

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 2013**

	1st Qtr 2013 US\$'000	1st Qtr 2012 US\$'000	Change %
Revenue	1,430,118	1,519,128	(5.9)
Cost of sales	<u>(1,072,942)</u>	<u>(1,065,307)</u>	0.7
Gross profit	<u>357,176</u>	<u>453,821</u>	(21.3)
Operating expenses			
Selling expenses	(128,310)	(186,404)	(31.2)
General and administrative expenses	<u>(56,270)</u>	<u>(48,388)</u>	16.3
Total operating expenses	<u>(184,580)</u>	<u>(234,792)</u>	(21.4)
Operating profit	<u>172,596</u>	<u>219,029</u>	(21.2)
Other income/(expenses)			
Financial income	3,313	2,863	15.7
Financial expenses	(23,732)	(15,975)	48.6
Share of results of associated companies, net of tax	(1)	7	n.m.
Share of results of joint ventures, net of tax	(131)	-	n.m.
Foreign exchange gain, net	5,135	661	676.9
Other operating income, net	<u>4,132</u>	<u>3,943</u>	4.8
	<u>(11,284)</u>	<u>(8,501)</u>	32.7
Profit before tax	161,312	210,528	(23.4)
Tax	<u>(47,343)</u>	<u>(46,256)</u>	2.3
Profit for the period	<u>113,969</u>	<u>164,272</u>	(30.6)
Attributable to:			
Owners of the Company	112,838	162,044	(30.4)
Non-controlling interests	<u>1,131</u>	<u>2,228</u>	(49.2)
	<u>113,969</u>	<u>164,272</u>	(30.6)

Note: n.m. – not meaningful.

**UNAUDITED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE PERIOD ENDED 31 MARCH 2013**

	1st Qtr 2013 <u>US\$'000</u>	1st Qtr 2012 <u>US\$'000</u>
Profit for the period	113,969	164,272
Other comprehensive income:		
Foreign currency translation differences on consolidation	(362)	1,293
Changes in fair value of cash flow hedges	-	(10,087)
Other comprehensive income, net of tax	(362)	(8,794)
Total comprehensive income for the period	<u>113,607</u>	<u>155,478</u>
Total comprehensive income attributable to:		
Owners of the Company	112,453	153,254
Non-controlling interests	1,154	2,224
	<u>113,607</u>	<u>155,478</u>

ADDITIONAL INFORMATION

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

	1st Qtr 2013 <u>US\$'000</u>	1st Qtr 2012 <u>US\$'000</u>	Change %
Earnings before tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, and share of results of associated companies and joint ventures ("EBITDA")	210,696	252,432	(16.5)
Interest on borrowings	(23,256)	(15,455)	50.5
Depreciation and amortisation	(31,131)	(27,117)	14.8
Foreign exchange gain, net	5,135	661	676.9
Share of results of associated companies, net of tax	(1)	7	n.m.
Share of results of joint ventures, net of tax	(131)	-	n.m.
Profit before tax	<u>161,312</u>	<u>210,528</u>	(23.4)

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	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Assets				
Current Assets				
Cash and cash equivalents	494,170	559,538	250	454
Short-term investments	156,307	125,675	-	-
Trade receivables	386,840	400,045	-	-
Other current assets (note (a))	508,337	496,459	134	43
Inventories	712,645	840,094	-	-
	2,258,299	2,421,811	384	497
Non-Current Assets				
Long-term receivables and assets (note (b))	335,530	282,595	-	-
Long-term investments	617,233	531,426	332,400	324,300
Subsidiary companies	-	-	2,738,608	2,747,602
Associated companies	6,862	6,863	-	-
Joint Ventures	5,798	5,429	-	-
Investment properties	1,384	1,404	-	-
Property, plant and equipment	2,072,020	2,007,461	-	-
Biological assets	7,904,659	7,898,575	-	-
Deferred tax assets	1,815	1,795	-	-
Deferred charges	12,062	12,237	-	-
Brands and trademarks	560	640	-	-
Goodwill	115,898	115,898	-	-
	11,073,821	10,864,323	3,071,008	3,071,902
Total Assets	<u>13,332,120</u>	<u>13,286,134</u>	<u>3,071,392</u>	<u>3,072,399</u>

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

	Group		Company	
	As at		As at	
	31/3/2013	31/12/2012	31/3/2013	31/12/2012
	US\$'000	US\$'000	US\$'000	US\$'000
Liabilities and Equity				
Current Liabilities				
Short-term loans	400,649	433,494	-	-
Trade payables	621,250	685,007	-	-
Other payables (note(c))	151,699	139,559	35,034	32,981
Taxes payable	50,754	44,123	-	-
Obligations under finance leases	20	23	-	-
	1,224,372	1,302,206	35,034	32,981
Non-Current Liabilities				
Obligations under finance leases	39	43	-	-
Bonds and notes payables	1,042,993	959,904	368,444	365,501
Long-term borrowings	387,866	461,079	-	-
Deferred tax liabilities	1,893,003	1,892,383	973	973
Long-term payables	52,036	52,315	-	-
	3,375,937	3,365,724	369,417	366,474
Total Liabilities	4,600,309	4,667,930	404,451	399,455
Equity Attributable to Owners of the Company				
Issued capital	320,939	320,939	320,939	320,939
Share premium	1,216,095	1,216,095	1,850,965	1,850,965
Other paid-in capital	184,318	184,318	-	-
Other reserve	(48)	(48)	-	-
Option reserve	31,469	31,469	31,469	31,469
Currency translation reserve	18,436	18,821	-	-
PRC statutory reserve	2,116	2,116	-	-
Retained earnings	6,865,757	6,752,919	463,568	469,571
	8,639,082	8,526,629	2,666,941	2,672,944
Non-Controlling Interests	92,729	91,575	-	-
Total Equity	8,731,811	8,618,204	2,666,941	2,672,944
Total Liabilities and Equity	13,332,120	13,286,134	3,071,392	3,072,399

UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)

Note:

(a) Other Current Assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>31/3/2013</u>	<u>31/12/2012</u>	<u>31/3/2013</u>	<u>31/12/2012</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Prepaid expenses	39,285	21,033	34	43
Prepaid taxes, net	128,188	128,915	-	-
Deposits and advances to suppliers	289,923	298,229	100	-
Others	49,491	47,901	-	-
	<u>506,887</u>	<u>496,078</u>	<u>134</u>	<u>43</u>
Related parties	1,450	381	-	-
	<u>508,337</u>	<u>496,459</u>	<u>134</u>	<u>43</u>

(b) Long-Term Receivables and Assets

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>31/3/2013</u>	<u>31/12/2012</u>	<u>31/3/2013</u>	<u>31/12/2012</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Associated company	1,029	1,551	-	-
Tax recoverable	141,702	131,060	-	-
Advances for project plasma plantations	36,194	23,357	-	-
Advances for projects and purchase of fixed assets	135,095	108,571	-	-
Land clearing	4,676	1,914	-	-
Advances for investments in land	4,379	4,379	-	-
Others	12,455	11,763	-	-
	<u>335,530</u>	<u>282,595</u>	<u>-</u>	<u>-</u>

(c) Other Payables

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>31/3/2013</u>	<u>31/12/2012</u>	<u>31/3/2013</u>	<u>31/12/2012</u>
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
Advances from customers	25,524	24,586	-	-
Accrued expenses	50,028	48,754	291	345
Others	75,776	65,850	5,004	2,504
	<u>151,328</u>	<u>139,190</u>	<u>5,295</u>	<u>2,849</u>
Related parties	371	369	29,739	30,132
	<u>151,699</u>	<u>139,559</u>	<u>35,034</u>	<u>32,981</u>

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

	As at 31/3/2013			As at 31/12/2012		
	US\$'000			US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	385,669	15,000	400,669	418,517	15,000	433,517
Amount repayable after one year	387,905	1,042,993	1,430,898	461,122	959,904	1,421,026
Total	773,574	1,057,993	1,831,567	879,639	974,904	1,854,543

Details of any collateral

The secured borrowings are collateralised by certain cash and cash equivalents, short-term investments, 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 2013

	1st Qtr 2013 US\$'000	1st Qtr 2012 US\$'000
Cash flows from operating activities		
Profit before tax	161,312	210,528
Adjustments for:		
Depreciation	30,663	26,835
Amortisation	468	282
Unrealised foreign exchange gain on short-term loans, long-term borrowings and receivables, net	(974)	(2,031)
Share of results of associated companies, net of tax	1	(7)
Share of results of joint ventures, net of tax	131	-
Gain on disposal of property, plant and equipment	(39)	(269)
Property, plant and equipment written off	599	1,131
Allowance for/(Write-back of) impairment loss on inventories, net	659	(605)
Write-back of impairment loss on trade receivables	(10)	-
Changes in fair value of financial assets at fair value through profit or loss	1,252	1,499
Interest income	(3,313)	(2,863)
Interest expense	23,256	15,455
Operating cash flow before working capital changes	214,005	249,955
Changes in operating assets and liabilities:		
Trade receivables	13,217	(143,427)
Other current assets	(11,535)	(125,600)
Inventories	126,741	85,050
Trade payables	(63,757)	37,420
Other payables	2,725	14,342
Cash generated from operations	281,396	117,740
Interest received	2,783	2,837
Interest paid	(9,531)	(13,781)
Tax paid	(50,529)	(29,798)
Net cash generated from operating activities	224,119	76,998

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE PERIOD ENDED 31 MARCH 2013 (cont'd)**

	1st Qtr 2013 <u>US\$'000</u>	1st Qtr 2012 <u>US\$'000</u>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	270	475
Proceeds from sale of biological assets	403	2,402
Capital expenditure on property, plant and equipment	(96,846)	(83,846)
Capital expenditure on biological assets	(6,199)	(6,460)
Proceeds from short-term investments, net	-	36,496
Investments in short-term investments, net	(24,600)	-
Investments in long-term investments	(93,091)	(34,476)
Additional investment in a joint venture	(500)	-
Investments in Plasma/KKPA Program plantations, net	(12,837)	(7,849)
Payments for deferred expenditure	(155)	(236)
Net increase in long-term receivables and assets	<u>(29,735)</u>	<u>(15,892)</u>
Net cash used in investing activities	<u>(263,290)</u>	<u>(109,386)</u>
Cash flows from financing activities		
Proceeds from short-term loans	197,000	191,609
Proceeds from notes issue	80,646	-
Payments of short-term loans	(270,610)	(140,884)
Payments of long-term borrowings	(32,876)	(29,569)
Payments of obligations under finance leases	(7)	(3)
Deferred loan charges and long-term bank loan administration costs	(350)	(77)
(Increase)/Decrease in cash in banks and time deposits pledged	<u>(18,972)</u>	<u>3,844</u>
Net cash (used in)/generated from financing activities	<u>(45,169)</u>	<u>24,920</u>
Net decrease in cash and cash equivalents	(84,340)	(7,468)
Cash and cash equivalents at the beginning of the period	<u>543,582</u>	<u>232,263</u>
Cash and cash equivalents at the end of the period	<u>459,242</u>	<u>224,795</u>
(See Note below)		

Note:

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

	31/3/2013 <u>US\$'000</u>	31/3/2012 <u>US\$'000</u>
Time deposits, cash and bank balances	494,170	265,702
Less: Cash in banks and time deposits pledged	<u>(34,928)</u>	<u>(40,907)</u>
	<u>459,242</u>	<u>224,795</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

The Group	← Attributable to Owners of the Company →											
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Option 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	US\$'000
Balance as at 1 Jan 2013	320,939	1,216,095	184,318	(48)	31,469	-	18,821	2,116	6,752,919	8,526,629	91,575	8,618,204
Profit for the period	-	-	-	-	-	-	-	-	112,838	112,838	1,131	113,969
Other comprehensive (loss)/income	-	-	-	-	-	-	(385)	-	-	(385)	23	(362)
Total comprehensive income/(loss) for the period	-	-	-	-	-	-	(385)	-	112,838	112,453	1,154	113,607
Balance as at 31 Mar 2013	320,939	1,216,095	184,318	(48)	31,469	-	18,436	2,116	6,865,757	8,639,082	92,729	8,731,811
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
Profit for the period	-	-	-	-	-	-	-	-	162,044	162,044	2,228	164,272
Other comprehensive (loss)/income	-	-	-	-	-	(10,087)	1,297	-	-	(8,790)	(4)	(8,794)
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

The Company	Issued Capital	Share Premium	Option Reserve	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2013	320,939	1,850,965	31,469	469,571	2,672,944
Loss for the period, representing total comprehensive loss for the period	-	-	-	(6,003)	(6,003)
Balance as at 31 Mar 2013	320,939	1,850,965	31,469	463,568	2,666,941
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

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 2013 and 2012. There have been no changes to the number of issued ordinary shares of the Company since 31 December 2012.

	As at	
	31 Mar 2013	31 Mar 2012
Number of issued shares	12,837,548,556	12,138,676,942
Number of new shares that may be issued on the conversion of outstanding convertible bonds	561,106,115	-
Number of new shares that may be issued on the exercise of outstanding warrants	-	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 2013 and 31 December 2012 was 12,837,548,556 ordinary shares of US\$0.025.

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

Since 2009, 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 2012.

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 2013	1st Qtr 2012
USD0.88cents	USD1.33cents
12,837,548,556	12,138,676,942
USD0.88cents	USD1.31cents
13,398,654,671	12,332,806,089

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 12,837,548,556 shares

The Group		The Company	
As at 31 Mar 2013	As at 31 Dec 2012	As at 31 Mar 2013	As at 31 Dec 2012
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		
	Indonesia	China ⁽²⁾	Total
For the period ended			
Revenue			
31 March 2013	1,117,990	312,128	1,430,118
31 March 2012	1,257,585	261,543	1,519,128
Increase/(Decrease)	(139,595)	50,585	(89,010)
Increase/(Decrease) %	(11.1)	19.3	(5.9)
Gross Profit			
31 March 2013	338,321	18,855	357,176
31 March 2012	434,898	18,923	453,821
Increase/(Decrease) in profit	(96,577)	(68)	(96,645)
Increase/(Decrease) %	(22.2)	(0.4)	(21.3)
EBITDA (see note (1))			
31 March 2013	202,194	8,502	210,696
31 March 2012	242,579	9,853	252,432
Increase/(Decrease) in profit	(40,385)	(1,351)	(41,736)
Increase/(Decrease) %	(16.6)	(13.7)	(16.5)
Interest on borrowings			
31 March 2013	21,897	1,359	23,256
31 March 2012	14,152	1,303	15,455
Increase/(Decrease)	7,745	56	7,801
Increase/(Decrease) %	54.7	4.3	50.5
Depreciation and amortisation			
31 March 2013	27,052	4,079	31,131
31 March 2012	23,862	3,255	27,117
Increase/(Decrease)	3,190	824	4,014
Increase/(Decrease) %	13.4	25.3	14.8
Foreign exchange gain/(loss)			
31 March 2013	1,811	3,324	5,135
31 March 2012	901	(240)	661
Decrease in gain	910	3,564	4,474
Increase/(Decrease) %	101.0	n.m.	676.9
Share of associates' profit, net of tax			
31 March 2013	(1)	-	(1)
31 March 2012	7	-	7
Decrease in profit	(8)	-	(8)
Increase/(Decrease) %	n.m.	-	n.m.
Share of joint ventures' profit, net of tax			
31 March 2013	(131)	-	(131)
31 March 2012	-	-	-
Decrease in profit	(131)	-	(131)
Increase/(Decrease) %	n.m.	-	n.m.
Profit before tax			
31 March 2013	154,924	6,388	161,312
31 March 2012	205,473	5,055	210,528
Decrease in profit	(50,549)	1,333	(49,216)
Increase/(Decrease) %	(24.6)	26.4	(23.4)
Net profit attributable to owners of the Company			
31 March 2013	106,734	6,104	112,838
31 March 2012	157,932	4,112	162,044
Decrease in profit	(51,198)	1,992	(49,206)
Increase/(Decrease) %	(32.4)	48.4	(30.4)

Notes: (1) This refers to earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, and share of results from associated companies and joint ventures, net of tax.

(2) The China Agri-business represents the results of Asia Integrated Agri Resources Limited group of companies, including Florentina International Holdings Limited group of companies.

(3) n.m. - not meaningful.

REVIEW OF PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2013

The Group recorded revenue of US\$1,430.1 million and EBITDA of US\$210.7 million for the 3-month period ended 31 March 2013 ("1Q2013").

REVENUE

The Group's revenue was US\$1,430.1 million in 1Q2013, lower by 5.9% as compared to US\$1,519.1 million in the corresponding period in 2012 ("1Q2012") mainly attributable to lower international crude palm oil ("CPO") prices.

Indonesia

Revenue from the Indonesia Agri-business decreased by 11.1% from US\$1,257.6 million in 1Q2012 to US\$1,118.0 million, mainly due to lower average selling prices despite the higher sales volume during the period. The average CPO (FOB Belawan) price was US\$797 per tonne in 1Q2013, lower by 25.1% as compared to the average of US\$1,064 per tonne in 1Q2012.

Our fresh fruit bunch ("FFB") production for 1Q2013 increased by 7.8% from 1,994,000 tonnes in 1Q2012 to 2,149,000 tonnes due to increased mature plantation area. In line with the higher FFB production, our CPO production was higher at 539,000 tonnes in 1Q2013 as compared to 500,000 tonnes in 1Q2012.

China

Revenue in the China Agri-business comprised mainly revenue from sales of edible oil, soybean meal and noodle products. The increase in revenue of 19.3% to US\$312.1 million was mainly attributable to higher sales volume.

COST OF SALES

Cost of sales was higher at US\$1,072.9 million in 1Q2013 as compared to US\$1,065.3 million in 1Q2012, mainly attributable to higher raw material cost in the China Agri-business.

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 decreased from US\$822.7 million to US\$779.7 million in 1Q2013 mainly due to lower FFB and CPO purchase costs in line with the lower market prices, partially offset by higher wages.

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 increased by 20.9% to US\$293.3 million in 1Q2013 mainly attributable to higher raw material costs in line with larger sales volume and higher soybean prices.

GROSS PROFIT

Gross profit and gross profit margin for the Group were US\$357.2 million and 25.0% respectively in 1Q2013, as compared to US\$453.8 million and 29.9% in the previous period.

Gross profit margin in Indonesia Agri-business decreased to 30.3% in 1Q2013, mainly due to lower average realised selling price, which was affected by lower international CPO prices. Gross profit margin in the China Agri-business also decreased from 7.2% to 6.0% mainly attributable to the high raw material prices.

OPERATING EXPENSES

- ***Selling expenses***

Selling expenses comprised mainly export tax, transportation, advertising and promotion, and salaries expenses. The decrease in selling expenses of 31.2% to US\$128.3 million was mainly due to lower export tax incurred, partially offset by higher freight costs for the period.

- ***General and administrative expenses***

General and administrative expenses of US\$56.3 million comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The increase in general and administrative expenses of 16.3% was mainly due to higher salaries and related expenses resulting from additional headcount.

FINANCIAL EXPENSES, NET

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan and bond charges and other finance charges. Net financial expenses increased to US\$20.4 million in 1Q2013 in line with higher average borrowings in the current period as compared to the previous period.

FOREIGN EXCHANGE GAIN, NET

Foreign exchange gain increased to US\$5.1 million in 1Q2013, mainly attributable to higher translation gain on USD denominated borrowings in the China Agri-business as USD weakened against Chinese Renminbi ("RMB") during the current 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.

NON-CONTROLLING INTERESTS

Profit attributable to non-controlling interests decreased from US\$2.2 million to US\$1.1 million in 1Q2013 in line with lower taxable profit recorded in certain subsidiaries in Indonesia.

REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2013

ASSETS

Total assets of the Group were higher at US\$13,332.1 million as at 31 March 2013 compared to US\$13,286.1 million as at end December 2012.

Current Assets

Increase in short-term investments of US\$30.6 million was primarily attributable to increase in time deposits placed for a period over three months but not more than one year in the China Agri-business.

Decrease in inventories of US\$127.4 million was mainly attributable to the lower inventory level and unit cost in both Indonesia Agri-business and China Agri-business.

Non-Current Assets

Non-current assets increased by US\$209.5 million mainly due to increases in property, plant and equipment, other long-term assets and long-term investments.

Increase in property, plant and equipment of US\$64.6 million primarily related to construction of plantation facilities, refinery facilities and other ancillary plantation facilities in Indonesia.

Increase in long-term receivables and assets of US\$52.9 million mainly due to additional advance payments for capital expenditure and higher tax recoverable in Indonesia Agri-business.

Higher long-term investments of US\$85.8 million were mainly due to additional investment in Verdant Fund, other investment in plantation development in Indonesia and investment in fund which invests in renewable energy in Europe.

LIABILITIES

Total liabilities decreased by US\$67.6 million to US\$4,600.3 million as at 31 March 2013 mainly attributable to decrease in trade payables due to repayment made during the current period.

REVIEW OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2013

Net cash flow generated from operating activities (after payment of taxes and interest expenses) for 1Q2013 was higher at US\$224.1 million as compared to US\$77.0 million in 1Q2012. Higher cash inflows were mainly resulted from decrease in the working capital requirement.

Net cash used in investing activities of US\$263.3 million mainly related to capital expenditure for construction of plantation and refinery facilities, and other supporting facilities in the Indonesia Agri-business, as well as additional investment in long-term investments.

Net cash used in financing activities of US\$45.2 million was primarily attributable to repayment of bank borrowings (net of proceeds from loans drawn and notes issued) during the current period.

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 long-term outlook for palm oil industry remains resilient as demand for palm oil is expected to grow, supported by continued strong primary demand for edible oils, substitute and alternative uses such as oleo-chemicals and biodiesel. We will continue to increase our production of sustainable palm oil, as well as further improve operational efficiency and optimise our downstream value chain opportunities by commercially managing our plantation output and our downstream assets in strategic locations. We will also enhance our integrated operations by extending our distribution coverage and global market reach.

The operating environment of the China Agri-business remains challenging given the intense competition and high raw material costs. We will continue to focus on developing our market presence, managing our costs and optimising our production in order to improve the operating performance.

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/recommended, a statement to that effect

No dividend has been declared for the quarter ended 31 March 2013.

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)
	1Q2013	1Q2013
	US\$	US\$
Ningbo Asia Paper Tube & Carton Box Co., Ltd	Nil	253,395
PT Asuransi Sinar Mas	Nil	484,628
PT Bank Sinarmas	Nil	2,255,124 *
PT Cakrawala Mega Indah	Nil	1,650,942
PT Rolimex Kimia Nusamas	Nil	755,691
PT Royal Oriental	Nil	284,586
PT Sinar Jati Mitra	Nil	444,487
Total	Nil	6,128,853

Note:

* Principal amount as at 31 March 2013 is approximately US\$2.3 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 2013 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim
Director

Rafael Buhay Concepcion, Jr.
Director

13 May 2013

BY ORDER OF THE BOARD

Rafael Buhay Concepcion, Jr.
Director
13 May 2013

Submitted by Kimberley Lye Chor Mei, Director, Corporate Secretarial on 13 May 2013 to the SGX