



## **GOLDEN AGRI-RESOURCES LTD**

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### **USE OF PROCEEDS OF PLACEMENT OF 325,300,000 NEW ORDINARY SHARES OF US\$0.10 EACH IN THE CAPITAL OF GOLDEN AGRI-RESOURCES LTD**

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*Unless otherwise defined, all terms used herein shall bear the same meaning as the Company's announcement dated 19 April 2007.*

The Board of Directors of Golden Agri-Resources Ltd (the "**Company**") refers to the placement (the "**Placement**") of 325,300,000 new ordinary shares of US\$0.10 each in the capital of the Company at the price of S\$2.4588 for each Placement share which was completed on 26 April 2007 (the "**Placement Date**").

As announced on 26 April 2007, the estimated net proceed of the Placement of approximately S\$772 million will be used for the following purposes:

- S\$500 million to finance its capital expenditure purposes; and
- The balance will be used for general corporate purposes.

The Board wishes to announce that the Company has, during the period from the Placement Date to 13 July 2007, utilised a total of S\$526 million as follows:

- S\$99 million was used to finance capital expenditure related to on-going expansion of our plantations, construction of a new refinery, and development of other infrastructure related to the Company's business.
- S\$123 million was used to partially fund the acquisition of additional ownership in PT Sinar Mas Agro Resources and Technology Tbk ("**SMART**"). To date, the Company's ownership in SMART is 87.31%, an increase from 72.19% as of the Placement Date.

We believe that the value of the Company will be enhanced with the additional ownership in SMART as this will give immediate earnings benefit in the light of favourable palm oil market conditions and SMART's well established business supported by its approximately 120,000 Ha of oil palm plantations, of which approximately 96,000 Ha is mature and producing crude palm oil.

The funds used to acquire SMART will be replenished by the Company's future funding sources which will be either from the Company's internally generated cash flow or external financing sources such as bank loans and capital market instruments.

- S\$304 million to fund working capital and to prepay various loan facilities for efficient cash management resulting in savings on interest expenses. We intend to re-draw these amounts in the near future for the Company's capital expenditure and plantation expansion program.

The Company will continue to make periodic announcements on the use of the proceeds from the Placement as and when the funds from the Placement have been materially disbursed.

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

Simon Lim  
Director  
13 July 2007

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**ABOUT GOLDEN AGRI-RESOURCES LTD**

*Listed on the Singapore Exchange Securities Trading Limited ("SGX-ST") in 1999, Golden Agri-Resources Ltd ("GAR") is one of the world's largest oil palm plantation companies.*

*With a total planted area of 338,000 hectares located in Indonesia, GAR operates 31 palm oil processing mills, 2 refineries and 4 kernel crushing plants. The Company's primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil ("CPO") and palm kernel oil; and refining CPO into value-added products such as cooking oils, margarine and shortening.*

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

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

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Submitted by Kimberley Lye Chor Mei, Senior Manager on 13/7/2007 to the SGX