singapore 169075** and at any adjournment thereof.

(Please indicate with an "X" in the space provided whether you wish your vote(s) to be cast for or against the resolution as set out in the Notice of AM. In the absence of specific direction, the proxy/proxies will vote or abstain as he/they will on any other matter arising at the AM).

No.	**Resolutions**	**For**	**Against**
	ORDINARY BUSINESS		
1	Adoption of Reports and Accounts		
2	Declaration of First and Final Dividend		
3	Approval of Directors' Fees		
4	Re-election of Mr Frankle (Djafar) Widjaja		
5	Re-election of Mr Simon Lim		
6	Re-election of Mr Hong Pian Tee		
7	Re-appointment of Auditors		
	SPECIAL BUSINESS		
8	Renewal of authority to allot and issue shares		
9	Authority to allot and issue shares up to 100% of the total number of issued shares via a pro-rata renounceable rights issue		
10	Authority to allot and issue shares at a discount of up to 20% under Share Issue Mandate		
11	Renewal of Share Purchase Mandate		
12	Renewal of Interested Person Transactions Mandate		

Dated this ____________ day of ____________ 2010

TOTAL NUMBER OF SHARES HELD

____
Signature(s) or Common Seal of Member(s)

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

Notes:

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in the Constitution of the Company), you should insert that number. If you have shares registered in your name in the Register of Members of the Company, you should insert that number. If you have shares entered against your name in the Depository Register and registered in your name in the Register of Members, you should insert the aggregate number. If no number is inserted, this form of proxy will be deemed to relate to all the shares held by you.

2. A member entitled to attend and vote at a meeting of the Company is entitled to appoint not more than two proxies to attend and vote on his behalf. A proxy need not be a member of the Company.

3. The instrument appointing a proxy or proxies must be deposited at the Company's mailing address at 108 Pasir Panjang Road, #06-00 Golden Agri Plaza, Singapore 118535 not less than 48 hours before the time set for the AM.

4. Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion of his holding to be represented by each proxy.

5. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed under its common seal or under the hand of its officer or attorney duly authorised.

6. Where an instrument appointing a proxy is signed on behalf of the appointor by an attorney, the power of attorney (or other authority) or a duly certified copy thereof must (failing previous registration with the Company) be lodged with the instrument of proxy, failing which the instrument may be treated as invalid.

7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the AM, in accordance with Section 179 of the Companies Act, Cap 50 of Singapore.

8. The Company shall be entitled to reject an instrument of proxy which is incomplete, improperly completed, illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified on the instrument of proxy. In addition, in the case of shares entered in the Depository Register, the Company may reject an instrument of proxy if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time fixed for holding the AM, as certified by The Central Depository (Pte) Limited to the Company.

fold along this line

ANNUAL MEETING
PROXY FORM

AFFIX
STAMP
HERE

The Company Secretary
GOLDEN AGRI-RESOURCES LTD
c/o 108 Pasir Panjang Road
#06-00 Golden Agri Plaza
Singapore 118535

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Enhancing Value, Enriching Lives Annual Report 2009

Golden Agri-Resources Ltd

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