



GOLDEN AGRI-RESOURCES LTD

PROPOSED PLACEMENT OF UP TO 325,300,000 NEW ORDINARY SHARES OF US\$0.10 EACH IN THE CAPITAL OF GOLDEN AGRI-RESOURCES LTD (THE "PLACEMENT")

Introduction

The Directors of Golden Agri-Resources Ltd (the "Company") wish to announce that the Company has on 19 April 2007 entered into a placement agreement (the "Placement Agreement") with BNP Paribas Capital (Singapore) Ltd., CIMB-GK Securities Pte. Ltd. and Oversea-Chinese Banking Corporation Limited (collectively, the "Placement Agents") pursuant to which the Placement Agents agree to use their best endeavours to procure purchasers for up to 325,300,000 new ordinary shares of US\$0.10 each (the "Placement Shares") in the capital of the Company at an issue price (the "Placement Price") to be calculated by applying a discount of not more than 10% to the volume weighted average price of S\$2.7320 of the Company's Shares traded on the SGX-ST on 19 April 2007 (being the day on which the Placement Agreement is signed). On the basis of the foregoing, the Placement Price shall not be less than S\$2.4588 per Placement Share. The Placement will not be underwritten.

The Placement

The Placement Shares, if and when fully allotted, issued and fully paid, will rank *pari passu* in all respects with the existing ordinary shares in the capital of the Company (the "Shares") save that they shall not rank for any entitlements, distributions, dividends or rights (if any), the record date in respect of which falls prior to the date of issue of the Placement Shares.

The Company has today lodged with the Monetary Authority of Singapore its offer information statement dated 19 April 2007, issued pursuant to Section 277 of the Securities and Futures Act, Cap. 289 and in accordance with the Sixteenth Schedule of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005.

The Placement is conditional upon, *inter alia*, the approval in-principle being granted by the SGX-ST for the listing and quotation of the Placement Shares on the SGX-ST. The Company will be lodging an application to the SGX-ST for the listing and quotation of the Placement Shares shortly.

In the event that the Placement is not completed on or before 30 April 2007, either the Placement Agents or the Company may terminate the Placement Agreement.

The Placement Shares is intended to be issued pursuant to the general mandate given by the shareholders of the Company at the annual general meeting of the Company held on 28 April 2006.

The Placement Agents has on 19 April 2007 entered into a share lending agreement with Massingham International Ltd, Flambo International Limited and Cresthaven International S.A. (the "Holding Companies") pursuant to which the Holding Companies have agreed to lend not exceeding 325,300,000 Shares for the sole purpose of expediting the delivery of the Company's Shares to placees procured by the Placement Agents.

The Placement Shares will not be issued to any person who is a director or a substantial shareholder of the Company, or any other person in the categories set out in Rule 812 of the SGX-ST Listing Manual.

Use of Proceeds from the Placement

The estimated net proceeds from the Placement (after deducting the estimated expenses) of approximately S\$772 million (assuming that all 325,300,000 Placement Shares are subscribed at S\$2.4588 per Placement Share) will be utilised by the Company and its subsidiaries (the "Group") for its capital expenditure purposes, including the acquisition of land, planting of oil palm trees, construction of mills, refineries, bio-diesel plant and other infrastructure related to the Group's business and for general corporate purposes.

Pending the deployment of the net proceeds for the purposes mentioned above, the net proceeds may be deposited with banks and/or financial institutions or invested in short-term money market instruments and/or marketable securities, or used for any other purpose on a short-term basis, as the Directors may deem fit.

Financial Effects of the Placement

As at the date of this announcement, the issued and paid-up share capital of the Company is US\$216,867,594.80 divided into 2,168,675,948 Shares. Assuming that all 325,300,000 Placement Shares are subscribed, the Placement, when completed, will increase the issued and paid-up share capital of the Company to US\$249,397,594.80 divided into 2,493,975,948 ordinary shares of US\$0.10 each.

Assuming that all 325,300,000 Placement Shares are subscribed at S\$2.4588 per Placement Share, the Placement Shares will represent approximately 15% of the existing issued and paid-up share capital of the Company as at the date of this announcement. Based on the audited consolidated financial statements of the Group as at 31 December 2006, the net asset value per Share, after adjusting for the issue of the Placement Shares, will increase from US\$0.786 to US\$0.888.

General

None of the Directors or substantial shareholders of the Company or their respective associates have any interest, direct or indirect in the Placement.

The Company will make the necessary announcement(s) once the approval for the listing and quotation of the Placement Shares has been obtained.

BY ORDER OF THE BOARD

Simon Lim
Director
19 April 2007

#

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 privately owned oil palm plantation companies.

With a total planted area of 307,000 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.

#

Submitted by Kimberley Lye Chor Mei, Senior Manager on 19/4/2007 to the SGX