

**GOLDEN AGRI-RESOURCES LTD**

**First Quarter Financial Statement And Dividend Announcement**

**PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3),  
HALF-YEAR AND FULL YEAR RESULTS**

- 1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

**UNAUDITED CONSOLIDATED INCOME STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2007**

	1st Qtr 2007 <u>US\$'000</u>	(Restated) 1st Qtr 2006 <u>US\$'000</u>	Change %
<b>Revenue</b>	275,347	268,749	2.5
Cost of sales	<u>(172,689)</u>	<u>(201,182)</u>	(14.2)
<b>Gross profit</b>	<u>102,658</u>	<u>67,567</u>	51.9
Net gain from changes in fair value of biological assets	164,921	178,059	(7.4)
<b>Operating expenses</b>			
Selling expenses	(7,711)	(7,213)	6.9
General and administrative expenses	<u>(17,662)</u>	<u>(13,507)</u>	30.8
Total operating expenses	<u>(25,373)</u>	<u>(20,720)</u>	22.5
<b>Operating profit</b>	242,206	224,906	7.7
<b>Other income(expenses)</b>			
Financial income	1,328	1,383	(4.0)
Financial expenses	(9,827)	(8,831)	11.3
Share of results of associated companies, net	1,209	85	n.m.
Foreign exchange gain(loss)	638	(2,660)	n.m.
Other operating (expenses)income, net	<u>(2,424)</u>	<u>2,464</u>	n.m.
	<u>(9,076)</u>	<u>(7,559)</u>	20.1
<b>Exceptional item</b>			
Negative goodwill arising from acquisition	<u>68,533</u>	-	n.m.
<b>Profit before tax</b>	301,663	217,347	38.8
Tax	<u>(62,281)</u>	<u>(56,183)</u>	10.9
<b>Profit for the period</b>	<u>239,382</u>	<u>161,164</u>	48.5
<b>Attributable to:</b>			
Equity holders of the Company	219,286	134,661	62.8
Minority interests	<u>20,096</u>	<u>26,503</u>	(24.2)
	<u>239,382</u>	<u>161,164</u>	48.5

Note(1) n.m. – not meaningful

(2) Certain comparatives have been restated to account for the retrospective adjustments arising from the adoption of IAS 41, Agriculture.

## ADDITIONAL INFORMATION

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

	1st Qtr 2007 <u>US\$'000</u>	(Restated) 1st Qtr 2006 <u>US\$'000</u>	Change %
Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, net gain from changes in fair value of biological assets, foreign exchange gain(loss), exceptional item and share of results of associated companies (“EBITDA”)	88,243	61,573	43.3
Net gain from changes in fair value of biological assets	164,921	178,059	(7.4)
Interest on borrowings	(9,813)	(8,811)	11.4
Depreciation and amortisation	(12,068)	(10,899)	10.7
Foreign exchange gain(loss)	638	(2,660)	n.m.
Exceptional item	<u>68,533</u>	<u>-</u>	n.m.
Profit before tax, minority interests, but after interest on borrowings, depreciation and amortisation, exchange gain(loss) and exceptional item	300,454	217,262	38.3
Share of results of associated companies, net	1,209	85	n.m.
<b>Profit before tax</b>	<u><u>301,663</u></u>	<u><u>217,347</u></u>	38.8

Note (1) n.m. – not meaningful

(2) Certain comparatives have been restated to account for the retrospective adjustments arising from the adoption of IAS 41, Agriculture

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

**UNAUDITED BALANCE SHEETS**

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2007 US\$'000	31/12/2006 US\$'000	31/3/2007 US\$'000	31/12/2006 US\$'000
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	62,689	130,388	1,137	1,428
Short-term investments	10,254	3,658	-	-
Trade receivables	36,740	45,510	-	-
Other receivables (note (a))	136,692	100,270	39,500	-
Inventories	166,827	144,174	-	-
	413,202	424,000	40,637	1,428
<b>Non-Current Assets</b>				
Long-term receivables (note (b))	98,997	139,381	-	45,000
Subsidiary companies	-	-	1,216,889	1,167,698
Associated companies	18,794	17,866	-	-
Property, plant and equipment	740,151	711,992	-	-
Biological assets	1,958,903	1,616,502	-	-
Deferred income tax	21,020	23,352	-	-
Deferred charges	5,625	5,608	-	-
Brands and trademarks	2,483	2,562	-	-
Goodwill	44,099	44,099	-	-
	2,890,072	2,561,362	1,216,889	1,212,698
<b>Total Assets</b>	<b>3,303,274</b>	<b>2,985,362</b>	<b>1,257,526</b>	<b>1,214,126</b>

**UNAUDITED BALANCE SHEETS (cont'd)**

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2007	31/12/2006	31/3/2007	31/12/2006
	US\$'000	US\$'000	US\$'000	US\$'000
<b>Liabilities and Equity</b>				
<b>Current Liabilities</b>				
Short-term loans	210,868	186,760	3,500	3,500
Trade payables	60,373	114,067	-	-
Other payables (note(c))	35,315	41,122	34,708	31,853
Taxes payable	9,565	5,236	1,222	2
Obligations under finance leases	705	731	-	-
	316,826	347,916	39,430	35,355
<b>Non-Current Liabilities</b>				
Obligations under finance leases	484	640	-	-
Long-term borrowings	302,591	289,305	-	-
Deferred income tax	511,548	415,062	-	-
Long-term payable	11,022	11,143	-	-
	825,645	716,150	-	-
<b>Total Liabilities</b>	1,142,471	1,064,066	39,430	35,355
<b>Equity Attributable to Equity Holders of the Company</b>				
Issued capital	216,867	216,867	216,867	216,867
Share premium	296,595	296,595	931,465	931,465
Other paid-in capital	184,318	184,318	-	-
Other reserve	188	188	-	-
Hedging reserve	(552)	-	-	-
Foreign currency translation reserve	2,550	1,942	-	-
Cumulative translation adjustments	(16,684)	(16,684)	-	-
Retained earnings	1,240,932	1,021,646	69,764	30,439
	1,924,214	1,704,872	1,218,096	1,178,771
Minority Interests	236,589	216,424	-	-
<b>Total Equity</b>	2,160,803	1,921,296	1,218,096	1,178,771
<b>Total Liabilities and Equity</b>	3,303,274	2,985,362	1,257,526	1,214,126

## UNAUDITED BALANCE SHEETS (cont'd)

Note:

### (a) Other Receivables

	Group		Company	
	As at		As at	
	31/3/2007 US\$'000	31/12/2006 US\$'000	31/3/2007 US\$'000	31/12/2006 US\$'000
Prepaid expenses	19,973	4,529	-	-
Prepaid value added tax, net	28,731	21,689	-	-
Others	73,118	60,558	-	-
	<u>121,822</u>	<u>86,776</u>	<u>-</u>	<u>-</u>
Related parties	14,870	13,494	39,500	-
	<u>136,692</u>	<u>100,270</u>	<u>39,500</u>	<u>-</u>

### (b) Other Long-Term Receivables

	Group		Company	
	As at		As at	
	31/3/2007 US\$'000	31/12/2006 US\$'000	31/3/2007 US\$'000	31/12/2006 US\$'000
Associated company	5,651	5,651	-	-
Related party	13,855	13,584	-	-
	<u>19,506</u>	<u>19,235</u>	<u>-</u>	<u>-</u>
Loans receivable	13,099	57,803	-	45,000
Tax recoverable	38,168	32,840	-	-
Advances for project plasma plantations	5,827	8,085	-	-
Advances for project and purchase of fixed assets	7,763	4,075	-	-
Land clearing	10,021	12,045	-	-
Advances for investments in land	2,573	2,553	-	-
Others	2,040	2,745	-	-
	<u>98,997</u>	<u>139,381</u>	<u>-</u>	<u>45,000</u>

### (c) Other Payables

	Group		Company	
	As at		As at	
	31/3/2007 US\$'000	31/12/2006 US\$'000	31/3/2007 US\$'000	31/12/2006 US\$'000
Advances from customers	11,434	10,351	-	-
Accrued expenses	6,431	9,222	306	356
Others	14,899	18,897	-	-
	<u>32,764</u>	<u>38,470</u>	<u>306</u>	<u>356</u>
Related parties	2,551	2,652	34,402	31,497
	<u>35,315</u>	<u>41,122</u>	<u>34,708</u>	<u>31,853</u>

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

	As at 31/3/2007 US\$'000			As at 31/12/2006 US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	195,286	16,287	211,573	176,779	10,712	187,491
Amount repayable after one year	283,253	19,822	303,075	263,489	26,456	289,945
<b>Total</b>	<b>478,539</b>	<b>36,109</b>	<b>514,648</b>	<b>440,268</b>	<b>37,168</b>	<b>477,436</b>

**Details of any collateral**

The secured loans are collateralised by certain inventories, trade receivables, biological assets and property, plant and equipment. In addition, a related party has issued corporate guarantee to a lender.

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

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2007**

(Amounts in United States dollars)

	1st Qtr 2007 US\$'000	(Restated) 1st Qtr 2006 US\$'000
<b>Cash flows from operating activities</b>		
<b>Profit before tax</b>	<b>301,663</b>	<b>217,347</b>
Adjustments for:		
Net gain from changes in fair value of biological assets	(164,921)	(178,059)
Depreciation	11,866	10,891
Amortisation	202	8
Unrealised (gain)loss on foreign exchange on short-term loans, long-term borrowings and receivables, net	(198)	3,770
Share of results of associated companies, net	(1,209)	(85)
Loss(Gain) on disposal of property, plant and equipment, net of write off	105	(191)
Negative goodwill arising from acquisition	(68,533)	-
Interest income	(1,328)	(1,383)
Interest expense	9,813	8,811
<b>Operating cash flow before working capital changes</b>	<b>87,460</b>	<b>61,109</b>

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT  
FOR THE PERIOD ENDED 31 MARCH 2007 (Cont'd)**  
(Amounts in United States dollars)

	<b>1st Qtr 2007 <u>US\$'000</u></b>	<b>(Restated) 1st Qtr 2006 <u>US\$'000</u></b>
<b>Operating cash flow before working capital changes</b>	<b>87,460</b>	<b>61,109</b>
Changes in operating assets and liabilities:		
Trade receivables	16,678	1,999
Other receivables	(25,069)	3,446
Inventories	(20,510)	13,692
Trade payables	(46,974)	(14,361)
Other payables	(11,134)	(334)
Cash generated from operations	451	65,551
Interest paid	(9,352)	(7,060)
Interest received	1,391	2,513
Tax refund(paid)	(7,102)	(165)
<b>Net cash (used in)generated from operating activities</b>	<b>(14,612)</b>	<b>60,839</b>
<b>Cash flows from investing activities</b>		
Proceeds from sale of property, plant and equipment	566	1,019
Proceeds from sale of biological assets	295	316
Capital expenditure on property, plant and equipment	(22,130)	(9,965)
Capital expenditure on biological assets	(9,397)	(2,409)
Acquisition of subsidiaries, net of cash acquired	1,370	(5,872)
Net increase in short-term investments	(6,596)	(3,679)
Investments in Plasma/KKPA Program plantations, net	2,258	(2,837)
Repayments of current account and deposit with a related party	-	3,339
Increase in long-term receivable from related parties	(271)	(4,397)
Investments in deferred land rights	(138)	(24)
Increase in other non-current receivables and assets	(4,728)	(1,701)
<b>Net cash used in investing activities</b>	<b>(38,771)</b>	<b>(26,210)</b>
<b>Cash flows from financing activities</b>		
Proceeds from short-term loans	3,817	16,794
Proceeds from long-term borrowings	2,320	75,000
Payments of short-term loans	(3,601)	(10,821)
Payments of long-term borrowings	(16,826)	(14,077)
Decrease in trust receipt payables	-	(297)
Deferred loan charges and long-term bank loan administration costs	(26)	(1,756)
Increase in time deposits pledged	-	(61)
<b>Net cash (used in)generated from financing activities</b>	<b>(14,316)</b>	<b>64,782</b>
<b>Net (decrease)increase in cash and cash equivalents</b>	<b>(67,699)</b>	<b>99,411</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>129,439</b>	<b>75,731</b>
<b>Cash and cash equivalents at the end of the period (See Note)</b>	<b>61,740</b>	<b>175,142</b>

**Note:**

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

	<b>31/3/2007 <u>US\$'000</u></b>	<b>31/3/2006 <u>US\$'000</u></b>
Time deposits, cash and bank balances	62,689	179,460
Less: Time deposits pledged	(949)	(4,318)
	<b>61,740</b>	<b>175,142</b>

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

<b>The Group</b>	<-----Attributable to Equity Holders of the Company----->									<b>Minority Interests</b>	<b>Total Equity</b>
	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Other Paid-in Capital</b>	<b>Other Reserve</b>	<b>Hedging Reserve</b>	<b>Foreign Currency Translation Reserve</b>	<b>Retained Earnings</b>	<b>Cumulative Translation</b>			
								<b>Adjustment</b>	<b>Total</b>		
US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
Balance as at 1 Jan 2007	216,867	296,595	184,318	188	-	1,942	1,021,646	(16,684)	1,704,872	216,424	1,921,296
Profit for the period	-	-	-	-	-	-	219,286	-	219,286	20,096	239,382
Foreign currency translation	-	-	-	-	-	608	-	-	608	69	677
Change in fair value of cash flow hedge	-	-	-	-	(552)	-	-	-	(552)	-	(552)
Net gain(loss) recognised directly in equity	-	-	-	-	(552)	608	-	-	56	69	125
Balance as at 31 Mar 2007	216,867	296,595	184,318	188	(552)	2,550	1,240,932	(16,684)	1,924,214	236,589	2,160,803
Balance as at 1 Jan 2006 as previously reported	216,867	296,595	184,318	125,389	(1,853)	196	197,075	(16,684)	1,001,903	132,025	1,133,928
Effect of adopting IAS 41	-	-	-	(121,821)	-	-	367,592	-	245,771	(5,788)	239,983
Balance as at 1 Jan 2006, restated	216,867	296,595	184,318	3,568	(1,853)	196	564,667	(16,684)	1,247,674	126,237	1,373,911
Profit for the period, restated	-	-	-	-	-	-	134,661	-	134,661	26,503	161,164
Foreign currency translation	-	-	-	-	-	339	-	-	339	63	402
Transfer to income statement for cash flow hedge	-	-	-	-	1,853	-	-	-	1,853	-	1,853
Net gain recognised directly in equity	-	-	-	-	1,853	339	-	-	2,192	63	2,255
Balance as at 31 Mar 2006, restated	216,867	296,595	184,318	3,568	-	535	699,328	(16,684)	1,384,527	152,803	1,537,330



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

<b><u>The Company</u></b>	<b>Issued Capital</b>	<b>Share Premium</b>	<b>Retained Earnings</b>	<b>Total</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
Balance as at 1 Jan 2007	216,867	931,465	30,439	1,178,771
Profit for the period	-	-	39,325	39,325
Balance as at 31 Mar 2007	<u>216,867</u>	<u>931,465</u>	<u>69,764</u>	<u>1,218,096</u>
Balance as at 1 Jan 2006	216,867	931,465	43,945	1,192,277
Profit for the period	-	-	1,657	1,657
Balance as at 31 Mar 2006	<u>216,867</u>	<u>931,465</u>	<u>45,602</u>	<u>1,193,934</u>

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

There have been no changes to the issued share capital of the Company since 31 December 2006.

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

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

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

Not applicable.

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

The Group has adopted accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2006.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change

Not applicable.

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

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

(i) Based on weighted average number of ordinary shares in issue

(ii) On a fully diluted basis

The Group	
1st Qtr 2007	(Restated) 1st Qtr 2006
US\$0.10	US\$0.06
n.a.	n.a.

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

(a) current period reported on; and

(b) immediately preceding financial year

Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on

The Group		The Company	
As at 31 Mar 2007	As at 31 Dec 2006	As at 31 Mar 2007	As at 31 Dec 2006
US\$0.89	US\$0.79	US\$0.56	US\$0.54

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

(in US\$'000)	AGRI-BUSINESS		
For the period ended	Indonesia	China <sup>(2)</sup>	Total
<b>Revenue</b>			
31 March 2007	203,600	71,747	275,347
31 March 2006	184,598	84,151	268,749
Increase/(Decrease)	19,002	(12,404)	6,598
Increase/(Decrease) %	10.3	(14.7)	2.5
<b>Gross Profit</b>			
31 March 2007	89,865	12,793	102,658
31 March 2006 (restated)	60,021	7,546	67,567
Increase/(Decrease) in profit	29,844	5,247	35,091
Increase/(Decrease) %	49.7	69.5	51.9
<b>EBITDA (see note (1))</b>			
31 March 2007	76,417	11,826	88,243
31 March 2006 (restated)	55,721	5,852	61,573
Increase/(Decrease) in profit	20,696	5,974	26,670
Increase/(Decrease) %	37.1	102.1	43.3
<b>Interest on borrowings</b>			
31 March 2007	9,349	464	9,813
31 March 2006	7,809	1,002	8,811
Increase/(Decrease)	1,540	(538)	1,002
Increase/(Decrease) %	19.7	(53.7)	11.4
<b>Depreciation and amortisation</b>			
31 March 2007	10,618	1,450	12,068
31 March 2006 (restated)	9,519	1,380	10,899
Increase/(Decrease)	1,099	70	1,169
Increase/(Decrease) %	11.5	5.1	10.7
<b>Foreign exchange gain(loss)</b>			
31 March 2007	215	423	638
31 March 2006	(2,823)	163	(2,660)
Increase in gain	3,038	260	3,298
Increase/(Decrease) %	n.m.	159.5	n.m.
<b>Exceptional gain</b>			
31 March 2007	68,533	-	68,533
31 March 2006	-	-	-
Increase in gain	68,533	-	68,533
Increase/(Decrease) %	n.m.	-	n.m.
<b>Share of associates' profit</b>			
31 March 2007	1,209	-	1,209
31 March 2006	85	-	85
Increase in profit	1,124	-	1,124
Increase/(Decrease) %	n.m.	-	n.m.
<b>Profit before tax</b>			
31 March 2007	291,328	10,335	301,663
31 March 2006 (restated)	213,714	3,633	217,347
Increase in profit	77,614	6,702	84,316
Increase/(Decrease) %	36.3	184.5	38.8
<b>Net profit attributable to equity holders of the Company</b>			
31 March 2007	209,056	10,230	219,286
31 March 2006 (restated)	131,092	3,569	134,661
Increase in profit	77,964	6,661	84,625
Increase/(Decrease) %	59.5	186.6	62.8

Note: (1) This refers to earnings before income tax, minority interests, interest on borrowings, net gain from changes in fair value of biological assets, depreciation and amortisation, foreign exchange gain(loss), exceptional items and share of results from associated companies.

(2) The China Agri-business represents the results of Asia Integrated Agri Resources Ltd (AIAR) group of companies.

(3) n.m. - not meaningful.

## PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2007

The Group's revenue for the 3-month period ended 31 March 2007 ("1Q2007") was US\$275.3 million, an increase of US\$6.6 million as compared to US\$268.7 million in the same period in 2006 ("1Q2006").

Operating profit was 7.7 percent higher at US\$242.2 million in 1Q2007 as compared to US\$224.9 million in 1Q2006 whereas net profit attributable to equity holders of the Company grew 62.8 percent to US\$219.3 million as compared to US\$134.7 million in 1Q2006.

### REVENUE

Indonesia Agri-business contributed US\$203.6 million to the US\$275.3 million Group revenue in 1Q2007, with the remaining US\$71.7 million from China Agri-business.

#### *Indonesia*

Revenue of Indonesia Agri-business increased 10.3 percent or US\$19 million from US\$184.6 million in 1Q2006 to US\$203.6 million mainly attributable to higher selling prices in line with the upward price trend of crude palm oil ("CPO") during 1Q2007. Average international CPO (CIF Rotterdam) price per ton increased about 40 percent to US\$606 in 1Q2007 as compared to US\$433 in 1Q2006.

Our revenue would have been higher if not for the lower CPO production during the period. CPO production fell 12.8 percent to 337,000 tons from 386,000 tons in 1Q2006 mainly due to the lower rainfall during the period as a result of the El Nino weather patterns. Accordingly, fresh fruit bunch ("FFB") yield per hectare also reduced from 5.31 tons in 1Q2006 to 4.72 tons in 1Q2007.

#### *China*

Revenue from China Agri-business fell 14.7 percent or US\$12.4 million from US\$84.2 million in 1Q2006 to US\$71.7 million mainly due to lower crushing volume.

The revenue comprised mainly US\$28.1 million (1Q2006: US\$45.2 million) from the crushing operations and US\$37.9 million (1Q2006: US\$35 million) from refinery operations.

### COST OF SALES

Cost of sales of US\$172.7 million was 14.2 percent or US\$28.5 million lower as compared to US\$201.2 million in 1Q2006 mainly attributable to lower purchase cost in China Agri-business due to lower crushing volume and lower cost in Indonesia Agri-business resulted from lower sales volume.

#### *Indonesia*

Cost of sales from Indonesia Agri-business consisted of labour, plantation maintenance, manuring and harvesting costs, FFB purchases and CPO purchases for downstream refinery.

Cost of sales from Indonesia Agri-business decreased by 8.7 percent or US\$10.8 million to US\$113.7 million in 1Q2007 from US\$124.6 million in 1Q2006 resulted from lower sales volume .

#### *China*

Cost of sales in China Agri-business of US\$59 million comprised mainly purchase cost of soybean, the decrease of 23 percent or US\$17.6 million due to lower crushing volume during the period.

## **GROSS PROFIT**

Gross profit increased 51.9 percent or US\$35.1 million from US\$67.6 million in 1Q2006 to US\$102.7 million in 1Q2007. Gross profit margin also improved to 37.3 percent as compared to 25.1 percent in 1Q2006.

Gross profit margin of Indonesia Agri-business improved to 44.1 percent from 32.5 percent in 1Q2006 as the result of higher selling price.

Gross profit margin of China Agri-business also improved to 17.8 percent as compared to 9 percent in 1Q2006 mainly due to lower cost of purchase.

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

The Group recorded US\$164.9 million net gain from changes in fair value of biological assets in 1Q2007 as compared to US\$178.1 million in 1Q2006.

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

## **OPERATING EXPENSES**

- ***Selling expenses***

Selling expenses, comprising mainly transportation, advertising and promotion, export tax and salaries remained at US\$ 7.7 million.

- ***General and administrative expenses***

General and administrative expenses included salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The 30.8 percent or US\$4.2 million increase from US\$13.5 million in 1Q2006 to US\$17.7 million in 1Q2007 was mainly due to additional expenses derived from the acquisition of new subsidiaries and higher salary and related expenses in Indonesia.

## **FINANCIAL EXPENSES, NET**

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. The net financial expenses were US\$8.5 million as compared to US\$7.4 million in 1Q2006. The 14.1 percent or US\$1.1 million increase was mainly due to higher loan balance in Indonesia Agri-business.

## **EXCEPTIONAL GAIN**

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

## **TAX**

Income tax expense increased 10.9 percent or US\$6.1 million from US\$56.2 million in 1Q2006 to US\$62.3 million mainly due to higher profit in certain subsidiaries which utilised its tax losses in this year. No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

## MINORITY INTERESTS

Minority interests' share of profit was US\$20.1 million as compared to US\$26.5 million in 1Q2006. The decrease of 24.2 percent or US\$6.4 million was mainly due to lower net gain from changes in fair value of biological assets in compliance with IAS 41 during the period recorded by P.T. Sinar Mas Agro Resources and Technology Tbk and its subsidiaries in Indonesia Agri-business.

**9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable

**10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The outlook for palm oil remains positive. Health concerns about trans-fatty acids in hydrogenated oil, the lifting by the Chinese Government of its import quota on palm oil, the reduction of import tax by India Government and growing interest for bio-diesel is expected to boost the demand for palm oil.

As announced on 3 May 2007, GAR had entered into a joint venture agreement to build and operate a bio-diesel plant in Dumai, Sumatra, Indonesia. Production from this plant with total capacity of 400,000 ton per year will be earmarked to supply the growing demand of bio-diesel in the US market.

Rainfall was lower in Indonesia during the last quarter of 2006 which affected our short-term yields and productivity in the first quarter 2007 as well. We will nonetheless continue to strive to increase production through improving plantation management techniques, improved transportation infrastructures and construction of additional CPO mills.

Market conditions remain challenging for the China Agri-business in the light of overall increases in commodity prices driving up soybean prices. The Group will continue to manage its cost and to strategically develop and grow our presence by introducing various palm-based products to the China market to improve our profitability, through the China Agri-business.

**11. Dividend**

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

Any dividend declared for the current financial period reported on? Yes

Name of Dividend:	Interim
Dividend Type:	Cash
Dividend Amount per Share:	S\$0.02 per ordinary share (tax exempt)
Par Value of Shares:	US\$0.10
Tax Rate:	Nil

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

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

**(c) Date payable**

The interim dividend will be paid on 13 June 2007.

**(d) Books closure date**

NOTICE IS HEREBY GIVEN that the Share Transfer Books and Register of Members of the Company will be closed on 31 May 2007 on which day no share transfer will be effected. Duly completed transfers received by the Company's Share Registrar, B.A.C.S. Private Limited, 63 Cantonment Road, Singapore 089758, up to the close of business at 5.00 p.m. on 30 May 2007 will be registered to determine shareholders' entitlements to the interim dividend.

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

Not applicable.

**PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT**

**(This part is not applicable to Q1, Q2, Q3 or Half Year Results)**

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

Not applicable.

**14. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments**

Not applicable.

**15. A breakdown of sales**

Not applicable.

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

Not applicable.

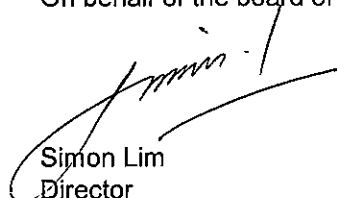
17. Interested persons transactions disclosure

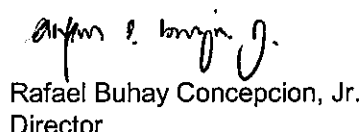
Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than SGD100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)
	1Q2007	1Q2007
	US\$	US\$
PT Asuransi Sinar Mas	Nil	1,334,397
PT Rolimex Kimia Nusamas	Nil	1,420,767
PT Royal Oriental	Nil	1,913,180
PT Sinar Jati Mitra	Nil	185,083
Ningbo Asia Pulp & Paper Co., Ltd	Nil	201,702
Wuhan Jun Ding Foodstuff Co., Ltd	Nil	423,270
Zhuhai Huafeng Foodstuff Co., Ltd	Nil	520,678
<b>Total</b>	<b>Nil</b>	<b>5,999,077</b>

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

We, Simon Lim and Rafael Buhay Concepcion, Jr., being two directors of Golden Agri-Resources Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the first quarter ended 31 March 2007 unaudited financial results to be false or misleading.

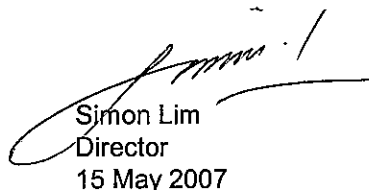
On behalf of the board of directors

  
Simon Lim  
Director

  
Rafael Buhay Concepcion, Jr.  
Director

15 May 2007

BY ORDER OF THE BOARD

  
Simon Lim  
Director  
15 May 2007



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#### **ABOUT GOLDEN AGRI-RESOURCES LTD**

*Listed on the Singapore Exchange Securities Trading Limited (SGX-ST) in 1999, Golden Agri-Resources Ltd (GAR) is one of the world's largest privately owned oil palm plantation companies.*

*With a total planted area of 332,000 hectares located in Indonesia, GAR operates 31 palm oil processing mills, 2 refineries and 4 kernel crushing plants. The Company's primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel oil; and refining CPO into value-added products such as cooking oils, margarine and shortening.*

*The Group revenue in 2006 was US\$1.1 billion.*

*In December 2005, GAR expanded its operations into China which include refineries, port and oil-seed crushing facilities in Ningbo and Zhuhai.*

*GAR was formerly 55 percent owned by SGX-ST listed Asia Food & Properties Limited (AFP), an investment holding company with operating businesses in Agri-business, Food and Property. Effective on 27 December 2006, AFP has distributed in specie substantially all its shares held in the share capital of GAR to the shareholders of AFP (the "Distribution"). Following the Distribution, GAR and its subsidiaries ceased to be subsidiaries of AFP.*

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Submitted by Kimberley Lye Chor Mei, Senior Manager on 15/5/2007 to the SGX