



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 2010**

	1st Qtr 2010 US\$'000	1st Qtr 2009 US\$'000	Change %
Revenue	624,529	412,232	51.5
Cost of sales	(450,771)	(348,796)	29.2
Gross profit	<u>173,758</u>	<u>63,436</u>	173.9
Operating expenses			
Selling expenses	(30,487)	(14,551)	109.5
General and administrative expenses	(29,890)	(21,967)	36.1
Total operating expenses	<u>(60,377)</u>	<u>(36,518)</u>	65.3
Operating profit	<u>113,381</u>	<u>26,918</u>	321.2
Other income/(expenses)			
Financial income	1,981	1,025	93.3
Financial expenses	(9,968)	(10,972)	(9.2)
Share of results of associated companies, net	1,667	1,602	4.1
Foreign exchange gain/(loss), net	7,012	(3,341)	n.m.
Other operating income, net	7,292	1,746	317.6
	<u>7,984</u>	<u>(9,940)</u>	n.m.
Profit before tax	121,365	16,978	614.8
Tax	(30,052)	(8,732)	244.2
Profit for the period	<u>91,313</u>	<u>8,246</u>	1,007.4
Attributable to:			
Owners of the Company	88,525	8,576	932.2
Non-controlling interests	2,788	(330)	n.m.
	<u>91,313</u>	<u>8,246</u>	1,007.4

Note (1) n.m. – not meaningful

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 2010 <u>US\$'000</u>	1st Qtr 2009 <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”)	140,493	45,263	210.4
Interest on borrowings	(9,792)	(10,789)	(9.2)
Depreciation and amortisation	(18,015)	(15,757)	14.3
Foreign exchange gain/(loss), net	<u>7,012</u>	<u>(3,341)</u>	n.m.
Profit before tax, minority interests, but after interest on borrowings, depreciation and amortisation, exchange gain/(loss) and exceptional item	119,698	15,376	678.5
Share of results of associated companies, net	1,667	1,602	4.1
Profit before tax	<u><u>121,365</u></u>	<u><u>16,978</u></u>	614.8

Note (1) n.m. – not meaningful

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

UNAUDITED STATEMENTS OF FINANCIAL POSITION

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2010 <u>US\$'000</u>	31/12/2009 <u>US\$'000</u>	31/3/2010 <u>US\$'000</u>	31/12/2009 <u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	169,737	287,539	11,239	1,140
Short-term investments	68,432	65,841	-	-
Trade receivables	109,016	102,665	-	-
Other current assets (note (a))	226,736	229,529	548	431
Inventories	421,450	420,125	-	-
	995,371	1,105,699	11,787	1,571
Non-Current Assets				
Long-term receivables and assets (note (b))	143,901	159,224	-	-
Long-term investments	25,050	25,050	-	-
Subsidiary companies	-	-	2,744,170	2,755,328
Associated companies	7,713	6,420	-	-
Property, plant and equipment	1,148,504	1,102,608	-	-
Biological assets	5,371,325	5,357,537	-	-
Deferred income tax	16,796	18,499	-	-
Deferred charges	7,960	7,944	-	-
Brands and trademarks	1,521	1,601	-	-
Goodwill	115,898	115,898	-	-
	6,838,668	6,794,781	2,744,170	2,755,328
Total Assets	<u>7,834,039</u>	<u>7,900,480</u>	<u>2,755,957</u>	<u>2,756,899</u>

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2010 <u>US\$'000</u>	31/12/2009 <u>US\$'000</u>	31/3/2010 <u>US\$'000</u>	31/12/2009 <u>US\$'000</u>
Liabilities and Equity				
Current Liabilities				
Short-term loans	211,091	314,008	10,000	10,000
Trade payables	251,364	268,385	-	-
Other payables (note(c))	70,011	103,434	32,921	33,670
Taxes payable	39,987	38,425	-	-
Obligations under finance leases	20	20	-	-
	572,473	724,272	42,921	43,670
Non-Current Liabilities				
Obligations under finance leases	91	95	-	-
Long-term borrowings	355,917	369,074	-	-
Deferred income tax	1,255,006	1,250,044	-	-
Long-term payables	23,987	23,240	-	-
	1,635,001	1,642,453	-	-
Total Liabilities	2,207,474	2,366,725	42,921	43,670
Equity Attributable to Owners of the Company				
Issued capital	303,467	303,467	303,467	303,467
Share premium	934,297	934,315	1,569,167	1,569,185
Other paid-in capital	184,318	184,318	-	-
Other reserve	1,136	1,136	-	-
Hedging reserve	-	(1,584)	-	-
Foreign currency translation reserve	16,315	16,385	-	-
Cumulative translation adjustments	(16,684)	(16,684)	-	-
PRC statutory reserve	2,116	2,116	-	-
Retained earnings	4,102,749	4,014,224	840,402	840,577
	5,527,714	5,437,693	2,713,036	2,713,229
Non-Controlling Interests	98,851	96,062	-	-
Total Equity	5,626,565	5,533,755	2,713,036	2,713,229
Total Liabilities and Equity	7,834,039	7,900,480	2,755,957	2,756,899

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>31/3/2010</u>	<u>31/12/2009</u>	<u>31/3/2010</u>	<u>31/12/2009</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	28,476	12,194	61	45
Prepaid value added tax, net	51,339	40,270	-	-
Advances to suppliers	47,006	73,595	-	-
Others	69,121	72,907	-	-
	<u>195,942</u>	<u>198,966</u>	<u>61</u>	<u>45</u>
Related parties	<u>30,794</u>	<u>30,563</u>	<u>487</u>	<u>386</u>
	<u>226,736</u>	<u>229,529</u>	<u>548</u>	<u>431</u>

(b) Long-Term Receivables and Assets

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>31/3/2010</u>	<u>31/12/2009</u>	<u>31/3/2010</u>	<u>31/12/2009</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Associated company	6,880	7,027	-	-
Loan receivable	9,031	9,200	-	-
Tax recoverable	78,236	86,736	-	-
Advances for project plasma plantations	15,153	11,387	-	-
Advances for project and purchase of fixed assets	20,866	32,241	-	-
Land clearing	6,267	5,563	-	-
Advances for investments in land	4,110	3,959	-	-
Others	3,358	3,111	-	-
	<u>143,901</u>	<u>159,224</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>31/3/2010</u>	<u>31/12/2009</u>	<u>31/3/2010</u>	<u>31/12/2009</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances from customers	16,920	22,255	-	-
Accrued expenses	21,921	19,847	402	401
Others	30,170	60,332	26	28
	<u>69,011</u>	<u>102,434</u>	<u>428</u>	<u>429</u>
Related parties	<u>1,000</u>	<u>1,000</u>	<u>32,493</u>	<u>33,241</u>
	<u>70,011</u>	<u>103,434</u>	<u>32,921</u>	<u>33,670</u>

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

	As at 31/3/2010 US\$'000			As at 31/12/2009 US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	201,111	10,000	211,111	304,028	10,000	314,028
Amount repayable after one year	355,268	740	356,008	368,429	740	369,169
Total	556,379	10,740	567,119	672,457	10,740	683,197

Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, short-term investments, inventories, trade receivables, biological assets and property, plant and equipment.

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

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2010

(Amounts in United States dollars)

	1st Qtr 2010 US\$'000	1st Qtr 2009 US\$'000
Cash flows from operating activities		
Profit before tax	121,365	16,978
Adjustments for:		
Depreciation	17,774	15,518
Amortisation	241	239
Unrealised loss on foreign exchange on short-term loans, long-term borrowings and receivables, net	4,271	1,961
Share of results of associated companies, net	(1,667)	(1,602)
Gain on disposal of property, plant and equipment	(621)	(129)
Property, plant and equipment written off	230	191
Write back of allowance for impairment loss on inventories	-	(1,529)
Gain from changes in fair value of financial assets at fair value through profit or loss	(1,828)	-
Interest income	(1,981)	(1,025)
Interest expense	9,792	10,789
Operating cash flow before working capital changes	147,576	41,391
Changes in operating assets and liabilities:		
Trade receivables	(6,351)	76,378
Other receivables	2,104	2,593
Inventories	(1,325)	(19,333)
Trade payables	(17,021)	(14,546)
Other payables	(32,124)	(3,328)
Cash generated from operations	92,859	83,155
Interest received	1,280	659
Interest paid	(8,765)	(11,655)
Tax paid	(12,702)	(34,936)
Net cash generated from operating activities	72,672	37,223

UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2010 (cont'd)
(Amounts in United States dollars)

	1st Qtr 2010 <u>US\$'000</u>	1st Qtr 2009 <u>US\$'000</u>
Cash flows from investing activities		
Proceeds from disposal of property, plant and equipment	1,731	2,262
Proceeds from disposal of biological assets	237	-
Capital expenditure on property, plant and equipment	(64,821)	(29,881)
Capital expenditure on biological assets	(9,774)	(9,612)
Net increase in short-term investments	(763)	(6,407)
Investments in Plasma/KKPA Program plantations, net	(3,764)	(309)
Payment for deferred expenditure	(177)	(101)
Decrease/(Increase) in long-term receivables and assets	6,564	(4,312)
Net cash used in investing activities	<u>(70,767)</u>	<u>(48,360)</u>
Cash flows from financing activities		
Proceeds from short-term loans	1,398	74,951
Proceeds from long-term borrowings	-	72,626
Payments of short-term loans	(106,214)	(85,744)
Payments of long-term borrowings	(14,708)	(54,971)
Payments of obligations under finance leases	(4)	(2)
Deferred loan charges and long-term bank loan administration costs	(179)	(1,543)
(Increase)/Decrease in time deposits pledged	(5,421)	1,016
Net cash (used in)/generated from financing activities	<u>(125,128)</u>	<u>6,333</u>
Net decrease in cash and cash equivalents	<u>(123,223)</u>	<u>(4,804)</u>
Cash and cash equivalents at the beginning of the period	<u>279,909</u>	<u>128,606</u>
Cash and cash equivalents at the end of the period (See Note)	<u>156,686</u>	<u>123,802</u>

Note:

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

	31/3/2010 <u>US\$'000</u>	31/3/2009 <u>US\$'000</u>
Time deposits, cash and bank balances	169,737	127,394
Less: Time deposits pledged	(13,051)	(3,592)
	<u>156,686</u>	<u>123,802</u>

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

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2010**

	1st Qtr 2010 <u>US\$'000</u>	1st Qtr 2009 <u>US\$'000</u>
Profit for the period	91,313	8,246
Other comprehensive income:		
Foreign currency translation differences on consolidation	(69)	(1,525)
Changes in fair value of cash flow hedge transferred to income statement	1,584	1,834
Other comprehensive income for the period, net of tax	1,515	309
Total comprehensive income for the period	<u>92,828</u>	<u>8,555</u>
Total comprehensive income attributable to:		
Owners of the Company	90,039	8,897
Non-controlling interests	2,789	(342)
	<u>92,828</u>	<u>8,555</u>

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

<u>The Company</u>	<u>Issued Capital</u> US\$'000	<u>Share Premium</u> US\$'000	<u>Retained Earnings</u> US\$'000	<u>Total</u> US\$'000
Balance as at 1 Jan 2010	303,467	1,569,185	840,577	2,713,229
Adjustment to share issuance expenses	-	(18)	-	(18)
Loss for the period, representing total comprehensive expenses for the period	-	-	(175)	(175)
Balance as at 31 Mar 2010	<u>303,467</u>	<u>1,569,167</u>	<u>840,402</u>	<u>2,713,036</u>
Balance as at 1 Jan 2009	249,397	1,407,102	13,400	1,669,899
Profit for the period, representing total comprehensive income for the period	-	-	1,837	1,837
Balance as at 31 Mar 2009	<u>249,397</u>	<u>1,407,102</u>	<u>15,237</u>	<u>1,671,736</u>

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

The Group	←-----Attributable to Owners of the Company----->										Non- Controlling 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		
Balance as at 1 Jan 2010	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
Adjustment to share issuance expenses	-	(18)	-	-	-	-	-	-	-	(18)	-	(18)
Total comprehensive income/(loss) for the period	-	-	-	-	1,584	(70)	-	-	88,525	90,039	2,789	92,828
Balance as at 31 Mar 2010	303,467	934,297	184,318	1,136	-	16,315	(16,684)	2,116	4,102,749	5,527,714	98,851	5,626,565

The Group	←-----Attributable to Owners of the Company----->										Non- controlling 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		
Balance as at 1 Jan 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/(loss) for the period	-	-	-	-	1,834	(1,513)	-	8,576	8,897	(342)	8,555	
Balance as at 31 Mar 2009	249,397	772,232	184,318	1,136	-	14,270	(16,684)	3,417,954	4,622,623	92,762	4,715,385	

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

The Company did not have treasury shares as at 31 March 2010 and 2009.

There have been no changes to the number of issued ordinary shares of the Company since 31 December 2009.

As at 31 March 2010, 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)(iv) To show the number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

The total number of issued shares excluding treasury shares as at 31 March 2010 and 31 December 2009 was 12,138,676,942 ordinary shares of US\$0.025 each.

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

Not applicable.

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

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

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

Not applicable.

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

The Group has adopted the practice of determining the fair value of the Group's biological assets by reference to independent professional valuation based on the present value of expected net cash inflows from the plantations on an annual basis. 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 2009.

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

Same as disclosed in Note 4 above.

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

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 2010	(Restated) 1st Qtr 2009
USD0.73cents	USD0.08cents
12,138,676,942	11,066,600,062
USD0.73cents	n.a.
12,152,761,209	n.a.

Note:

Comparative weighted average number of shares used in the computation of EPS has been restated for the effect of Bonus Issue and Rights Issue in 2009, in accordance with IAS 33, *Earnings per Shares*.

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 of 12,138,676,942 shares

The Group		The Company	
As at 31 Mar 2010	As at 31 Dec 2009	As at 31 Mar 2010	As at 31 Dec 2009
US\$0.46	US\$0.45	US\$0.22	US\$0.22

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

(in US\$'000)	AGRI-BUSINESS		
For the period ended	Indonesia	China ⁽²⁾	Total
Revenue			
31 March 2010	506,485	118,044	624,529
31 March 2009	288,258	123,974	412,232
Increase/(Decrease)	218,227	(5,930)	212,297
Increase/(Decrease) %	75.7	(4.8)	51.5
Gross Profit			
31 March 2010	166,877	6,881	173,758
31 March 2009	56,129	7,307	63,436
Increase/(Decrease) in profit	110,748	(426)	110,322
Increase/(Decrease) %	197.3	(5.8)	173.9
EBITDA (see note (1))			
31 March 2010	135,275	5,218	140,493
31 March 2009	39,849	5,414	45,263
Increase/(Decrease) in profit	95,426	(196)	95,230
Increase/(Decrease) %	239.5	(3.6)	210.4
Interest on borrowings			
31 March 2010	9,040	752	9,792
31 March 2009	10,385	404	10,789
Increase/(Decrease)	(1,345)	348	(997)
Increase/(Decrease) %	(13.0)	86.1	(9.2)
Depreciation and amortisation			
31 March 2010	16,163	1,852	18,015
31 March 2009	13,978	1,779	15,757
Increase/(Decrease)	2,185	73	2,258
Increase/(Decrease) %	15.6	4.1	14.3
Foreign exchange gain/(loss)			
31 March 2010	7,005	7	7,012
31 March 2009	(3,373)	32	(3,341)
Increase in gain	10,378	(25)	10,353
Increase/(Decrease) %	n.m.	(78.1)	n.m.
Share of associates' profit			
31 March 2010	1,667	-	1,667
31 March 2009	1,602	-	1,602
Increase in profit	65	-	65
Increase %	4.1	-	4.1
Profit before tax			
31 March 2010	118,744	2,621	121,365
31 March 2009	13,715	3,263	16,978
Increase/(Decrease) in profit	105,029	(642)	104,387
Increase/(Decrease) %	765.8	(19.7)	614.8
Net profit attributable to owners of the Company			
31 March 2010	86,027	2,498	88,525
31 March 2009	5,884	2,692	8,576
Increase/(Decrease) in profit	80,143	(194)	79,949
Increase/(Decrease) %	1,362.0	(7.2)	932.2

Note: (1) This refers to earnings before income tax, minority interests, interest on borrowings, 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 2010

The Group recorded a net profit of US\$88.5 million for the current quarter ended 31 March 2010 ("1Q2010"), a significant improvement as compared to the same period in 2009 ("1Q2009") of US\$8.6 million.

Our revenue reached US\$624.5 million, representing a growth of 51.5% as compared to US\$412.2 million in 1Q2009, with EBITDA more than tripled to US\$140.5 million in 1Q2010 as compared to the corresponding period last year. This strong performance was mainly driven by the recovery of crude palm oil ("CPO") prices during the period.

REVENUE

Indonesia

Revenue from the Indonesia Agri-business increased by 75.7% to US\$506.5 million in 1Q2010, mostly attributable to the higher average CPO prices and higher sales volume during the period. The average international CPO (CIF Rotterdam) price was approximately 40.4% higher at US\$806 per tonne in 1Q2010 as compared to the average of US\$574 in 1Q2009.

Our CPO production in 1Q2010 was constant at 366,000 tonnes as compared to 364,000 tonnes in 1Q2009. Our fresh fruit bunch ("FFB") production in 1Q2010 was 1,465,000 tonnes as compared to 1,477,000 tonnes in 1Q2009. The lower production was due to the low seasonal fruit production and flood in certain areas in the Central part of Sumatra that hampered the harvesting process.

China

Revenue from the China Agri-business of US\$118 million comprised mainly US\$47.7 million (1Q2009: US\$58.8 million) from the crushing operations and US\$44.2 million (1Q2009: US\$55.2 million) from the refinery operations.

The decrease in revenue of 4.8% or US\$5.9 million resulted mainly from lower crushing volume due to a temporary shutdown of our crushing plant for maintenance work in February 2010, offset by improved average selling prices of refined edible oil products during the period.

COST OF SALES

Cost of sales increased by 29.2% to US\$450.8 million in 1Q2010 in line with the higher revenue recorded in the Indonesia Agri-business.

Indonesia

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

Cost of sales increased by 46.3% to US\$339.6 million in 1Q2010 mainly due to higher FFB and CPO purchase cost in line with the higher market prices as well as higher sales volume.

China

Cost of sales in the China Agri-business was US\$111.2 million, comprising mainly purchase cost of soybean and palm oil products. The decrease of US\$5.5 million was mainly due to lower revenue recorded for the period.

GROSS PROFIT

Gross profit increased by 173.9% to US\$173.8 million in 1Q2010, with the gross profit margin improving to 27.8% in 1Q2010 as compared to 15.4% in 1Q2009. This was largely due to increased gross profit contribution from the Indonesia Agri-business as a result of the high average realised selling price in line with the upward international CPO price trend during the period. Accordingly, the gross profit margin of Indonesia Agri-business improved from 19.5% in 1Q2009 to 32.9% in 1Q2010.

OPERATING EXPENSES

- ***Selling expenses***

Selling expenses of US\$30.5 million comprised mainly transportation, export tax, advertising and promotion, and salaries. The increase in selling expenses of US\$15.9 million was mainly attributable to the higher export tax expense in 1Q2010 as a result of higher applicable export tax rate during the period, and increased in freight and insurance charges.

The current export tax rate for CPO ranges from 0% (if CPO market price per tonne is below US\$700 CIF Rotterdam) to 25% (if CPO market price per tonne is above US\$1,250 CIF Rotterdam).

- ***General and administrative expenses***

General and administrative expenses included mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The increase of US\$7.9 million or 36.1% to US\$29.9 million in 1Q2010 was primarily due to the higher salaries in Indonesia Agri-business resulting from additional headcount.

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 decreased by US\$1.9 million to US\$8 million in 1Q2010 largely due to lower interest rates on borrowings during the period and higher interest income as a result of higher average cash and cash equivalents.

FOREIGN EXCHANGE GAIN/(LOSS), NET

Foreign exchange gain of US\$7 million was mainly attributable to realised foreign exchange gain from settlement of certain financial assets, offset by loss on translation of net Indonesian Rupiah ("IDR") monetary liabilities to US Dollar ("USD") as IDR strengthened in 1Q2010 and closed at IDR9,100 as at end of March 2010 as compared to IDR9,400 as at end of 2009.

In 1Q2009, the translation of net IDR monetary assets to USD had resulted in a foreign exchange loss of US\$3.3 million as IDR weakened against USD and closed at IDR11,600 as at end of March 2009 as compared to IDR10,950 as at end of 2008.

OTHER OPERATING INCOME, NET

Net other operating income comprised mainly gain from changes in fair value of financial assets, income from other services such as shipping and trucking processing services. The net operating income has increased to US\$7.3 million in 1Q2010 mainly attributable to recognition of unrealised gain from changes in fair value of short-term investments held as financial assets.

TAX

Income tax expense increased by US\$21.3 million to US\$30.1 million in 1Q2010 in line with higher taxable profit reported in the Indonesia Agri-business.

No group relief is available for set-off of taxable profits against tax losses of companies within the Group.

NON-CONTROLLING INTERESTS

Non-controlling shareholders' share of profit was US\$2.8 million in 1Q2010 as compared to share of loss of US\$0.3 million in 1Q2009. This increase was mainly due to higher profit reported in certain subsidiaries in the Indonesia Agri-business.

REVIEW OF CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 MARCH 2010

ASSETS

Total assets of the Group was lower at US\$7,834 million as at 31 March 2010 as compared to US\$7,900.5 million as at 31 December 2009 mainly attributable to lower cash and cash equivalents.

Current Assets

Decrease in current assets of US\$110.3 million was mainly due to lower cash and cash equivalents. The cash and cash equivalents were lower at US\$169.7 million mainly attributable to cash used for repayment of maturing loans in Indonesia Agri-business and capital expenditure.

Non-Current Assets

Increase in non-current assets of US\$43.9 million was mostly attributable to increase in property, plant and equipment relating to the construction of plantation facilities, refinery facilities and other ancillary facilities in the Indonesia Agri-business.

LIABILITIES

Total liabilities of the Group was lower by US\$159.3 million at US\$2,207.5 million as at 31 March 2010 mainly attributable to lower total borrowings and other payables.

The lower total borrowings of US\$116.1 million was mainly due to repayment of maturing loans made during the period in the Indonesia Agri-business.

The decrease in other payables of US\$33.4 million was mainly attributable to repayment made for the remaining purchase consideration payable for the acquisition of new subsidiaries at the end of 2009.

REVIEW OF CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2010

During 1Q2010, our net cash flows generated from operating activities was US\$72.7 million. The higher net cash inflow in 1Q2010 as compared to 1Q2009 was mainly due to improved operating results driven by higher commodities prices during the period.

Net cash used in investing activities of US\$70.8 million mainly related to capital expenditure incurred for construction of plantation and refinery facilities, other supporting facilities and capital expenditure for additional planted hectares in the Indonesia Agri-business.

Net cash used in financing activities of US\$125.1 million was principally attributable to the repayment of maturing loans made during the period in the 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 the palm oil industry remains positive as palm oil is the highest yielding and cheapest edible oil in the world. We expect the demand for palm oil to continue to grow, supported by the core demand from the edible oil and oleo-chemical markets, and potential demand from the renewable energy sector in view of the increasing government initiatives on renewable energy.

Nonetheless, the CPO price is expected to remain volatile as the global climatic condition, demand and supply of CPO and other vegetable oils, and developments in government policy on import duties and export taxes of the countries we trade with, will continue to have an impact on the CPO price movement. Going forward, we will continue to manage our operating costs at optimal levels and extend our research and development efforts to further improve operational efficiency and plantation management techniques.

The operating environment of the China Agri-business remains challenging in view of the volatility in prices of commodities, including soybean. Amidst the highly competitive operating environment, our priority remains in managing our costs and targeting our growth on the sale of various palm-based products to selected key regions within China.

11. Dividend

(a) Current Financial Period Reported On

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

(b) Corresponding Period of the Immediately Preceding Financial Year

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

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared for the quarter ended 31 March 2010.

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)
	1Q2010	1Q2010
	US\$	US\$
Asia Food & Properties Limited	Nil	346,895
Muktar Widjaja	290,400 **	Nil
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	498,545
PT Asuransi Sinar Mas	Nil	303,979
PT Bank Sinarmas	Nil	193,927*
PT Rolimex Kimia Nusamas	Nil	2,523,596
PT Sinar Jati Mitra	Nil	266,677
Zhuhai Huafeng Foodstuff Co., Ltd	Nil	829,468
Total	290,400	4,963,087

Notes:

* Principal amount as at 31 March 2010 is approximately US\$0.2 million.

** The amount covered a period of 2 years from 1 January 2010 to 31 December 2011.

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 2010 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim
Director

Rafael Buhay Concepcion, Jr.
Director

12 May 2010

BY ORDER OF THE BOARD

Simon Lim
Director
12 May 2010