

**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 2011**

|  | <b>1st Qtr<br/>2011<br/><u>US\$'000</u></b> | <b>1st Qtr<br/>2010<br/><u>US\$'000</u></b> | <b>Change<br/>%</b> |
|--|---|---|---------------------|
| <b>Revenue</b>                                       | 1,463,026                                   | 624,529                                     | 134.3               |
| Cost of sales  | <u>(937,661)</u>                            | <u>(450,771)</u>                            | 108.0               |
| <b>Gross profit</b>                                  | <u>525,365</u>                              | <u>173,758</u>                              | 202.4               |
| <b>Operating expenses</b>                            |   |   |                     |
| Selling expenses                                     | (212,882)                                   | (30,487)                                    | 598.3               |
| General and administrative expenses                  | <u>(37,773)</u>                             | <u>(29,890)</u>                             | 26.4                |
| Total operating expenses                             | <u>(250,655)</u>                            | <u>(60,377)</u>                             | 315.1               |
| <b>Operating profit</b>                              | <u>274,710</u>                              | <u>113,381</u>                              | 142.3               |
| <b>Other income/(expenses)</b>                       |   |   |                     |
| Financial income                                     | 2,780                                       | 1,981                                       | 40.3                |
| Financial expenses                                   | (14,488)                                    | (9,968)                                     | 45.3                |
| Share of results of associated companies, net of tax | 14  | 1,293                                       | (98.9)              |
| Foreign exchange gain, net                           | 15,393                                      | 7,012                                       | 119.5               |
| Other operating income, net                          | <u>7,730</u>                                | <u>7,292</u>                                | 6.0                 |
|  | <u>11,429</u>                               | <u>7,610</u>                                | 50.2                |
| <b>Exceptional item</b>                              |   |   |                     |
| Gain on equity interest                              | <u>9,591</u>                                | -   | n.m.                |
| <b>Profit before tax</b>                             | 295,730                                     | 120,991                                     | 144.4               |
| Tax  | <u>(60,801)</u>                             | <u>(29,678)</u>                             | 104.9               |
| <b>Profit for the period</b>                         | <u>234,929</u>                              | <u>91,313</u>                               | 157.3               |
| <b>Attributable to:</b>                              |   |   |                     |
| Owners of the Company                                | 230,699                                     | 88,525                                      | 160.6               |
| Non-controlling interests                            | <u>4,230</u>                                | <u>2,788</u>                                | 51.7                |
|  | <u>234,929</u>                              | <u>91,313</u>                               | 157.3               |

Notes: (1) n.m. – not meaningful.

(2) Certain comparative figures have been reclassified to conform to current period's presentation.

## ADDITIONAL INFORMATION

- (A) 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<br>2011<br><u>US\$'000</u> | 1st Qtr<br>2010<br><u>US\$'000</u> | Change<br>% |
|--|------------------------------------|------------------------------------|-------------|
| 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”) | 306,376                            | 140,493                            | 118.1       |
| Interest on borrowings   | (14,132)                           | (9,792)                            | 44.3        |
| Depreciation and amortisation  | (21,512)                           | (18,015)                           | 19.4        |
| Foreign exchange gain, net   | 15,393                             | 7,012                              | 119.5       |
| Exceptional item   | 9,591                              | -                                  | n.m.        |
| Share of results of associated companies, net of tax   | 14                                 | 1,293                              | (98.9)      |
| <b>Profit before tax</b>   | <u>295,730</u>                     | <u>120,991</u>                     | 144.4       |

Notes: (1) n.m. – not meaningful.

(2) Certain comparative figures have been reclassified to conform to current period's presentation.

**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                        |                               |
|  | 31/3/2011<br><u>US\$'000</u> | 31/12/2010<br><u>US\$'000</u> | 31/3/2011<br><u>US\$'000</u> | 31/12/2010<br><u>US\$'000</u> |
| <b>Assets</b>                                  |                              |                               |                              |                               |
| Current Assets                                 |                              |                               |                              |                               |
| Cash and cash equivalents                      | 360,465                      | 218,279                       | 190                          | 132                           |
| Short-term investments                         | 127,439                      | 57,561                        | -                            | -                             |
| Trade receivables                              | 203,230                      | 209,925                       | -                            | -                             |
| Other current assets (note (a))                | 514,864                      | 390,613                       | 58                           | 47                            |
| Inventories                                    | 660,411                      | 615,529                       | -                            | -                             |
|  | 1,866,409                    | 1,491,907                     | 248                          | 179                           |
| Non-Current Assets                             |                              |                               |                              |                               |
| Long-term receivables and assets<br>(note (b)) | 138,950                      | 155,455                       | -                            | -                             |
| Long-term investments                          | 40,200                       | 45,779                        | 5,000                        | 2,000                         |
| Subsidiary companies                           | -                            | -                             | 2,691,794                    | 2,695,171                     |
| Associated companies                           | 3,703                        | 12,848                        | -                            | -                             |
| Property, plant and equipment                  | 1,514,225                    | 1,459,129                     | -                            | -                             |
| Investment properties                          | 1,487                        | 1,499                         | -                            | -                             |
| Biological assets                              | 6,845,167                    | 6,809,048                     | -                            | -                             |
| Deferred tax assets                            | 12,302                       | 11,977                        | -                            | -                             |
| Deferred charges                               | 9,470                        | 9,632                         | -                            | -                             |
| Brands and trademarks                          | 1,200                        | 1,280                         | -                            | -                             |
| Goodwill                                       | 115,898                      | 115,898                       | -                            | -                             |
|  | 8,682,602                    | 8,622,545                     | 2,696,794                    | 2,697,171                     |
| <b>Total Assets</b>                            | <b>10,549,011</b>            | <b>10,114,452</b>             | <b>2,697,042</b>             | <b>2,697,350</b>              |

**UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)**  
(Amounts in United States dollars)

|  | Group             |                   | Company          |                  |
|--|-------------------|-------------------|------------------|------------------|
|  | As at             |                   | As at            |                  |
|  | 31/3/2011         | 31/12/2010        | 31/3/2011        | 31/12/2010       |
|  | <u>US\$'000</u>   | <u>US\$'000</u>   | <u>US\$'000</u>  | <u>US\$'000</u>  |
| <b>Liabilities and Equity</b>                |                   |                   |                  |                  |
| Current Liabilities                          |                   |                   |                  |                  |
| Short-term loans                             | 630,767           | 540,613           | -                | -                |
| Trade payables                               | 378,540           | 328,248           | -                | -                |
| Other payables (note(c))                     | 179,896           | 139,668           | 30,948           | 30,616           |
| Taxes payable                                | 86,797            | 52,348            | -                | -                |
| Obligations under finance leases             | 22                | 21                | -                | -                |
|  | 1,276,022         | 1,060,898         | 30,948           | 30,616           |
| Non-Current Liabilities                      |                   |                   |                  |                  |
| Obligations under finance leases             | 80                | 84                | -                | -                |
| Long-term borrowings                         | 414,296           | 443,635           | -                | -                |
| Deferred tax liabilities                     | 1,643,085         | 1,631,733         | -                | -                |
| Long-term payables                           | 34,074            | 32,959            | -                | -                |
|  | 2,091,535         | 2,108,411         | -                | -                |
| Total Liabilities                            | 3,367,557         | 3,169,309         | 30,948           | 30,616           |
| 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                                | 1,136             | 1,136             | -                | -                |
| Hedging reserve                              | (682)             | -                 | -                | -                |
| Currency translation reserve                 | 8,827             | 6,817             | -                | -                |
| PRC statutory reserve                        | 2,116             | 2,116             | -                | -                |
| Retained earnings                            | 5,624,408         | 5,393,709         | 793,460          | 794,100          |
|  | 7,057,887         | 6,825,860         | 2,666,094        | 2,666,734        |
| Non-Controlling Interests                    | 123,567           | 119,283           | -                | -                |
| Total Equity                                 | 7,181,454         | 6,945,143         | 2,666,094        | 2,666,734        |
| <b>Total Liabilities and Equity</b>          | <b>10,549,011</b> | <b>10,114,452</b> | <b>2,697,042</b> | <b>2,697,350</b> |

**UNAUDITED STATEMENTS OF FINANCIAL POSITION (cont'd)**

**Note:**

**(a) Other Current Assets**

|                                    | <b>Group</b>           |                        | <b>Company</b>         |                        |
|------------------------------------|------------------------|------------------------|------------------------|------------------------|
|                                    | <b>As at</b>           |                        | <b>As at</b>           |                        |
|                                    | <b>31/3/2011</b>       | <b>31/12/2010</b>      | <b>31/3/2011</b>       | <b>31/12/2010</b>      |
|                                    | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> |
| Prepaid expenses                   | 45,188                 | 36,537                 | 58                     | 37                     |
| Prepaid taxes, net                 | 136,726                | 79,419                 | -                      | -                      |
| Deposits and advances to suppliers | 289,170                | 243,164                | -                      | -                      |
| Others                             | 43,773                 | 31,481                 | -                      | 10                     |
|                                    | <u>514,857</u>         | <u>390,601</u>         | <u>58</u>              | <u>47</u>              |
| Related parties                    | 7                      | 12                     | -                      | -                      |
|                                    | <u>514,864</u>         | <u>390,613</u>         | <u>58</u>              | <u>47</u>              |

**(b) Long-Term Receivables and Assets**

|   | <b>Group</b>           |                        | <b>Company</b>         |                        |
|---|------------------------|------------------------|------------------------|------------------------|
|   | <b>As at</b>           |                        | <b>As at</b>           |                        |
|   | <b>31/3/2011</b>       | <b>31/12/2010</b>      | <b>31/3/2011</b>       | <b>31/12/2010</b>      |
|   | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> |
| Associated company                                | 4,107                  | 3,978                  | -                      | -                      |
| Loan receivable                                   | 5,271                  | 5,601                  | -                      | -                      |
| Tax recoverable                                   | 70,870                 | 91,315                 | -                      | -                      |
| Advances for project plasma plantations           | 25,146                 | 20,461                 | -                      | -                      |
| Advances for project and purchase of fixed assets | 19,932                 | 21,997                 | -                      | -                      |
| Land clearing                                     | 3,166                  | 2,507                  | -                      | -                      |
| Advances for investments in land                  | 4,211                  | 4,211                  | -                      | -                      |
| Others  | 6,247                  | 5,385                  | -                      | -                      |
|   | <u>138,950</u>         | <u>155,455</u>         | <u>-</u>               | <u>-</u>               |

**(c) Other Payables**

|                         | <b>Group</b>           |                        | <b>Company</b>         |                        |
|-------------------------|------------------------|------------------------|------------------------|------------------------|
|                         | <b>As at</b>           |                        | <b>As at</b>           |                        |
|                         | <b>31/3/2011</b>       | <b>31/12/2010</b>      | <b>31/3/2011</b>       | <b>31/12/2010</b>      |
|                         | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> | <b><u>US\$'000</u></b> |
| Advances from customers | 68,075                 | 50,238                 | -                      | -                      |
| Accrued expenses        | 45,142                 | 39,237                 | 358                    | 307                    |
| Others                  | 66,441                 | 49,878                 | 2                      | 2                      |
|                         | <u>179,658</u>         | <u>139,353</u>         | <u>360</u>             | <u>309</u>             |
| Related parties         | 238                    | 315                    | 30,588                 | 30,307                 |
|                         | <u>179,896</u>         | <u>139,668</u>         | <u>30,948</u>          | <u>30,616</u>          |

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

|  | As at 31/3/2011<br>US\$'000 |              |                  | As at 31/12/2010<br>US\$'000 |              |                |
|--|-----------------------------|--------------|------------------|------------------------------|--------------|----------------|
|  | Secured                     | Unsecured    | Total            | Secured                      | Unsecured    | Total          |
| Amount repayable in one year or less, or on demand | 622,549                     | 8,240        | 630,789          | 532,394                      | 8,240        | 540,634        |
| Amount repayable after one year                    | 414,376                     | -            | 414,376          | 443,719                      | -            | 443,719        |
| <b>Total</b>                                       | <b>1,036,925</b>            | <b>8,240</b> | <b>1,045,165</b> | <b>976,113</b>               | <b>8,240</b> | <b>984,353</b> |

### Details of any collateral

The secured borrowings are collateralised by certain short-term investments, inventories, trade receivables, investment properties, 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 2011

(Amounts in United States dollars)

|   | 1st Qtr<br>2011<br>US\$'000 | 1st Qtr<br>2010<br>US\$'000 |
|---|-----------------------------|-----------------------------|
| <b>Cash flows from operating activities</b>   |                             |                             |
| <b>Profit before tax</b>  | <b>295,730</b>              | <b>120,991</b>              |
| Adjustments for:  |                             |                             |
| Depreciation  | 21,256                      | 17,774                      |
| Amortisation  | 256                         | 241                         |
| Unrealised foreign exchange loss on short-term loans, long-term borrowings and receivables, net | 6,863                       | 4,271                       |
| Share of results of associated companies, net   | (14)                        | (1,293)                     |
| Gain on disposal of property, plant and equipment   | (548)                       | (621)                       |
| Property, plant and equipment written off   | 151                         | 230                         |
| Loss/(Gain) from changes in fair value of financial assets at fair value through profit or loss | 696                         | (1,828)                     |
| Gain on equity interest   | (9,591)                     | -                           |
| Interest income   | (2,780)                     | (1,981)                     |
| Interest expense  | 14,132                      | 9,792                       |
| <b>Operating cash flow before working capital changes</b>                                       | <b>326,151</b>              | <b>147,576</b>              |
| Changes in operating assets and liabilities:  |                             |                             |
| Trade receivables   | 7,204                       | (6,351)                     |
| Other current assets  | (124,352)                   | 2,104                       |
| Inventories   | (43,991)                    | (1,325)                     |
| Trade payables  | 50,250                      | (17,021)                    |
| Other payables  | 38,462                      | (32,124)                    |
| <b>Cash generated from operations</b>   | <b>253,724</b>              | <b>92,859</b>               |
| Interest received   | 2,586                       | 1,280                       |
| Interest paid   | (13,018)                    | (8,765)                     |
| Tax paid  | (4,487)                     | (12,702)                    |
| <b>Net cash generated from operating activities</b>   | <b>238,805</b>              | <b>72,672</b>               |

**UNAUDITED CONSOLIDATED STATEMENT OF CASH FLOWS  
FOR THE PERIOD ENDED 31 MARCH 2011 (cont'd)**

(Amounts in United States dollars)

|  | <b>1st Qtr<br/>2011<br/><u>US\$'000</u></b> | <b>1st Qtr<br/>2010<br/><u>US\$'000</u></b> |
|--|---|---|
| <b>Cash flows from investing activities</b>                        |   |   |
| Proceeds from sale of property, plant and equipment                | 622   | 1,731                                       |
| Proceeds from sale of biological assets                            | 957   | 237   |
| Capital expenditure on property, plant and equipment               | (72,407)                                    | (64,821)                                    |
| Capital expenditure on biological assets                           | (10,938)                                    | (9,774)                                     |
| Investments in short-term investments, net                         | (63,252)                                    | (763)                                       |
| Investments in long-term investments, net                          | (1,743)                                     | -   |
| Dividend received from an associated company                       | 3,604                                       | -   |
| Investments in Plasma/KKPA Program plantations, net                | (4,685)                                     | (3,764)                                     |
| Acquisition of a subsidiary, net of cash acquired                  | (5,421)                                     | -   |
| Payment for deferred expenditure                                   | (14)  | (177)                                       |
| Net decrease in long-term receivables and assets                   | 623   | 6,564                                       |
| <b>Net cash used in investing activities</b>                       | <b><u>(152,654)</u></b>                     | <b><u>(70,767)</u></b>                      |
| <b>Cash flows from financing activities</b>                        |   |   |
| Proceeds from short-term loans                                     | 294,886                                     | 1,398                                       |
| Proceeds from long-term borrowings                                 | 30,345                                      | -   |
| Payments of short-term loans                                       | (247,552)                                   | (106,214)                                   |
| Payments of long-term borrowings                                   | (21,468)                                    | (14,708)                                    |
| Payments of obligations under finance leases                       | (6)   | (4)   |
| Deferred loan charges and long-term bank loan administration costs | (170)                                       | (179)                                       |
| Increase in time deposits pledged                                  | (3,664)                                     | (5,421)                                     |
| <b>Net cash generated from/(used in) financing activities</b>      | <b><u>52,371</u></b>                        | <b><u>(125,128)</u></b>                     |
| <b>Net increase/(decrease) in cash and cash equivalents</b>        | <b>138,522</b>                              | <b>(123,223)</b>                            |
| <b>Cash and cash equivalents at the beginning of the period</b>    | <b><u>161,906</u></b>                       | <b><u>279,909</u></b>                       |
| <b>Cash and cash equivalents at the end of the period</b>          |   |   |
| <b>(See Note below)</b>  | <b><u>300,428</u></b>                       | <b><u>156,686</u></b>                       |

**Note:**

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

|                                       | <b>31/3/2011<br/><u>US\$'000</u></b> | <b>31/3/2010<br/><u>US\$'000</u></b> |
|---------------------------------------|--------------------------------------|--------------------------------------|
| Time deposits, cash and bank balances | 360,465                              | 169,737                              |
| Less: Time deposits pledged           | (60,037)                             | (13,051)                             |
|                                       | <b><u>300,428</u></b>                | <b><u>156,686</u></b>                |

**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 2011**

|  | <b>1st Qtr<br/>2011<br/><u>US\$'000</u></b> | <b>1st Qtr<br/>2010<br/><u>US\$'000</u></b> |
|--|---|---|
| <b>Profit for the period</b>   | 234,929                                     | 91,313                                      |
| <b>Other comprehensive income:</b>                                       |   |   |
| Foreign currency translation differences on consolidation                | 2,064                                       | (69)  |
| Changes in fair value of cash flow hedge                                 | (682)                                       | -   |
| Changes in fair value of cash flow hedge transferred to income statement | -   | 1,584                                       |
| Other comprehensive income, net of tax                                   | 1,382                                       | 1,515                                       |
| <b>Total comprehensive income for the period</b>                         | <u>236,311</u>                              | <u>92,828</u>                               |
| <b>Total comprehensive income attributable to:</b>                       |   |   |
| Owners of the Company  | 232,027                                     | 90,039                                      |
| Non-controlling interests  | 4,284                                       | 2,789                                       |
|  | <u>236,311</u>                              | <u>92,828</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**

| <b><u>The Company</u></b>   | <b><u>Issued<br/>Capital</u></b><br>US\$'000 | <b><u>Share<br/>Premium</u></b><br>US\$'000 | <b><u>Retained<br/>Earnings</u></b><br>US\$'000 | <b><u>Total</u></b><br>US\$'000 |
|---|--|---|---|---------------------------------|
| 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   | <u>303,467</u>                               | <u>1,569,167</u>                            | <u>793,460</u>                                  | <u>2,666,094</u>                |
| 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 loss 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>                |



**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**

| <b>The Group</b>                                 | -----Attributable to Owners of the Company-----> |                 |                       |                 |                 |                              |                       |                   |                 |                 | <b>Non-Controlling Interests</b> | <b>Total Equity</b> |
|--|--|-----------------|-----------------------|-----------------|-----------------|------------------------------|-----------------------|-------------------|-----------------|-----------------|----------------------------------|---------------------|
|  | Issued Capital                                   | Share Premium   | Other Paid-in Capital | Other Reserve   | Hedging Reserve | Currency Translation Reserve | PRC Statutory Reserve | Retained Earnings | Total           |                 |                                  |                     |
|  | <u>US\$'000</u>                                  | <u>US\$'000</u> | <u>US\$'000</u>       | <u>US\$'000</u> | <u>US\$'000</u> | <u>US\$'000</u>              | <u>US\$'000</u>       | <u>US\$'000</u>   | <u>US\$'000</u> | <u>US\$'000</u> |                                  |                     |
| 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                        |                     |

| <b>The Group</b>                                 | -----Attributable to Owners of the Company-----> |                 |                       |                 |                 |                              |                       |                   |                 |                 | <b>Non-Controlling Interests</b> | <b>Total Equity</b> |
|--|--|-----------------|-----------------------|-----------------|-----------------|------------------------------|-----------------------|-------------------|-----------------|-----------------|----------------------------------|---------------------|
|  | Issued Capital                                   | Share Premium   | Other Paid-in Capital | Other Reserve   | Hedging Reserve | Currency Translation Reserve | PRC Statutory Reserve | Retained Earnings | Total           |                 |                                  |                     |
|  | <u>US\$'000</u>                                  | <u>US\$'000</u> | <u>US\$'000</u>       | <u>US\$'000</u> | <u>US\$'000</u> | <u>US\$'000</u>              | <u>US\$'000</u>       | <u>US\$'000</u>   | <u>US\$'000</u> | <u>US\$'000</u> |                                  |                     |
| Balance as at 1 Jan 2010                         | 303,467  | 934,315         | 184,318               | 1,136           | (1,584)         | (299)                        | 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           | -               | (369)                        | 2,116                 | 4,102,749         | 5,527,714       | 98,851          | 5,626,565                        |                     |

**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 2011 and 2010.

There have been no changes to the number of issued ordinary shares of the Company since 31 December 2010.

As at 31 March 2011, 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 (3<sup>rd</sup>) 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 2011 and 31 December 2010 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 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 2010.

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

| <b>The Group</b>    |                     |
|---------------------|---------------------|
| <b>1st Qtr 2011</b> | <b>1st Qtr 2010</b> |
| USD1.90cents        | USD0.73cents        |
| 12,138,676,942      | 12,138,676,942      |
| USD1.87cents        | USD0.73cents        |
| 12,304,710,725      | 12,152,761,209      |

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

| <b>The Group</b>         |                          | <b>The Company</b>       |                          |
|--------------------------|--------------------------|--------------------------|--------------------------|
| <b>As at 31 Mar 2011</b> | <b>As at 31 Dec 2010</b> | <b>As at 31 Mar 2011</b> | <b>As at 31 Dec 2010</b> |
| US\$0.58                 | US\$0.56                 | 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 |                      |           |
|---|---------------|----------------------|-----------|
|   | Indonesia     | China <sup>(2)</sup> | Total     |
| <b>For the period ended</b>                             |               |                      |           |
| <b>Revenue</b>  |               |                      |           |
| 31 March 2011   | 1,184,711     | 278,315              | 1,463,026 |
| 31 March 2010   | 506,485       | 118,044              | 624,529   |
| Increase/(Decrease)                                     | 678,226       | 160,271              | 838,497   |
| Increase/(Decrease) %                                   | 133.9         | 135.8                | 134.3     |
| <b>Gross Profit</b>                                     |               |                      |           |
| 31 March 2011   | 505,133       | 20,232               | 525,365   |
| 31 March 2010   | 166,877       | 6,881                | 173,758   |
| Increase/(Decrease) in profit                           | 338,256       | 13,351               | 351,607   |
| Increase/(Decrease) %                                   | 202.7         | 194.0                | 202.4     |
| <b>EBITDA (see note (1))</b>                            |               |                      |           |
| 31 March 2011   | 293,834       | 12,542               | 306,376   |
| 31 March 2010   | 135,275       | 5,218                | 140,493   |
| Increase/(Decrease) in profit                           | 158,559       | 7,324                | 165,883   |
| Increase/(Decrease) %                                   | 117.2         | 140.4                | 118.1     |
| <b>Interest on borrowings</b>                           |               |                      |           |
| 31 March 2011   | 12,658        | 1,474                | 14,132    |
| 31 March 2010   | 9,040         | 752                  | 9,792     |
| Increase/(Decrease)                                     | 3,618         | 722                  | 4,340     |
| Increase/(Decrease) %                                   | 40.0          | 96.0                 | 44.3      |
| <b>Depreciation and amortisation</b>                    |               |                      |           |
| 31 March 2011   | 18,367        | 3,145                | 21,512    |
| 31 March 2010   | 16,163        | 1,852                | 18,015    |
| Increase/(Decrease)                                     | 2,204         | 1,293                | 3,497     |
| Increase/(Decrease) %                                   | 13.6          | 69.8                 | 19.4      |
| <b>Foreign exchange gain</b>                            |               |                      |           |
| 31 March 2011   | 13,603        | 1,790                | 15,393    |
| 31 March 2010   | 7,005         | 7                    | 7,012     |
| Increase in gain  | 6,598         | 1,783                | 8,381     |
| Increase/(Decrease) %                                   | 94.2          | n.m.                 | 119.5     |
| <b>Exceptional gain</b>                                 |               |                      |           |
| 31 March 2011   | 9,591         | -                    | 9,591     |
| 31 March 2010   | -             | -                    | -         |
| Increase in gain  | 9,591         | -                    | 9,591     |
| Increase/(Decrease) %                                   | n.m.          | -                    | n.m.      |
| <b>Share of associates' profit, net of tax</b>          |               |                      |           |
| 31 March 2011   | 14            | -                    | 14        |
| 31 March 2010   | 1,293         | -                    | 1,293     |
| Decrease in profit                                      | (1,279)       | -                    | (1,279)   |
| Increase/(Decrease) %                                   | (98.9)        | -                    | (98.9)    |
| <b>Profit before tax</b>                                |               |                      |           |
| 31 March 2011   | 286,017       | 9,713                | 295,730   |
| 31 March 2010   | 118,370       | 2,621                | 120,991   |
| Increase in profit                                      | 167,647       | 7,092                | 174,739   |
| Increase/(Decrease) %                                   | 141.6         | 270.6                | 144.4     |
| <b>Net profit attributable to owners of the Company</b> |               |                      |           |
| 31 March 2011   | 222,710       | 7,989                | 230,699   |
| 31 March 2010   | 86,027        | 2,498                | 88,525    |
| Increase in profit                                      | 136,683       | 5,491                | 142,174   |
| Increase/(Decrease) %                                   | 158.9         | 219.8                | 160.6     |

Notes: (1) This refers to earnings before income tax, non-controlling interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, 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, including FIH group of companies.

(3) n.m. - not meaningful.

(4) Certain comparative figures have been reclassified to conform to current period's presentation.

## REVIEW OF PERFORMANCE FOR THE PERIOD ENDED 31 MARCH 2011

The Group's revenue rose to US\$1,463 million for the 3-month period ended 31 March 2011 ("1Q2011"), representing an increase of 134.3% as compared to US\$624.5 million for the same period in 2010 ("1Q2010").

In line with the higher revenue, EBITDA and net profit also increased significantly in 1Q2011. EBITDA grew by 118.1% to US\$306.4 million, whilst net profit increased by 160.6% to US\$230.7 million.

### REVENUE

#### *Indonesia*

Revenue from the Indonesia Agri-business increased significantly to US\$1,184.7 million in 1Q2011, mainly attributable to the higher crude palm oil ("CPO") price and higher sales volume during the period. The average international CPO (CIF Rotterdam) price of US\$1,242 per tonne in the period under review was 54.2% higher than the average of US\$806 per tonne in 1Q2010.

Our FFB production increased from 1,465,000 tonnes to 1,964,000 tonnes in 1Q2011 due to improving weather conditions and additional mature area. As a result, our CPO production increased by 35.2% to 494,000 tonnes in 1Q2011 from 366,000 tonnes in the same period last year.

#### *China*

Revenue in China comprised edible oil at US\$231.5 million and noodle business at US\$46.8 million. The increase in revenue of 135.8% mainly resulted from higher sales volume and average selling prices of refined edible oil products, as well as additional revenue from the noodle operations.

### COST OF SALES

In line with the higher revenue recorded, cost of sales increased by 108% to US\$937.7 million in 1Q2011.

#### *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 of US\$679.6 million doubled as compared to US\$339.6 million in 1Q2010. This increase mainly resulted from higher purchase cost for FFB and CPO in line with the higher market prices as well as higher sales volume during the period.

#### *China*

Cost of sales from the China Agri-business of US\$258.1 million 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. The increase in cost of sales of US\$ 146.9 million was mainly due to higher raw material costs incurred for refined edible oil products in line with the higher market price and inclusion of cost of sales incurred for noodle operations of US\$39.3 million.

### GROSS PROFIT

Gross profit rose by 202.4% to US\$525.4 million in 1Q2011 while gross profit margin improved to 35.9%. The improvement was mainly contributed by the Indonesia Agri-Business in line with the higher average selling price.

### OPERATING EXPENSES

- *Selling expenses*

Selling expenses of US\$212.9 million comprised mainly export tax, transportation, advertising and promotion, and salaries. The increase of US\$182.4 million mostly resulted from higher export tax charged during the period in line with the higher CPO prices.

- **General and administrative expenses**

General and administrative expenses comprised mainly salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The increase of US\$7.9 million was primarily due to higher salaries and related expenses, higher depreciation expenses, and the inclusion of general and administrative expenses incurred for the noodles operations.

#### **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\$3.7 million to US\$11.7 million in 1Q2011 mainly due to the increased borrowings.

#### **SHARE OF RESULTS OF ASSOCIATED COMPANIES, NET OF TAX**

Share of associated companies' net profit was US\$14,000 as compared to US\$1.3 million in the 1Q2010. Lower share of net profit in 1Q2011 resulted from the acquisition of remaining interest in PT Dami Mas Sejahtera ("DMS"), which was previously an associated company.

#### **FOREIGN EXCHANGE GAIN, NET**

Foreign exchange gain of US\$15.4 million in 1Q2011 was primarily attributable to realised foreign exchange gain recorded during the period, as well as unrealised gain arising from translation of net Indonesian Rupiah ("IDR") monetary assets in the Indonesia Agri-business resulting from strengthening of IDR against US Dollar ("USD") during the period.

Foreign exchange gain of US\$7 million in 1Q2010 was mainly related to realised foreign exchange gain recorded in the Indonesia Agri-business, offset by loss that arose from translation of net IDR monetary liabilities to USD as IDR strengthened against USD in 1Q2010.

#### **EXCEPTIONAL GAIN**

The exceptional gain of US\$9.6 million in 1Q2011 related to the gain on equity interest previously held in DMS, which was previously an associated company.

#### **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 was higher at US\$60.8 million in 1Q2011 in line with higher taxable profit reported in the Indonesia Agri-business.

#### **NON-CONTROLLING INTERESTS**

Non-controlling shareholders' share of profit increased from US\$2.8 million to US\$4.2 million in 1Q2011. This increase was mainly due to higher profit reported in certain subsidiaries in the Indonesia Agri-business.

## **REVIEW OF FINANCIAL POSITION AS AT 31 MARCH 2011**

### **ASSETS**

Total assets of the Group was higher at US\$10,549 million as at 31 March 2011 as compared to US\$10,114 million as at end December 2010.

#### **Current Assets**

Higher cash and cash equivalents at US\$360.5 million was mainly due to cash flow generated during the period as a result of better operating performance during the period.

Short-term investment increased by US\$69.9 million to US\$127.4 million 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.

Higher other current assets of US\$124.3 million mainly due to higher prepaid value added tax arose from the purchases and capital expenditure in Indonesia Agri-business, and additional deposits and advance payments for soybean and CPO purchases.

#### **Non-Current Assets**

Total non-current assets increased by US\$60.1 million to US\$8,682.6 million mainly attributable to higher investment in property, plant and equipment as a result of the construction of plantation facilities, refinery facilities and other ancillary plantation facilities.

### **LIABILITIES**

Total liabilities of the Group increased by US\$198.2 million to US\$3,367.6 million as at 31 March 2011 mainly due to increase in total borrowings, as well as trade and other payables.

Total borrowings increased to US\$1,045.2 million from US\$984.4 million as at end December 2010, mostly attributable to additional borrowings for capital expenditure and working capital purposes in the China Agri-business.

Trade payables increased by US\$50.3 million due to soybean purchases for the China Agri-business.

Higher other payables of US\$40.2 million was mainly attributable to the increase in advances received from customers and higher payables for asset purchases.

## **REVIEW OF CONSOLIDATED CASH FLOWS FOR THE PERIOD ENDED 31 MARCH 2011**

Net cash flow generated from operating activities (after payment of taxes and interest expenses) for 1Q2011 was higher at US\$238.8 million as compared to US\$72.7 million in 1Q2010. Increased cash inflow generated mainly resulted from better operating results driven by higher prices and production during the period.

Net cash used in investing activities of US\$152.7 million mainly related to capital expenditure for additional planted area, construction of plantation and refinery facilities, other supporting facilities, and placement of time deposits with a maturity over 3 months.

Net cash generated from financing activities of US\$52.4 million was primarily attributable to proceeds from loans drawn (net of repayment) particularly in the China 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 global climatic condition, supply and demand of CPO and other vegetable oils, changes in government policy on import duties and export taxes of the countries we trade with will continue to have an impact on the commodity prices, including CPO price.

Nonetheless, the outlook for the palm oil industry remains positive given its strong fundamentals, supported by continued core demand from the edible oil and oleo-chemical markets and the increasing demand from the renewable energy sector. With our favourable plantation profile and growing CPO production, we are well positioned to seize opportunities in the industry. In addition, we will continue increasing our production of sustainable palm oil, as well as further improving operational efficiency and plantation management techniques.

The operating environment of the China Agri-business remains challenging in view of the volatility of commodity prices and government measures on domestic food prices. Our priority remains in 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 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 2011.



**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) |
|--|--|--|
|  | 1Q2011   | 1Q2011   |
|  | US\$   | US\$   |
| Eka Tjipta Widjaja                           | 733,500 <sup>@</sup>   | Nil  |
| Ningbo Asia Paper Tube & Carton Box Co., Ltd | Nil  | 273,478  |
| PT Asuransi Sinar Mas                        | Nil  | 1,536,990  |
| PT Bank Sinarmas                             | Nil  | 168,368 *  |
| PT Royal Oriental                            | Nil  | 141,705  |
| PT Rolimex Kimia Nusamas                     | Nil  | 1,429,736  |
| PT Sinar Jati Mitra                          | Nil  | 510,641  |
| <b>Total</b>                                 | <b>733,500</b>   | <b>4,060,918</b>   |

Notes:

<sup>@</sup> The amount covered a period of 3 years from 1 May 2011 to 30 April 2014.

\* Principal amount as at 31 March 2011 is approximately US\$0.2 million.

**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 2011 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 2011

**BY ORDER OF THE BOARD**

Simon Lim  
Director  
13 May 2011

Submitted by Kimberley Lye Chor Mei, Senior Manager on 13 May 2011 to the SGX