

GOLDEN AGRI-RESOURCES LTD
First Quarter Financial Statement And Dividend Announcement
PART I - INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS
1(a) An income statement and statement of comprehensive income 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 2012**

	1st Qtr 2012 <u>US\$'000</u>	1st Qtr 2011 <u>US\$'000</u>	Change %
Revenue	1,519,128	1,463,026	3.8
Cost of sales	<u>(1,065,307)</u>	<u>(937,661)</u>	13.6
Gross profit	<u>453,821</u>	<u>525,365</u>	(13.6)
Operating expenses			
Selling expenses	(186,404)	(212,882)	(12.4)
General and administrative expenses	<u>(48,388)</u>	<u>(37,773)</u>	28.1
Total operating expenses	<u>(234,792)</u>	<u>(250,655)</u>	(6.3)
Operating profit	<u>219,029</u>	<u>274,710</u>	(20.3)
Other income/(expenses)			
Financial income	2,863	2,780	3.0
Financial expenses	(15,975)	(14,488)	10.3
Share of results of associated companies, net of tax	7	14	(50.0)
Foreign exchange gain, net	661	15,393	(95.7)
Other operating income, net	<u>3,943</u>	<u>7,730</u>	(49.0)
	<u>(8,501)</u>	<u>11,429</u>	n.m.
Exceptional item			
Gain on equity interest	<u>-</u>	<u>9,591</u>	(100.0)
Profit before tax	210,528	295,730	(28.8)
Tax	<u>(46,256)</u>	<u>(60,801)</u>	(23.9)
Profit for the period	<u>164,272</u>	<u>234,929</u>	(30.1)
Attributable to:			
Owners of the Company	162,044	230,699	(29.8)
Non-controlling interests	<u>2,228</u>	<u>4,230</u>	(47.3)
	<u>164,272</u>	<u>234,929</u>	(30.1)

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2012**

	1st Qtr 2012 <u>US\$'000</u>	1st Qtr 2011 <u>US\$'000</u>
Profit for the period	164,272	234,929
Other comprehensive income:		
Foreign currency translation differences on consolidation	1,293	2,064
Changes in fair value of cash flow hedges	(10,087)	(682)
Other comprehensive income, net of tax	(8,794)	1,382
Total comprehensive income for the period	155,478	236,311
Total comprehensive income attributable to:		
Owners of the Company	153,254	232,027
Non-controlling interests	2,224	4,284
	155,478	236,311

ADDITIONAL INFORMATION

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

	1st Qtr 2012 <u>US\$'000</u>	1st Qtr 2011 <u>US\$'000</u>	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, exceptional item and share of results of associated companies ("EBITDA")	252,432	306,376	(17.6)
Interest on borrowings	(15,455)	(14,132)	9.4
Depreciation and amortisation	(27,117)	(21,512)	26.1
Foreign exchange gain, net	661	15,393	(95.7)
Exceptional item	-	9,591	(100.0)
Share of results of associated companies, net of tax	7	14	(50.0)
Profit before tax	210,528	295,730	(28.8)

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION

	Group		Company	
	As at		As at	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	265,702	277,014	321	200
Short-term investments	40,451	92,839	-	-
Trade receivables	377,285	233,856	-	-
Other current assets (note (a))	649,839	526,929	55	86
Inventories	666,719	751,163	-	-
	1,999,996	1,881,801	376	286
Non-Current Assets				
Long-term receivables and assets (note (b))	188,432	163,631	-	-
Long-term investments	139,592	90,723	29,000	17,000
Subsidiary companies	-	-	2,591,629	2,604,154
Associated companies	5,629	4,422	-	-
Investment properties	1,456	1,479	-	-
Property, plant and equipment	1,817,556	1,758,850	-	-
Biological assets	7,808,573	7,804,466	-	-
Deferred tax assets	4,670	4,715	-	-
Deferred charges	10,408	10,432	-	-
Brands and trademarks	880	960	-	-
Goodwill	115,898	115,898	-	-
	10,093,094	9,955,576	2,620,629	2,621,154
Total Assets	12,093,090	11,837,377	2,621,005	2,621,440

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at		As at	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Liabilities and Equity				
Current Liabilities				
Short-term loans	473,475	421,631	-	-
Trade payables	528,272	490,852	-	-
Other payables (note(c))	180,983	156,291	31,670	31,672
Taxes payable	90,304	74,527	-	-
Obligations under finance leases	21	21	-	-
	1,273,055	1,143,322	31,670	31,672
Non-Current Liabilities				
Obligations under finance leases	59	62	-	-
Long-term borrowings	635,290	664,148	-	-
Deferred tax liabilities	1,876,191	1,876,427	-	-
Long-term payables	40,551	40,952	-	-
	2,552,091	2,581,589	-	-
Total Liabilities	3,825,146	3,724,911	31,670	31,672
Equity Attributable to Owners of the Company				
Issued capital	303,467	303,467	303,467	303,467
Share premium	934,297	934,297	1,569,167	1,569,167
Other paid-in capital	184,318	184,318	-	-
Other reserve	(48)	(48)	-	-
Hedging reserve	(10,087)	-	-	-
Currency translation reserve	16,374	15,077	-	-
PRC statutory reserve	2,116	2,116	-	-
Retained earnings	6,747,854	6,585,810	716,701	717,134
	8,178,291	8,025,037	2,589,335	2,589,768
Non-Controlling Interests	89,653	87,429	-	-
Total Equity	8,267,944	8,112,466	2,589,335	2,589,768
Total Liabilities and Equity	12,093,090	11,837,377	2,621,005	2,621,440

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	Group		Company	
	As at		As at	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	55,640	26,101	55	86
Prepaid taxes, net	121,274	113,874	-	-
Deposits and advances to suppliers	424,941	355,348	-	-
Others	47,975	30,371	-	-
	<u>649,830</u>	<u>525,694</u>	<u>55</u>	<u>86</u>
Related parties	9	1,235	-	-
	<u>649,839</u>	<u>526,929</u>	<u>55</u>	<u>86</u>

(b) Long-Term Receivables and Assets

	Group		Company	
	As at		As at	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Associated company	2,832	3,033	-	-
Loan receivable	5,444	6,645	-	-
Tax recoverable	78,257	75,912	-	-
Advances for project plasma plantations	32,642	24,793	-	-
Advances for project and purchase of fixed assets	53,164	39,235	-	-
Land clearing	3,447	1,882	-	-
Advances for investments in land	4,319	4,234	-	-
Others	8,327	7,897	-	-
	<u>188,432</u>	<u>163,631</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	Group		Company	
	As at		As at	
	31/3/2012	31/12/2011	31/3/2012	31/12/2011
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances from customers	65,400	43,211	-	-
Accrued expenses	40,591	42,776	382	515
Others	74,710	70,000	2	2
	<u>180,701</u>	<u>155,987</u>	<u>384</u>	<u>517</u>
Related parties	282	304	31,286	31,155
	<u>180,983</u>	<u>156,291</u>	<u>31,670</u>	<u>31,672</u>

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

	As at 31/3/2012			As at 31/12/2011		
	US\$'000			US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	458,496	15,000	473,496	406,652	15,000	421,652
Amount repayable after one year	635,349	-	635,349	664,210	-	664,210
Total	1,093,845	15,000	1,108,845	1,070,862	15,000	1,085,862

Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, inventories, trade receivables, investment properties, biological assets and property, plant and equipment.

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2012

	1st Qtr 2012 US\$'000	1st Qtr 2011 US\$'000
Cash flows from operating activities		
Profit before tax	210,528	295,730
Adjustments for:		
Depreciation	26,835	21,256
Amortisation	282	256
Unrealised foreign exchange (gain)/loss on short-term loans, long-term borrowings and receivables, net	(2,031)	6,863
Share of results of associated companies, net	(7)	(14)
Gain on disposal of property, plant and equipment	(269)	(548)
Property, plant and equipment written off	1,131	151
Write-back of allowance for impairment loss on inventories	(605)	-
Changes in fair value of financial assets at fair value through profit or loss	1,499	696
Gain on equity interest	-	(9,591)
Interest income	(2,863)	(2,780)
Interest expense	15,455	14,132
Operating cash flow before working capital changes	249,955	326,151
Changes in operating assets and liabilities:		
Trade receivables	(143,427)	7,204
Other current assets	(125,600)	(124,352)
Inventories	85,050	(43,991)
Trade payables	37,420	50,250
Other payables	14,342	38,462
Cash generated from operations	117,740	253,724
Interest received	2,837	2,586
Interest paid	(13,781)	(13,018)
Tax paid	(29,798)	(4,487)
Net cash generated from operating activities	76,998	238,805

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2012 (cont'd)**

	1st Qtr 2012 <u>US\$'000</u>	1st Qtr 2011 <u>US\$'000</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	475	622
Proceeds from sale of biological assets	2,402	957
Capital expenditure on property, plant and equipment	(83,846)	(72,407)
Capital expenditure on biological assets	(6,460)	(10,938)
Proceeds from/(Investments in) short-term investments, net	36,496	(63,252)
Investments in long-term investments, net	(34,476)	(1,743)
Dividend received from an associated company	-	3,604
Investments in Plasma/KKPA Program plantations, net	(7,849)	(4,685)
Acquisition of a subsidiary, net of cash acquired	-	(5,421)
Payments for deferred expenditure	(236)	(14)
Net (increase)/decrease in long-term receivables and assets	<u>(15,892)</u>	<u>623</u>
Net cash used in investing activities	<u>(109,386)</u>	<u>(152,654)</u>
Cash flows from financing activities		
Proceeds from short-term loans	191,609	294,886
Proceeds from long-term borrowings	-	30,345
Payments of short-term loans	(140,884)	(247,552)
Payments of long-term borrowings	(29,569)	(21,468)
Payments of obligations under finance leases	(3)	(6)
Deferred loan charges and long-term bank loan administration costs	(77)	(170)
Decrease/(Increase) in cash in banks and time deposits pledged	<u>3,844</u>	<u>(3,664)</u>
Net cash generated from financing activities	<u>24,920</u>	<u>52,371</u>
Net (decrease)/increase in cash and cash equivalents	<u>(7,468)</u>	<u>138,522</u>
Cash and cash equivalents at the beginning of the period	<u>232,263</u>	<u>161,906</u>
Cash and cash equivalents at the end of the period (See Note below)	<u>224,795</u>	<u>300,428</u>

Note:

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

	31/3/2012 <u>US\$'000</u>	31/3/2011 <u>US\$'000</u>
Time deposits, cash and bank balances	265,702	360,465
Less: Cash in banks and time deposits pledged	<u>(40,907)</u>	<u>(60,037)</u>
	<u>224,795</u>	<u>300,428</u>

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

-----Attributable to Owners of the Company----->											
The Group	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Currency Translation Reserve	PRC Statutory Reserve	Retained Earnings	Total	Non-Controlling Interests	Total Equity
	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 2012	303,467	934,297	184,318	(48)	-	15,077	2,116	6,585,810	8,025,037	87,429	8,112,466
Total comprehensive income/(loss) for the period	-	-	-	-	(10,087)	1,297	-	162,044	153,254	2,224	155,478
Balance as at 31 Mar 2012	303,467	934,297	184,318	(48)	(10,087)	16,374	2,116	6,747,854	8,178,291	89,653	8,267,944
Balance as at 1 Jan 2011	303,467	934,297	184,318	1,136	-	6,817	2,116	5,393,709	6,825,860	119,283	6,945,143
Total comprehensive income/(loss) for the period	-	-	-	-	(682)	2,010	-	230,699	232,027	4,284	236,311
Balance as at 31 Mar 2011	303,467	934,297	184,318	1,136	(682)	8,827	2,116	5,624,408	7,057,887	123,567	7,181,454

The Company	Issued Capital	Share Premium	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2012	303,467	1,569,167	717,134	2,589,768
Loss for the period, representing total comprehensive loss for the period	-	-	(433)	(433)
Balance as at 31 Mar 2012	303,467	1,569,167	716,701	2,589,335
Balance as at 1 Jan 2011	303,467	1,569,167	794,100	2,666,734
Loss for the period, representing total comprehensive loss for the period	-	-	(640)	(640)
Balance as at 31 Mar 2011	303,467	1,569,167	793,460	2,666,094

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

The Company did not have treasury shares as at 31 March 2012 and 2011.

There have been no changes to the number of issued ordinary shares of the Company since 31 December 2011.

As at 31 March 2012, the outstanding number of warrants was 705,493,728. Each warrant carries the right to subscribe for 1 new ordinary share at an exercise price of S\$0.54 and may only be exercised on the third (3rd) anniversary of the date of issuance (i.e. on 23 July 2012). Assuming all the warrants are fully exercised, the number of new ordinary shares to be issued would be 705,493,728.

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

The total number of issued shares excluding treasury shares as at 31 March 2012 and 31 December 2011 was 12,138,676,942 ordinary shares of US\$0.025 each.

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

Not applicable.

2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice

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

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

Not applicable.

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

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

Except for the above, the Group has adopted accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2011.

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

Same as disclosed in Note 4 above.

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

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

- (i) Based on weighted average number of ordinary shares

- Weighted average numbers of shares

- (ii) On a fully diluted basis

- Weighted average numbers of shares

The Group	
1st Qtr 2012	1st Qtr 2011
USD1.33cents	USD1.90cents
12,138,676,942	12,138,676,942
USD1.31cents	USD1.87cents
12,332,806,089	12,304,710,725

7. **Net asset value (for the issuer and group) per ordinary share based on issued shares excluding treasury shares of the issuer at the end of the (a) current financial period reported on and (b) immediately preceding financial year**

Net asset value per ordinary share based on existing issued share capital of 12,138,676,942 shares

The Group		The Company	
As at 31 Mar 2012	As at 31 Dec 2011	As at 31 Mar 2012	As at 31 Dec 2011
US\$0.67	US\$0.66	US\$0.21	US\$0.21

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 ⁽²⁾	Total
Revenue			
31 March 2012	1,257,585	261,543	1,519,128
31 March 2011	1,184,711	278,315	1,463,026
Increase/(Decrease)	72,874	(16,772)	56,102
Increase/(Decrease) %	6.2	(6.0)	3.8
Gross Profit			
31 March 2012	434,898	18,923	453,821
31 March 2011	505,133	20,232	525,365
Increase/(Decrease) in profit	(70,235)	(1,309)	(71,544)
Increase/(Decrease) %	(13.9)	(6.5)	(13.6)
EBITDA (see note (1))			
31 March 2012	242,579	9,853	252,432
31 March 2011	293,834	12,542	306,376
Increase/(Decrease) in profit	(51,255)	(2,689)	(53,944)
Increase/(Decrease) %	(17.4)	(21.4)	(17.6)
Interest on borrowings			
31 March 2012	14,152	1,303	15,455
31 March 2011	12,658	1,474	14,132
Increase/(Decrease)	1,494	(171)	1,323
Increase/(Decrease) %	11.8	(11.6)	9.4
Depreciation and amortisation			
31 March 2012	23,862	3,255	27,117
31 March 2011	18,367	3,145	21,512
Increase/(Decrease)	5,495	110	5,605
Increase/(Decrease) %	29.9	3.5	26.1
Foreign exchange gain/(loss)			
31 March 2012	901	(240)	661
31 March 2011	13,603	1,790	15,393
Decrease in gain	(12,702)	(2,030)	(14,732)
Increase/(Decrease) %	(93.4)	n.m.	(95.7)
Exceptional gain			
31 March 2012	-	-	-
31 March 2011	9,591	-	9,591
Decrease in gain	(9,591)	-	(9,591)
Increase/(Decrease) %	(100.0)	-	(100.0)
Share of associates' profit, net of tax			
31 March 2012	7	-	7
31 March 2011	14	-	14
Decrease in profit	(7)	-	(7)
Increase/(Decrease) %	(50.0)	-	(50.0)
Profit before tax			
31 March 2012	205,473	5,055	210,528
31 March 2011	286,017	9,713	295,730
Decrease in profit	(80,544)	(4,658)	(85,202)
Increase/(Decrease) %	(28.2)	(48.0)	(28.8)
Net profit attributable to owners of the Company			
31 March 2012	157,932	4,112	162,044
31 March 2011	222,710	7,989	230,699
Decrease in profit	(64,778)	(3,877)	(68,655)
Increase/(Decrease) %	(29.1)	(48.5)	(29.8)

- Notes: (1) This refers to earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, exceptional item and share of results from associated companies, net of tax.
(2) The China Agri-business represents the results of Asia Integrated Agri Resources Ltd (AIAR) group of companies, including FIH group of companies.
(3) n.m. - not meaningful.

REVIEW OF PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2012

The Group recorded revenue of US\$1,519.1 million, EBITDA of US\$252.4 million and net profit of US\$162.0 million for the 3-month period ended 31 March 2012 ("1Q2012").

REVENUE

Indonesia

Revenue from the Indonesia Agri-business increased by 6.2% to US\$1,257.6 million in 1Q2012 mainly attributable to larger sales volume of crude palm oil ("CPO") and its related products during the period. However, this increase was partially offset by lower average selling prices in line with the lower market prices. The average CPO (CIF Rotterdam) price was 11.1% lower at US\$1,104 per tonne in 1Q2012 as compared to the average of US\$1,242 per tonne for the same period in 2011 ("1Q2011").

Our fresh fruit bunch ("FFB") production for 1Q2012 increased from 1,964,000 tonnes in 1Q2011 to 1,994,000 tonnes due to increased mature area. Accordingly, our CPO production increased from 494,000 tonnes in 1Q2011 to 500,000 tonnes in line with higher FFB production during the period.

China

Revenue in China comprised mainly revenue from edible oil of US\$213.8 million and noodle business of US\$47.5 million. The decrease in revenue of US\$16.8 million or 6% was mainly attributable to lower average selling prices of refined edible oil products in line with the lower market prices.

COST OF SALES

Cost of sales increased by 13.6% to US\$1,065.3 million in 1Q2012 as compared to US\$937.7 million in the same period in 2011.

Indonesia

Cost of sales from the Indonesia Agri-business comprised mainly labour, plantation maintenance, fertiliser and harvesting costs, as well as FFB and CPO purchases for our downstream business. Cost of sales increased by US\$143.1 million to US\$822.7 million in 1Q2012 mainly due to higher CPO purchases in line with the larger sales volume in 1Q2012. Increased fertiliser application during the period also contributed to higher cost of sales in the Indonesia Agri-business.

China

Cost of sales from the China Agri-business comprised mainly purchase cost of soybean and palm oil products for our edible oil operations, as well as purchase cost of raw materials for our noodle operations. Cost of sales declined by 6% to US\$242.6 million in 1Q2012 in line with the lower revenue recorded.

GROSS PROFIT

Gross profit was US\$453.8 million in 1Q2012 as compared to US\$525.4 million in 1Q2011. The gross profit margin declined from 35.9% in 1Q2011 to 29.9% mainly due to lower gross profit margin contributed from the Indonesia Agri-business.

Gross profit margin in Indonesia Agri-business was lower at 34.6% in 1Q2012, mainly resulting from lower average realised selling price in line with lower international CPO prices, coupled with higher fertiliser costs.

OPERATING EXPENSES

• *Selling expenses*

Selling expenses comprised mainly export tax, transportation, advertising and promotion, and salaries. Selling expenses decreased by 12.4% to US\$186.4 million mainly resulting from lower export tax incurred, partially offset by higher freight costs for the period.

- **General and administrative expenses**

General and administrative expenses of US\$48.4 million comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The 28.1% increase in general and administrative expenses was mainly due to higher salaries and related expenses resulting from additional headcount and higher professional fees.

FINANCIAL EXPENSES, NET

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. Net financial expenses increased by US\$1.4 million to US\$13.1 million in 1Q2012 in line with higher average borrowings in the current period.

FOREIGN EXCHANGE GAIN, NET

Foreign exchange gain was lower at US\$0.7 million in 1Q2012 as compared to US\$15.4 million in 1Q2011. The decrease in foreign exchange gain was mainly attributable to lower realised exchange gain recorded in the Indonesia Agri-business in 1Q2012.

OTHER OPERATING INCOME, NET

Net other operating income comprised mainly income from shipping and trucking services, income from sales of seedlings, rental and commission income. The net other operating income decreased from US\$7.7 million to US\$3.9 million in 1Q2012 mainly attributable to lower commission income during the period.

TAX

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

Income tax expense decreased by 23.9% to US\$46.3 million in 1Q2012 in line with lower taxable profit reported in the Indonesia Agri-business.

NON-CONTROLLING INTERESTS

Non-controlling shareholders' share of profit decreased from US\$4.2 million to US\$2.2 million in 1Q2012. This decrease was mainly attributable to lower non-controlling interests in PT Sinar Mas Agro Resources and Technology Tbk resulting from the acquisition of additional 2% shareholdings in July 2011.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2012

ASSETS

Total assets of the Group was higher at US\$12,093.1 million as at 31 March 2012 compared to US\$11,837.4 million as at end December 2011.

Current Assets

Lower short-term investment at US\$40.5 million primarily attributable to decrease in time deposits placed for a period over three months but not more than one year in the China Agri-business and reclassification of certain investment from short-term investment to long-term investments.

Trade receivables were higher by US\$143.4 million in line with the higher revenue in Indonesia Agri-business for the period.

Other current assets were higher at US\$649.8 million mainly due to higher prepaid expenses and higher prepaid value added tax arising from purchases and capital expenditure, coupled with higher deposits and advance payments for soybean and CPO purchases during the period.

Non-Current Assets

Higher long-term receivables and assets of US\$24.8 million mainly due to additional deposits and advance payments for capital expenditure and increase in advances for plasma plantations in Indonesia Agri-business.

Long-term investment was higher at US\$139.6 million mainly due to additional investment in unquoted funds and reclassification of certain investment from short-term investment to long-term investments.

Increase in property, plant and equipment of US\$58.7 million primarily related to construction of plantation facilities, refinery facilities and other ancillary plantation facilities.

LIABILITIES

Total liabilities of the Group increased by US\$100.2 million to US\$3,825.1 million as at 31 March 2012 mainly due to increases in trade and other payables.

Trade payables increased to US\$528.3 million mainly resulting from higher raw material purchases for the Indonesia Agri-business.

Higher other payables at US\$181 million mainly attributable to the increase in advances received from customers.

EQUITY

Total equity of the Group increased by US\$155.5 million to US\$8,267.9 million as at 31 March 2012 mainly due to net profit achieved for the period of US\$162 million and changes in fair value of forward contracts for raw materials.

REVIEW OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2012

Net cash flow generated from operating activities (after payment of taxes and interest expenses) for 1Q2012 was lower at US\$77 million as compared to US\$238.8 million in 1Q2011. The lower cash inflows recorded in the current period mainly resulted from the lower average selling prices in line with the lower commodities prices, and higher tax payment during the period.

Net cash used in investing activities of US\$109.4 million mainly related to capital expenditure for construction of plantation and refinery facilities, and other supporting facilities in the Indonesia Agri-business.

Net cash generated from financing activities of US\$24.9 million was primarily attributable to proceeds from loans drawn (net of repayment) for working capital purposes.

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 the palm oil industry remains robust despite the volatility in commodity prices. The demand growth for palm oil is expected to be positive, supported by continued strong core demand from the edible oil and oleo-chemical markets, particularly from the growing middle class in emerging countries, combined with the increasing demand from the renewable energy sector. With our favourable plantation age profile and growing CPO production, we are well positioned to seize opportunities in the industry. We will also continue to increase our production of sustainable palm oil, as well as to further improve operational efficiency and plantation management techniques.

The operating environment of the China Agri-business remains challenging given the high volatility in raw material prices and intense competition. We will continue to focus on managing our costs and targeting our growth in the sale of various palm-based products through our extended distribution channels.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the quarter ended 31 March 2012.

13. 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)
	1Q2012	1Q2012
	US\$	US\$
Muktar Widjaja	290,400 [@]	Nil
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	433,135
PT Asuransi Sinar Mas	Nil	2,956,214
PT Bank Sinarmas	Nil	2,514,154 [*]
PT Cakrawala Mega Indah	Nil	1,705,807
PT Rolimex Kimia Nusamas	Nil	1,282,512
PT Royal Oriental	Nil	2,694,809
PT Sinar Jati Mitra	Nil	242,367
PT Sinar Mas Teladan	Nil	1,625,924
Total	290,400	13,454,922

Notes:

[@] The amount covered a period of 2 years from 1 January 2012 to 31 December 2013.

^{*} Principal amount as at 31 March 2012 is approximately US\$2.5 million.

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. 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.

15. 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.

16. A breakdown of sales

Not applicable.

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

Not applicable.

18. CONFIRMATION PURSUANT TO THE RULE 705(5) OF THE LISTING MANUAL

We, Simon Lim and Rafael Buhay Concepcion, Jr., being two directors of Golden Agri-Resources Ltd (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the first quarter ended 31 March 2012 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim
Director

Rafael Buhay Concepcion, Jr.
Director

11 May 2012

BY ORDER OF THE BOARD

Simon Lim
Director
11 May 2012

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 11 May 2012 to the SGX