



## **GOLDEN AGRI-RESOURCES LTD**

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### **Exercise of Option to Purchase Shares in Madascar Investment Ltd.**

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The Board of Directors of Golden Agri-Resources Ltd ("GAR" or the "Company") had announced on 20 December 2005, inter alia, that the loan agreement (the "Loan Agreement") entered into between GAR and Nalliwan Trading Ltd. ("Nalliwan"), a privately-owned company incorporated in the British Virgin Islands, in respect of a loan of US\$45,000,000 from GAR to Nalliwan (the "Loan"), had been mutually amended as follows:

- a. Extension of the date of repayment of the Loan to 20 December 2008; and
- b. Fixing of the exercise price of the Option at US\$67,600,000 (the "Exercise Price").

The Loan is secured by a pledge of the entire issued and paid-up share capital of Nalliwan's wholly-owned subsidiary, Madascar Investment Ltd ("Madascar"), a company incorporated in the Republic of Mauritius; as well as an option to acquire 100% of the issued shares in Madascar ("Option").

The Exercise Price was determined based on the imputed market value of Madascar of approximately US\$75,000,000, which was based on a valuation of PT Binasawit Abadipratama ("Binasawit"), a wholly-owned subsidiary of Madascar, conducted by an independent valuation company as at November 2005.

Pursuant to the restated Loan Agreement dated 2 January 2007 and the restated Option to purchase share agreement dated 2 January 2007, the Option was amended to be exercised at any date following 2 January 2007. On 19 March 2007, the Company had given notice to Nalliwan to exercise the Company's rights under the Option, and confirmed the settlement date to be 26 March 2007 for, inter alia, the payment of the Exercise Price. The net Exercise Price of US\$16,105,400, after taking into account inter alia the Loan of US\$45,000,000, was fully settled in cash and financed by internal resources.

Following this transaction, Madascar and its subsidiaries, namely, Madascar Capital Pte. Ltd. ("Madascar Capital") and Binasawit will become subsidiaries of the Company.

Madascar Capital and Binasawit are incorporated in the Republic of Singapore and the Republic of Indonesia respectively. The principal activities of Madascar and Madascar Capital are that of investment holding whilst Binasawit is in the ownership and cultivation of oil palm plantations. Binasawit has been operating since 1996, and currently has four estates located in Kalimantan.

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

Simon Lim  
Director  
26 March 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 307,000 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.*

*GAR's operations in China include refineries, port and oil-seed crushing facilities in Ningbo and Zhuhai.*

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

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Submitted by Kimberley Lye Chor Mei, Senior Manager on 26/03/2007 to the SGX