

GOLDEN AGRI-RESOURCES LTD

Half Year 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 30 JUNE 2006**

	1st Half 2006 US\$'000	1st Half 2005 US\$'000	Change %	2nd Qtr 2006 US\$'000	2nd Qtr 2005 US\$'000	Change %
Revenue	534,941	343,442	55.8	266,192	179,100	48.6
Cost of sales	411,734	271,087	51.9	201,889	142,740	41.4
Gross Profit	<u>123,207</u>	<u>72,355</u>	70.3	<u>64,303</u>	<u>36,360</u>	76.9
Operating expenses						
Selling expenses	16,921	10,712	58.0	9,708	6,107	59.0
General and administrative expenses	32,696	24,806	31.8	18,470	13,269	39.2
Total operating expenses	<u>49,617</u>	<u>35,518</u>	39.7	<u>28,178</u>	<u>19,376</u>	45.4
Operating profit	73,590	36,837	99.8	36,125	16,984	112.7
Other income (expenses)						
Financial income	2,818	3,345	(15.8)	1,435	1,751	(18.0)
Financial expenses	(17,250)	(13,103)	31.6	(8,419)	(5,906)	42.5
Share of results of associated companies, net	140	364	(61.5)	55	208	(73.6)
Foreign exchange (loss) gain	(924)	1,181	n.m.	1,736	8	n.m.
Other operating income(expenses), net	2,326	2,451	(5.1)	(803)	772	n.m.
	<u>(12,890)</u>	<u>(5,762)</u>	123.7	<u>(5,996)</u>	<u>(3,167)</u>	89.3
Exceptional items						
Negative goodwill written off	-	19,886	(100.0)	-	19,886	(100.0)
Loss on disposal of:						
Property, plant and equipment	(544)	(2,106)	(74.2)	(544)	(2,106)	(74.2)
Plantation assets	(6,249)	(8,963)	(30.3)	(6,249)	(8,963)	(30.3)
Investment in subsidiaries	-	(1,466)	(100.0)	-	-	-
	<u>(6,793)</u>	<u>7,351</u>	n.m.	<u>(6,793)</u>	<u>8,817</u>	n.m.
Profit before tax	53,907	38,426	40.3	23,336	22,634	3.1
Tax	(2,232)	2,648	n.m.	(2,066)	2,483	n.m.
Profit for the period	<u>51,675</u>	<u>41,074</u>	25.8	<u>21,270</u>	<u>25,117</u>	(15.3)
Attributable to:						
Equity holders of the Company	42,372	34,603	22.5	14,634	20,083	(27.1)
Minority interests	9,303	6,471	43.8	6,636	5,034	31.8
	<u>51,675</u>	<u>41,074</u>	25.8	<u>21,270</u>	<u>25,117</u>	(15.3)

Note: (1) n.m. – not meaningful

1(a) An income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year

Cont'd

ADDITIONAL INFORMATION

(A) Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, foreign exchange (loss)gain, exceptional items and share of results of associated companies ("EBITDA")

	1st Half 2006 <u>US\$'000</u>	1st Half 2005 <u>US\$'000</u>	Change %	2nd Qtr 2006 <u>US\$'000</u>	2nd Qtr 2005 <u>US\$'000</u>	Change %
Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, foreign exchange gain, exceptional items and share of results of associated of associated companies ("EBITDA")	116,602	68,392	70.5	55,083	32,294	70.6
Interest on borrowings	(16,898)	(12,895)	31.0	(9,102)	(5,786)	57.3
Depreciation and amortisation	(38,220)	(25,967)	47.2	(17,643)	(12,907)	36.7
Foreign exchange (loss)gain	(924)	1,181	n.m.	1,736	8	n.m.
Exceptional items, net	(6,793)	7,351	n.m.	(6,793)	8,817	n.m.
Profit before tax, minority interests, but after interest on borrowings, depreciation and amortisation, exchange gain and exceptional items	<u>53,767</u>	<u>38,062</u>	41.3	<u>23,281</u>	<u>22,426</u>	3.8
Share of results of associated companies, net	140	364	(61.5)	55	208	(73.6)
Profit before tax	<u>53,907</u>	<u>38,426</u>	40.3	<u>23,336</u>	<u>22,634</u>	3.1

Note: (1) n.m. – not meaningful

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

UNAUDITED BALANCE SHEETS

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	30/6/2006	31/12/2005	30/6/2006	31/12/2005
	US\$'000	US\$'000	US\$'000	US\$'000
Assets				
Current Assets				
Cash and cash equivalents	88,876	79,988	1,303	1,494
Short-term investments	36,661	21,142	-	-
Due from a related party	-	3,304	-	-
Trade receivables	45,752	49,282	-	-
Other receivables (note (a))	70,475	64,885	671	-
Inventories	151,679	143,335	-	-
	393,443	361,936	1,974	1,494
Non-Current Assets				
Other long-term receivables (note (b))	110,950	94,657	45,000	45,000
Subsidiary companies	-	-	1,170,827	1,184,102
Associated companies	18,025	18,047	-	-
Property, plant and equipment	647,042	647,962	-	-
Plantation assets	593,366	622,989	-	-
Deferred income tax	24,371	18,173	-	-
Deferred charges	6,641	4,580	-	-
Brands and trademarks	2,722	2,882	-	-
Goodwill	31,357	26,060	-	-
	1,434,474	1,435,350	1,215,827	1,229,102
Total Assets	1,827,917	1,797,286	1,217,801	1,230,596

UNAUDITED BALANCE SHEETS (cont'd)

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	30/6/2006 US\$'000	31/12/2005 US\$'000	30/6/2006 US\$'000	31/12/2005 US\$'000
Liabilities and Equity				
Current Liabilities				
Short-term loans	170,123	158,448	3,500	3,500
Trade payables	122,666	139,317	-	-
Other payables (note(c))	42,844	48,094	32,595	34,815
Taxes payable	5,065	3,355	4	4
Obligations under finance leases	718	715	-	-
	341,416	349,929	36,099	38,319
Non-Current Liabilities				
Obligations under finance leases	970	1,327	-	-
Long-term borrowings	211,361	207,040	-	-
Deferred income tax	108,309	103,347	-	-
Other long-term payable	1,731	1,715	-	-
	322,371	313,429	-	-
Total Liabilities	663,787	663,358	36,099	38,319
Equity attributable to equity holders of the Company				
Issued capital	216,867	216,867	216,867	216,867
Share premium	296,595	296,595	931,465	931,465
Other paid-in capital	184,318	184,318	-	-
Other reserve	115,107	125,389	-	-
Hedging reserve	-	(1,853)	-	-
Foreign currency translation reserve	734	196	-	-
Cumulative translation adjustments	(16,684)	(16,684)	-	-
Retained earnings	225,893	197,075	33,370	43,945
	1,022,830	1,001,903	1,181,702	1,192,277
Minority interests	141,300	132,025	-	-
Total equity	1,164,130	1,133,928	1,181,702	1,192,277
Total Liabilities and Equity	1,827,917	1,797,286	1,217,801	1,230,596

UNAUDITED BALANCE SHEETS (Cont'd)

Note:

(a) Other Receivables

	Group		Company	
	As at		As at	
	30/6/2006 US\$'000	31/12/2005 US\$'000	30/6/2006 US\$'000	31/12/2005 US\$'000
Prepaid expenses	15,244	3,015	671	-
Prepaid value added tax, net	17,391	9,349	-	-
Others	34,742	37,400	-	-
	<u>67,377</u>	<u>49,764</u>	<u>671</u>	<u>-</u>
Related parties	3,098	15,121	-	-
	<u>70,475</u>	<u>64,885</u>	<u>671</u>	<u>-</u>

(b) Other Long-Term Receivables

	Group		Company	
	As at		As at	
	30/6/2006 US\$'000	31/12/2005 US\$'000	30/6/2006 US\$'000	31/12/2005 US\$'000
Associated company	5,350	5,503	-	-
Related party	13,167	7,467	-	-
	<u>18,517</u>	<u>12,970</u>	<u>-</u>	<u>-</u>
Loan receivable	45,000	45,000	45,000	45,000
Tax recoverable	21,022	21,563	-	-
Advances for project plasma plantations, net	8,218	6,285	-	-
Advances for project and purchase of fixed assets	4,260	1,892	-	-
Land clearing	6,605	1,107	-	-
Investments in land	2,553	2,553	-	-
Deposits	1,096	1,076	-	-
Others	3,679	2,211	-	-
	<u>110,950</u>	<u>94,657</u>	<u>45,000</u>	<u>45,000</u>

(c) Other Payables

	Group		Company	
	As at		As at	
	30/6/2006 US\$'000	31/12/2005 US\$'000	30/6/2006 US\$'000	31/12/2005 US\$'000
Advances from customers	8,315	5,653	-	-
Accrued expenses	13,441	16,554	54	277
Others	18,224	19,278	28	292
	<u>39,980</u>	<u>41,485</u>	<u>82</u>	<u>569</u>
Related parties	2,864	6,609	32,513	34,246
	<u>42,844</u>	<u>48,094</u>	<u>32,595</u>	<u>34,815</u>

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

	As at 30/6/2006			As at 31/12/2005		
	US\$'000			US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	163,372	7,469	170,841	148,984	10,179	159,163
Amount repayable after one year	200,439	11,892	212,331	159,645	48,722	208,367
Total	363,811	19,361	383,172	308,629	58,901	367,530

Details of any collateral

The secured loans are collateralised by certain inventories, trade receivables, plantation assets and property, plant and equipment. In addition, certain related parties have issued corporate guarantees in favour of the lenders in relation to certain of the loans.

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 CASH FLOW STATEMENT FOR THE PERIOD ENDED 30 JUNE 2006

	1st Half 2006 US\$'000	1st Half 2005 US\$'000	2nd Qtr 2006 US\$'000	2nd Qtr 2005 US\$'000
Cash flows from operating activities				
Profit before tax	53,907	38,426	23,336	22,634
Adjustments for:				
Depreciation	37,756	25,101	18,202	12,228
Amortisation	464	866	(559)	679
Unrealised foreign exchange loss(gain) on short-term loans, long-term borrowings and receivables, net	1,332	(4,460)	(2,437)	(2,137)
Share of results of associated companies, net	(140)	(364)	(55)	(208)
Loss on disposal of investment in subsidiaries	-	1,466	-	-
Loss on disposal of short-term investments	-	-	-	39
Write off and loss on disposal of:				
Property, plant and equipment	774	2,229	965	2,190
Plantation assets	6,356	9,070	6,302	9,016
Write off of:				
Goodwill	-	78	-	49
Negative goodwill	-	(19,886)	-	(19,886)
Allowance for doubtful trade debts	-	5	-	5
Interest income	(2,818)	(3,345)	(1,435)	(1,751)
Interest expense	16,898	12,895	9,102	5,786
Operating profit before working capital changes	114,529	62,081	53,421	28,644

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 30 JUNE 2006 (Cont'd)**

	1st Half 2006 <u>US\$'000</u>	1st Half 2005 <u>US\$'000</u>	2nd Qtr 2006 <u>US\$'000</u>	2nd Qtr 2005 <u>US\$'000</u>
Operating profit before working capital changes	114,529	62,081	53,421	28,644
Changes in operating assets and liabilities:				
Receivables	18,839	(2,563)	8,025	(4,419)
Inventories	(5,443)	(3,282)	(19,135)	(2,584)
Prepaid value added tax, net	(8,245)	(3,829)	(13,990)	(1,904)
Prepaid expenses	(12,229)	(19,640)	(1,115)	(2,314)
Payables	(56,380)	(3,937)	(36,758)	(2,761)
Advances from customers	2,662	1,973	(1,119)	(336)
Accrued expenses	(3,113)	683	(4,259)	(584)
Cash generated from(used in) operations	<u>50,620</u>	<u>31,486</u>	<u>(14,930)</u>	<u>13,742</u>
Tax received	2,814	691	2,979	657
Interest received	3,680	2,247	1,167	1,020
Interest paid	(17,602)	(22,240)	(10,542)	(16,522)
Net cash from(used in) operating activities	<u>39,512</u>	<u>12,184</u>	<u>(21,326)</u>	<u>(1,103)</u>
Cash flows from investing activities				
Proceeds from sale of property, plant and equipment	2,240	3,194	1,221	2,068
Proceeds from sale of plantation assets	6,043	4,403	5,727	4,216
Capital expenditure on property, plant and equipment	(21,364)	(25,406)	(11,399)	(13,068)
Capital expenditure on plantation assets	(7,098)	(2,584)	(4,689)	(1,263)
Net decrease in short-term investments	6,112	32,143	9,791	27,667
Repayment of current accounts and deposits with a related party	3,340	10,417	-	-
Investments in Plasma/KKPA Program plantations,net	(1,933)	730	904	(154)
Net (increase)decrease in other long-term receivables from related parties	(5,547)	8,229	(1,150)	707
Dividend received	-	215	-	-
Proceeds from sale of investment in subsidiaries	-	1,390	-	-
Acquisition of subsidiaries, net of cash acquired	(5,872)	(54)	-	-
Investments in software development	-	(455)	-	(252)
Increase in deferred land rights	(24)	(184)	-	130
(Increase)Decrease in other non-current receivables and assets	(6,335)	(2,904)	(4,634)	4,896
Net cash (used in) from investing activities	<u>(30,438)</u>	<u>29,134</u>	<u>(4,229)</u>	<u>24,947</u>
Cash flows from financing activities				
Proceeds from short-term loans	33,156	-	16,362	-
Proceeds from long-term borrowings	75,000	3,931	-	3,769
Payment of dividends	(13,554)	-	(13,554)	-
Payments of short-term loans	(25,469)	(18,295)	(14,648)	(13,287)
Payments of long-term borrowings	(66,941)	(26,236)	(52,864)	(16,676)
Decrease in trade financing	-	(795)	-	(796)
Decrease in trust receipt payables	(621)	(1,389)	(324)	(1,266)
Deferred loan charges and long-term bank loan administration costs	(1,757)	(30)	(1)	(1)
Net cash used in financing activities	<u>(186)</u>	<u>(42,814)</u>	<u>(65,029)</u>	<u>(28,257)</u>
Net increase(decrease) in cash and cash equivalents	8,888	(1,496)	(90,584)	(4,413)
Cash and cash equivalents at beginning of the period	79,988	51,389	179,460	54,306
Cash and cash equivalents at end of the period	<u>88,876</u>	<u>49,893</u>	<u>88,876</u>	<u>49,893</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 Equity Holders of the Company-----→								Minority Interest	Total Equity	
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Foreign Currency Translation Reserve	Retained Earnings	Cumulative Translation Adjustment			Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000			US\$'000
Balance as at 1 Jan 2005 as previously reported	216,867	296,595	184,318	9,031	-	-	116,676	(16,684)	806,803	33,085	839,888
Adoption of IFRS3 -negative goodwill credited to retained earnings	-	-	-	-	-	-	5,797	-	5,797	1,908	7,705
Balance as at 1 Jan 2005 as restated	216,867	296,595	184,318	9,031	-	-	122,473	(16,684)	812,600	34,993	847,593
Additional investment in subsidiaries	-	-	-	-	-	-	-	-	-	(25)	(25)
Profit for the period	-	-	-	-	-	-	14,520	-	14,520	1,437	15,957
Balance as at 31 Mar 2005	216,867	296,595	184,318	9,031	-	-	136,993	(16,684)	827,120	36,405	863,525
Additional investment in subsidiaries	-	-	-	-	-	-	-	-	-	(19,837)	(19,837)
Asset revaluation reserve	-	-	-	123,409	-	-	-	-	123,409	104,768	228,177
Net gain recognised directly in equity	-	-	-	123,409	-	-	-	-	123,409	84,931	208,340
Profit for the period	-	-	-	-	-	-	20,083	-	20,083	5,034	25,117
Balance as at 30 June 2005	216,867	296,595	184,318	132,440	-	-	157,076	(16,684)	970,612	126,370	1,096,982

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 Equity Holders of the Company----->									Minority Interest	Total Equity
	Issued Capital	Share Premium	Other Paid-in Capital	Other Reserve	Hedging Reserve	Foreign Currency Translation Reserve	Retained Earnings	Cumulative Translation			
								Adjustment	Total		
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 2006	216,867	296,595	184,318	125,389	(1,853)	196	197,075	(16,684)	1,001,903	132,025	1,133,928
Profit for the period	-	-	-	-	-	-	27,738	-	27,738	2,667	30,405
Foreign currency translation	-	-	-	-	-	339	-	-	339	63	402
Change in fair value of hedging derivation	-	-	-	-	1,853	-	-	-	1,853	-	1,853
Net gain recognised directly in equity	-	-	-	-	1,853	339	-	-	2,192	63	2,255
Balance as at 31 Mar 2006	216,867	296,595	184,318	125,389	-	535	224,813	(16,684)	1,031,833	134,755	1,166,588
Profit for the period	-	-	-	-	-	-	14,634	-	14,634	6,636	21,270
Dividends	-	-	-	-	-	-	(13,554)	-	(13,554)	-	(13,554)
Foreign currency translation	-	-	-	-	-	199	-	-	199	33	232
Asset revaluation reserve	-	-	-	(10,282)	-	-	-	-	(10,282)	(124)	(10,406)
Net (loss)gain recognised directly in equity	-	-	-	(10,282)	-	199	-	-	(10,083)	(91)	(10,174)
Balance as at 30 June 2006	216,867	296,595	184,318	115,107	-	734	225,893	(16,684)	1,022,830	141,300	1,164,130

The Company	Share Capital	Share Premium	Retained Earnings	Total
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2005	216,867	931,465	42,227	1,190,559
Profit for the period	-	-	77	77
Balance as at 31 March 2005	216,867	931,465	42,304	1,190,636
Profit for the period	-	-	244	244
Balance as at 30 June 2005	216,867	931,465	42,548	1,190,880
Balance as at 1 Jan 2006	216,867	931,465	43,945	1,192,277
Profit for the period	-	-	1,657	1,657
Balance as at 31 March 2006	216,867	931,465	45,602	1,193,934
Profit for the period	-	-	1,322	1,322
Dividend	-	-	(13,554)	(13,554)
Balance as at 30 June 2006	216,867	931,465	33,370	1,181,702

- 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 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**

There have been no changes to the issued share capital of the Company since 31 December 2005.

- 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 accounting policies and methods of computation consistent with those used in the most recent audited annual financial statements for the year ended 31 December 2005.

- 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**

Not applicable.

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

	The Group			
	1st Half 2006	1st Half 2005	2nd Qtr 2006	2nd Qtr 2005
Earnings per ordinary share for the period after deducting any provision for preference dividends:-				
(i) Based on weighted average number of ordinary shares in issue	USD1.95cents	USD1.60cents	USD0.67cents	USD0.93cents
(ii) On a fully diluted basis	n.a.	n.a.	n.a.	n.a.

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

	The Group		The Company	
	As at 30 June 2006	As at 31 Dec 2005	As at 30 June 2006	As at 31 Dec 2005
Net asset value per ordinary share based on existing issued share capital as at the end of the period reported on	USD47.16cents	USD46.20cents	USD54.49cents	USD54.98cents

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

(in US\$'000)	AGRI-BUSINESS		
For half year ended	Indonesia	China ⁽²⁾	Total
Revenue			
30 June 2006	372,011	162,930	534,941
30 June 2005	343,442	-*	343,442
Increase/(Decrease)	28,569	162,930	191,499
Increase/(Decrease) %	8.3%	n.m	55.8%
Gross Profit			
30 June 2006	108,001	15,206	123,207
30 June 2005	72,355	-*	72,355
Increase/(Decrease) in profit	35,646	15,206	50,852
Increase/(Decrease) %	49.3%	n.m	70.3%
EBITDA (see note (1))			
30 June 2006	104,587	12,015	116,602
30 June 2005	68,392	-*	68,392
Increase/(Decrease) in profit	36,195	12,015	48,210
Increase/(Decrease) %	52.9%	n.m	70.5%
Interest on borrowings			
30 June 2006	14,796	2,102	16,898
30 June 2005	12,895	-*	12,895
Increase/(Decrease)	1,901	2,102	4,003
Increase/(Decrease) %	14.7%	n.m	31.0%
Depreciation and amortisation			
30 June 2006	35,439	2,781	38,220
30 June 2005	25,967	-*	25,967
Increase/(Decrease)	9,472	2,781	12,253
Increase/(Decrease) %	36.5%	n.m	47.2%
Foreign exchange (loss)gain			
30 June 2006	(1,169)	245	(924)
30 June 2005	1,181	-*	1,181
Increase/(Decrease) in loss	2,350	(245)	2,105
Increase/(Decrease) %	n.m.	n.m	n.m.
Exceptional (loss)gain			
30 June 2006	(6,793)	-	(6,793)
30 June 2005	7,351	-*	7,351
Increase in loss	14,144	-	14,144
Increase/(Decrease) %	n.m.	-	n.m.
Share of associates' profit			
30 June 2006	140	-	140
30 June 2005	364	-*	364
Increase/(Decrease) in profit	(224)	-	(224)
Increase/(Decrease) %	(61.5%)	-	(61.5%)
Profit before tax			
30 June 2006	46,530	7,377	53,907
30 June 2005	38,426	-*	38,426
Increase/(Decrease) in profit	8,104	7,377	15,481
Increase/(Decrease) %	21.1%	n.m	40.3%
Net profit attributable to equity holders of the Company			
30 June 2006	35,177	7,195	42,372
30 June 2005	34,603	-*	34,603
Increase/(Decrease) in profit	574	7,195	7,769
Increase/(Decrease) %	1.7%	n.m	22.5%

Note: (1) This refers to earnings before income tax, minority interests, interest on borrowings, depreciation and amortisation, foreign exchange gain(loss), exceptional items and share of results from associated companies.

(2) The China Agri-business represents the results of Asia Integrated Agri Resources Ltd (AIAR) group of companies.

(3) n.m. - not meaningful.

* No comparative figures as the China Agri-business division was acquired in the last quarter of 2005.

PERFORMANCE FOR THE HALF YEAR ENDED 30 JUNE 2006

The Group's revenue for the half year ended 30 June 2006 ("1H2006") increased 55.8 percent to US\$534.9 million as compared to US\$343.4 million for the same period in 2005 ("1H2005").

Operating profit was also higher at US\$73.6 million, almost doubling the US\$36.8 million recorded in 1H2005. Net profit attributable to equity holders of the Company was US\$42.4 million in 1H2006, an increase of 22.5 percent compared with US\$34.6 million in 1H2005.

The Group's results for 1H2006 included the results of the China Agri-business operations acquired in the last quarter of 2005.

REVENUE

The increase revenue of 55.8 percent or US\$191.5 million was primarily due to the contribution by the China Agri-business operations acquired in the last quarter of 2005, and higher revenue in the Indonesia Agri-business.

Our Indonesia Agri-business contributed about 69.5 percent, US\$372 million to the Group's revenue of US\$534.9 million, whilst the remaining 30.5 percent or US\$162.9 million was contributed by our China Agri-business.

Indonesia

Revenue of the Indonesia Agri-business increased 8.3 percent or US\$28.6 million from US\$343.4 million in 1H2005 to US\$372 million primarily due to higher crude palm oil ("CPO") production of 810,000 tons, 144,000 tons increase as compared to 666,000 tons in 1H2005. Fresh fruit bunch ("FFB") yield per hectare increased to 11.23 tons in 1H2006 from 9.45 tons in the previous period.

In addition, the average CPO prices were slightly higher in comparison with the prices in the same period in 2005. The average international CPO (CIF Rotterdam) for 1H2006 was US\$435 per ton, an increase of about 4.8 percent from US\$415 per ton for 1H2005.

China

Revenue from the China Agri-business operations was US\$162.9 million for 1H2006 primarily attributable to US\$83.9 million from the crushing operations and US\$70.5 million from refinery operations.

COST OF SALES

Cost of sales increased by 51.9 percent or US\$140.6 million from US\$271.1 million in 1H2005 to US\$411.7 million in 1H2006, mainly due to the inclusion of the cost of sales of the China Agri-business operations of US\$147.7 million.

Indonesia

Cost of sales from Indonesia Agri-business comprised mainly plantation maintenance, manuring and harvesting costs, FFB purchases and CPO purchases for our refinery. Cost of sales from the Indonesia Agri-business decreased marginally by about 2.6 percent or US\$ 7.1 million to US\$264 million in 1H2006 as compared to US\$271.1 million in the same period in 2005. This was mainly due to the decrease in CPO net of FFB purchased for our mills and refineries.

China

Cost of sales from China Agri-business of US\$147.7 million mainly comprised purchase cost of soybean.

GROSS PROFIT

The increase in gross profit was 70.3 percent from US\$72.4 million in 1H2005 to US\$123.2 million in 1H2006. Gross profit margin improved to 23 percent as compared to 21.1 percent in 1H2005 mainly due to higher contribution from Indonesia Agri-business which margin increased to 29 percent in 1H2006 as compared 21.1 percent in 1H2005. Gross profit margin of China Agri-business was 9.3 percent.

OPERATING EXPENSES

- ***Selling expenses***

Selling expenses comprised mainly transportation, advertising and promotion, export tax and salaries. The increased of 58 percent or US\$6.2 million to US\$16.9 million in 1H2006 as compared to US\$10.7 million in 1H2005, mainly due to the inclusion of selling expenses of China Agri-business amounting to US\$3.7 million. The increase in Indonesia Agri-business was mainly attributable to higher transportation expenses as a consequence of fuel price increase.

- ***General and administrative expenses***

General and administrative expenses included salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. The 31.8 percent or US\$7.9 million increase from US\$24.8 million in 1H2005 to US\$32.7 million in 1H2006 was mainly due to the inclusion of expenses from China Agri-business.

FINANCIAL EXPENSES, NET

Net financial expenses, comprising net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges, increased 47.9 percent or US\$4.7 million from US\$9.8 million to US\$14.4 million. The increase was due to the inclusion of US\$1.8 million net interest expenses from the China Agri-business, new loan drawdown during 1H 2006 and higher interest rates.

FOREIGN EXCHANGE (LOSS)GAIN

The foreign exchange loss in 1H2006 amounted to US\$0.9 million as compared to US\$1.2 million gain in 1H2005, arising mainly from the loss on translation of net Indonesian Rupiah ("IDR") monetary liabilities of Indonesia Agri-business to U.S. Dollar ("USD") due to the strengthening of IDR against USD.

The IDR strengthened against USD from approximately IDR9,800 as at end of 2005 to approximately IDR9,300 as at end of June 2006; whereas the IDR weakened during 1H2005 from IDR9,300 as at end of 2004 to IDR9,700 as at end of June 2005.

EXCEPTIONAL (LOSS)GAIN

The Group recorded a net exceptional loss of US\$6.8 million as compared to a net gain of US\$7.4 million in 1H2005. The net loss arose from disposal of certain plantation assets and property, plant and equipment in Sintang, Kalimantan.

TAX

Income tax expense of US\$2.2 million was mainly due to higher taxable profits (in IDR terms) of certain subsidiaries in the Indonesia Agri-business. No group relief is available for set-off of taxable profits against tax losses under the Group.

MINORITY INTERESTS

Minority interests' share of profit was US\$9.3 million, a 43.8 percent or US\$2.8 million increase as compared to US\$6.5 million in 1H2005. This was mainly due to better results of the subsidiaries of P.T Sinar Mas Agro Resources and Technology Tbk in Indonesia Agri-business.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

10. A commentary at the date of the announcement of the 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

Global climatic conditions, CPO prices, foreign exchange rates movement, and developments in Indonesia and China will continue to have an impact on the Group's performance.

The recent lifting by the Chinese Government of its import quota on palm oil and current health concerns about trans fatty acids in hydrogenated oil is expected to boost the demand for palm oil. In addition, growing interest to use palm oil as an alternative energy source (bio-diesel) is expected to further increase the demand for palm oil.

We will continue to strive to increase production yields through more effective fertiliser application, improved transportation infrastructures and construction of additional CPO mills. The Group plans to strategically develop and grow our presence by introducing various palm-based products to the China market through the platform of the recently acquired China Agri-business operations.

11. Dividend

(a) Current Financial Period Reported On

Any dividend declared for the current financial period reported on? None.

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? None.

(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 period ended 30 June 2006.

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**

None.

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)
	2Q2006	2Q2006
	US\$	US\$
Asia Food & Properties Limited	Nil	4,873,050
Ningbo Asia Pulp & Paper Co., Ltd	Nil	93,433
PT Asuransi Sinar Mas	Nil	1,195,536
PT Cakrawala Mega Indah	Nil	449,634
PT Rolimex Kimia Nusamas	Nil	6,541,117
Zhuhai Huafeng Foodstuff Co., Ltd	Nil	346,873
Total	Nil	13,499,643

BY ORDER OF THE BOARD

Simon Lim
Director
11 August 2006

#

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 287,000 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.

The Group revenue in 2005 was US\$819.3 million.

In December 2005, GAR expanded its operations into China which include refineries, port and oil-seed crushing facilities in Ningbo and Zhuhai.

GAR is 55 percent owned by SGX-ST listed Asia Food & Properties Limited (AFP), an investment holding company with operating businesses in Agri-business, Food and Property. Listed in 1997, AFP's principal operations are located in Indonesia, China, Singapore and Malaysia. The AFP Group of Companies employs about 45,000 people with strong local, regional and international knowledge and experience. AFP's revenue in 2005 was S\$2.5 billion.

#

Submitted by Kimberley Lye Chor Mei, Senior Manager on 11/08/2006 to the SGX