

**GOLDEN AGRI-RESOURCES LTD**

**Third 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 30 SEPTEMBER 2006**

	Ytd Sept 2006 <u>US\$'000</u>	Ytd Sept 2005 <u>US\$'000</u>	Change %	3rd Qtr 2006 <u>US\$'000</u>	3rd Qtr 2005 <u>US\$'000</u>	Change %
<b>Revenue</b>	826,159	532,744	55.1	291,218	189,302	53.8
Cost of sales	640,900	411,108	55.9	229,166	140,021	63.7
<b>Gross Profit</b>	<u>185,259</u>	<u>121,636</u>	52.3	<u>62,052</u>	<u>49,281</u>	25.9
<b>Operating expenses</b>						
Selling expenses	25,979	15,594	66.6	9,058	4,882	85.5
General and administrative expenses	49,836	43,138	15.5	17,140	18,332	(6.5)
Total operating expenses	<u>75,815</u>	<u>58,732</u>	29.1	<u>26,198</u>	<u>23,214</u>	12.9
<b>Operating profit</b>	109,444	62,904	74.0	35,854	26,067	37.5
<b>Other income (expenses)</b>						
Financial income	3,905	5,470	(28.6)	1,087	2,125	(48.8)
Financial expenses	(26,304)	(21,596)	21.8	(9,054)	(8,493)	6.6
Share of results of associated companies, net	588	351	67.5	448	(13)	n.m.
Foreign exchange gain(loss)	1,595	(809)	n.m.	2,519	(1,990)	n.m.
Other operating income(expenses), net	1,461	4,448	(67.2)	(865)	1,997	n.m.
	<u>(18,755)</u>	<u>(12,136)</u>	54.5	<u>(5,865)</u>	<u>(6,374)</u>	(8.0)
<b>Exceptional items</b>						
Negative goodwill written off	-	19,886	(100.0)	-	-	-
Impairment loss on:						
Inventory	(457)	-	n.m.	(457)	-	n.m.
Financial assets, net	(3,246)	-	n.m.	(3,246)	-	n.m.
(Loss)Gain on disposal of:						
Property, plant and equipment	(494)	(2,207)	(77.6)	50	(102)	n.m.
Plantation assets	(6,249)	(8,964)	(30.3)	-	-	-
Investment in subsidiaries	-	(1,466)	(100.0)	-	-	-
	<u>(10,446)</u>	<u>7,249</u>	n.m.	<u>(3,653)</u>	<u>(102)</u>	n.m.
<b>Profit before tax</b>	80,243	58,017	38.3	26,336	19,591	34.4
Tax	(7,428)	(434)	n.m.	(5,196)	(3,082)	68.6
<b>Profit for the period</b>	<u>72,815</u>	<u>57,583</u>	26.5	<u>21,140</u>	<u>16,509</u>	28.1
<b>Attributable to:</b>						
Equity holders of the Company	60,819	48,534	25.3	18,447	13,931	32.4
Minority interests	11,996	9,049	32.6	2,693	2,578	4.5
	<u>72,815</u>	<u>57,583</u>	26.5	<u>21,140</u>	<u>16,509</u>	28.1

**Note:** (1) n.m. – not meaningful

## ADDITIONAL INFORMATION

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

	Ytd Sept 2006 <u>US\$'000</u>	Ytd Sept 2005 <u>US\$'000</u>	Change %	3rd Qtr 2006 <u>US\$'000</u>	3rd Qtr 2005 <u>US\$'000</u>	Change %
<b>Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation, foreign exchange gain(loss), exceptional items and share of results of associated of associated companies ("EBITDA")</b>	170,996	113,798	50.3	54,394	45,406	19.8
Interest on borrowings	(25,715)	(21,272)	20.9	(8,817)	(8,377)	5.3
Depreciation and amortisation	(56,775)	(41,300)	37.5	(18,555)	(15,333)	21.0
Foreign exchange gain(loss)	1,595	(809)	n.m.	2,519	(1,990)	n.m.
Exceptional items, net	(10,446)	7,249	n.m.	(3,653)	(102)	n.m.
Profit before tax, minority interests, but after interest on borrowings, depreciation and amortisation, exchange gain and exceptional items	<u>79,655</u>	<u>57,666</u>	38.1	<u>25,888</u>	<u>19,604</u>	32.1
Share of results of associated companies, net	<u>588</u>	<u>351</u>	67.5	<u>448</u>	<u>(13)</u>	n.m.
<b>Profit before tax</b>	<u><u>80,243</u></u>	<u><u>58,017</u></u>	38.3	<u><u>26,336</u></u>	<u><u>19,591</u></u>	34.4

**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)

	<b>Group</b>		<b>Company</b>	
	<b>As at</b>		<b>As at</b>	
	<b>30/9/2006</b>	<b>31/12/2005</b>	<b>30/9/2006</b>	<b>31/12/2005</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Assets</b>				
<b>Current Assets</b>				
Cash and cash equivalents	78,615	79,988	1,687	1,494
Short-term investments	26,818	21,142	-	-
Due from a related party	-	3,304	-	-
Trade receivables	49,635	49,282	-	-
Other receivables (note (a))	78,133	64,885	336	-
Inventories	144,581	143,335	-	-
	377,782	361,936	2,023	1,494
<b>Non-Current Assets</b>				
Other long-term receivables (note (b))	135,342	94,657	45,000	45,000
Subsidiary companies	-	-	1,168,521	1,184,102
Associated companies	18,313	18,047	-	-
Property, plant and equipment	651,686	647,962	-	-
Plantation assets	590,475	622,989	-	-
Deferred income tax	28,201	18,173	-	-
Deferred charges	7,783	4,580	-	-
Brands and trademarks	2,642	2,882	-	-
Goodwill	45,979	26,060	-	-
	1,480,421	1,435,350	1,213,521	1,229,102
<b>Total Assets</b>	<b>1,858,203</b>	<b>1,797,286</b>	<b>1,215,544</b>	<b>1,230,596</b>

## UNAUDITED BALANCE SHEETS (cont'd)

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	30/9/2006 US\$'000	31/12/2005 US\$'000	30/9/2006 US\$'000	31/12/2005 US\$'000
<b>Liabilities and Equity</b>				
Current Liabilities				
Short-term loans	179,500	158,448	3,500	3,500
Trade payables	107,358	139,317	-	-
Other payables (note(c))	44,413	48,094	32,393	34,815
Taxes payable	3,772	3,355	-	4
Obligations under finance leases	693	715	-	-
	335,736	349,929	35,893	38,319
Non-Current Liabilities				
Obligations under finance leases	816	1,327	-	-
Long-term borrowings	218,284	207,040	-	-
Deferred income tax	115,762	103,347	-	-
Other long-term payable	1,750	1,715	-	-
	336,612	313,429	-	-
Total Liabilities	672,348	663,358	35,893	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	1,320	196	-	-
Cumulative translation adjustments	(16,684)	(16,684)	-	-
Retained earnings	244,340	197,075	31,319	43,945
	1,041,863	1,001,903	1,179,651	1,192,277
Minority interests	143,992	132,025	-	-
Total equity	1,185,855	1,133,928	1,179,651	1,192,277
<b>Total Liabilities and Equity</b>	<b>1,858,203</b>	<b>1,797,286</b>	<b>1,125,544</b>	<b>1,230,596</b>

## UNAUDITED BALANCE SHEETS (Cont'd)

Note:

### (a) Other Receivables

	Group		Company	
	As at		As at	
	30/9/2006 US\$'000	31/12/2005 US\$'000	30/9/2006 US\$'000	31/12/2005 US\$'000
Prepaid expenses	9,869	3,015	336	-
Prepaid value added tax, net	25,745	9,349	-	-
Others	36,378	37,400	-	-
	<u>71,992</u>	<u>49,764</u>	<u>336</u>	<u>-</u>
Related parties	6,141	15,121	-	-
	<u>78,133</u>	<u>64,885</u>	<u>336</u>	<u>-</u>

### (b) Other Long-Term Receivables

	Group		Company	
	As at		As at	
	30/9/2006 US\$'000	31/12/2005 US\$'000	30/9/2006 US\$'000	31/12/2005 US\$'000
Associated company	5,447	5,503	-	-
Related party	13,167	7,467	-	-
	<u>18,614</u>	<u>12,970</u>	<u>-</u>	<u>-</u>
Loans receivable	58,133	45,000	45,000	45,000
Tax recoverable	22,371	21,563	-	-
Advances for project plasma plantations, net	8,368	6,285	-	-
Advances for project and purchase of fixed assets	12,602	1,892	-	-
Land clearing	9,252	1,107	-	-
Investments in land	2,554	2,553	-	-
Deposits	1,093	1,076	-	-
Others	2,355	2,211	-	-
	<u>135,342</u>	<u>94,657</u>	<u>45,000</u>	<u>45,000</u>

### (c) Other Payables

	Group		Company	
	As at		As at	
	30/9/2006 US\$'000	31/12/2005 US\$'000	30/9/2006 US\$'000	31/12/2005 US\$'000
Advances from customers	8,018	5,653	-	-
Accrued expenses	14,307	16,554	369	277
Others	19,406	19,278	12	292
	<u>41,731</u>	<u>41,485</u>	<u>381</u>	<u>569</u>
Related parties	2,682	6,609	32,012	34,246
	<u>44,413</u>	<u>48,094</u>	<u>32,393</u>	<u>34,815</u>

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

	As at 30/9/2006			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	169,698	10,495	180,193	148,984	10,179	159,163
Amount repayable after one year	180,434	38,666	219,100	159,645	48,722	208,367
<b>Total</b>	<b>350,132</b>	<b>49,161</b>	<b>399,293</b>	<b>308,629</b>	<b>58,901</b>	<b>367,530</b>

### 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 SEPT 2006

	Ytd Sept 2006	Ytd Sept 2005	3rd Qtr 2006	3rd Qtr 2005
	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>	<u>US\$'000</u>
<b>Cash flows from operating activities</b>				
<b>Profit before tax</b>	<b>80,243</b>	<b>58,017</b>	<b>26,336</b>	<b>19,591</b>
Adjustments for:				
Depreciation	55,968	40,053	18,212	14,952
Amortisation	807	1,247	343	381
Unrealised foreign exchange loss(gain) on short-term loans, long-term borrowings and receivables, net	1,996	(7,333)	664	(2,873)
Gain on conversion of project plasma plantations	(12)	-	(12)	-
Share of results of associated companies, net	(588)	(351)	(448)	13
Loss on disposal of investment in subsidiaries	-	1,466	-	-
Write off and loss on disposal of:				
Property, plant and equipment	992	2,343	218	115
Plantation assets	6,410	9,125	54	54
Write off of:				
Goodwill	-	49	-	(29)
Negative goodwill	-	(19,886)	-	-
Impairment loss on :				
Inventories, net	323	-	323	-
Financial assets, net	3,246	5	3,246	-
Interest income	(3,905)	(5,470)	(1,087)	(2,125)
Interest expense	25,715	21,272	8,817	8,377
<b>Operating profit before working capital changes</b>	<b>171,195</b>	<b>100,537</b>	<b>56,666</b>	<b>38,456</b>

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

	Ytd Sept 2006 US\$'000	Ytd Sept 2005 US\$'000	3rd Qtr 2006 US\$'000	3rd Qtr 2005 US\$'000
<b>Operating profit before working capital changes</b>	<b>171,195</b>	<b>100,537</b>	<b>56,666</b>	<b>38,456</b>
Changes in operating assets and liabilities:				
Trade receivables	(424)	(2,037)	(3,954)	(8,535)
Other receivables	(12,710)	(17,939)	(7,545)	14,591
Inventories	1,512	(6,026)	6,955	(2,744)
Trade payables	(34,024)	(5,143)	(15,153)	(3,452)
Other payables	(47,030)	17,203	(9,070)	16,793
Cash generated from operations	78,519	86,595	27,899	55,109
Tax (paid) received	(198)	3,718	(3,012)	3,027
Interest received	4,670	2,880	990	633
Interest paid	(26,464)	(29,902)	(8,862)	(7,662)
<b>Net cash from operating activities</b>	<b>56,527</b>	<b>63,291</b>	<b>17,015</b>	<b>51,107</b>
<b>Cash flows from investing activities</b>				
Proceeds from sale of property, plant and equipment	3,520	3,686	1,280	492
Proceeds from sale of plantation assets	6,637	4,544	594	141
Capital expenditure on property, plant and equipment	(35,604)	(39,002)	(14,240)	(13,596)
Capital expenditure on plantation assets	(11,731)	(3,848)	(4,633)	(1,264)
Net decrease in short-term investments	18,765	24,704	12,653	(7,439)
Repayment of current accounts and deposits with a related party	3,340	39,980	-	29,563
Investments in Plasma/KKPA Program plantations, net	(2,071)	(3,861)	(138)	(4,591)
Net (increase)decrease in other long-term receivables from related parties	(5,644)	1,867	(97)	(6,362)
Dividend received	-	215	-	-
Proceeds from sale of investment in subsidiaries	-	1,390	-	-
Acquisition of subsidiaries, net of cash acquired	(21,079)	(54)	(15,207)	-
Investments in software development	-	(662)	-	(207)
Increase in deferred land rights	(66)	(783)	(42)	(599)
(Increase) Decrease in other non-current receivables and assets	(28,657)	1,262	(22,322)	4,166
<b>Net cash (used in) from investing activities</b>	<b>(72,590)</b>	<b>29,438</b>	<b>(42,152)</b>	<b>304</b>
<b>Cash flows from financing activities</b>				
Proceeds from short-term loans	76,356	23,914	43,200	23,914
Proceeds from long-term borrowings	125,750	4,800	50,750	869
Payment of dividends	(13,554)	-	-	-
Payments of short-term loans	(69,180)	(39,456)	(43,711)	(21,161)
Payments of long-term borrowings	(101,057)	(40,089)	(34,116)	(13,853)
Decrease in trade financing	-	(795)	-	-
Decrease in trust receipt payables	(1,130)	(1,202)	(509)	187
Deferred loan charges and long-term bank loan administration costs	(2,495)	(60)	(738)	(30)
<b>Net cash from (used in) financing activities</b>	<b>14,690</b>	<b>(52,888)</b>	<b>14,876</b>	<b>(10,074)</b>
<b>Net (decrease)increase in cash and cash equivalents</b>	<b>(1,373)</b>	<b>39,841</b>	<b>(10,261)</b>	<b>41,337</b>
<b>Cash and cash equivalents at beginning of the period</b>	<b>79,988</b>	<b>51,389</b>	<b>88,876</b>	<b>49,893</b>
<b>Cash and cash equivalents at end of the period</b>	<b>78,615</b>	<b>91,230</b>	<b>78,615</b>	<b>91,230</b>

**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**

<b>The Group</b>	-----Attributable to Equity Holders of the Company----->									<b>Minority Interests</b>	<b>Total Equity</b>
	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 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	-	-	-	-	-	-	42,372	-	42,372	9,303	51,675
Dividend	-	-	-	-	-	-	(13,554)	-	(13,554)	-	(13,554)
Foreign currency translation	-	-	-	-	-	538	-	-	538	96	634
Asset revaluation reserve	-	-	-	(10,282)	-	-	-	-	(10,282)	(124)	(10,406)
Change in fair value of hedging derivatives	-	-	-	-	1,853	-	-	-	1,853	-	1,853
Net (loss)gain recognised directly in equity	-	-	-	(10,282)	1,853	538	-	-	(7,891)	(28)	(7,919)
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
Profit for the period	-	-	-	-	-	-	18,447	-	18,447	2,693	21,140
Foreign currency translation	-	-	-	-	-	586	-	-	586	67	653
Additional investment in subsidiaries	-	-	-	-	-	-	-	-	-	(68)	(68)
Net gain(loss) recognised directly in equity	-	-	-	-	-	586	-	-	586	(1)	585
Balance as at 30 Sept 2006	216,867	296,595	184,318	115,107	-	1,320	244,340	(16,684)	1,041,863	143,992	1,185,855



**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**

<b>The Group</b>	←-----Attributable to Equity Holders of the Company-----→									<b>Minority Interests</b>	<b>Total Equity</b>
	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	-	-	-	-	-	-	-	-	-	(19,862)	(19,862)
Asset revaluation reserve	-	-	-	123,409	-	-	-	-	123,409	104,768	228,177
Net gain recognised directly in equity	-	-	-	123,409	-	-	-	-	123,409	84,906	208,315
Profit for the period	-	-	-	-	-	-	34,603	-	34,603	6,471	41,074
Balance as at 30 Jun 2005	216,867	296,595	184,318	132,440	-	-	157,076	(16,684)	970,612	126,370	1,096,982
Additional investment in subsidiaries	-	-	-	-	-	-	-	-	-	270	270
Foreign currency translation	-	-	-	-	-	(19)	-	-	(19)	-	(19)
Net (loss)gain recognised directly in equity	-	-	-	-	-	(19)	-	-	(19)	270	251
Profit for the period	-	-	-	-	-	-	13,931	-	13,931	2,578	16,509
Balance as at 30 Sept 2005	216,867	296,595	184,318	132,440	-	(19)	171,007	(16,684)	984,524	129,218	1,113,742

- 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**

<b><u>The Company</u></b>	<b><u>Share Capital</u></b>	<b><u>Share Premium</u></b>	<b><u>Retained Earnings</u></b>	<b><u>Total</u></b>
	US\$'000	US\$'000	US\$'000	US\$'000
Balance as at 1 Jan 2006	216,867	931,465	43,945	1,192,277
Profit for the period	-	-	2,979	2,979
Dividend	-	-	(13,554)	(13,554)
Balance as at 30 June 2006	216,867	931,465	33,370	1,181,702
Loss for the period	-	-	(2,051)	(2,051)
Balance as at 30 Sept 2006	216,867	931,465	31,319	1,179,651
Balance as at 1 Jan 2005	216,867	931,465	42,227	1,190,559
Profit for the period	-	-	321	321
Balance as at 30 June 2005	216,867	931,465	42,548	1,190,880
Loss for the period	-	-	(693)	(693)
Balance as at 30 Sept 2005	216,867	931,465	41,855	1,190,187

- 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 has been no change 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

	<b>The Group</b>			
	Ytd Sept 2006	Ytd Sept 2005	3rd Qtr 2006	3rd 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	USD2.80cents	USD2.24cents	USD0.85cents	USD0.64cents
(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

	<b>The Group</b>		<b>The Company</b>	
	As at 30 Sept 2006	As at 31 Dec 2005	As at 30 Sept 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	USD48.04cents	USD46.20cents	USD54.40cents	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 9-months ended	Indonesia	China <sup>(2)</sup>	Total
<b>Revenue</b>			
30 Sept 2006	579,070	247,089	826,159
30 Sept 2005	532,744	-*	532,744
Increase/(Decrease)	46,326	247,089	293,415
Increase/(Decrease) %	8.7%	n.m	55.1%
<b>Gross Profit</b>			
30 Sept 2006	165,669	19,590	185,259
30 Sept 2005	121,636	-*	121,636
Increase/(Decrease) in profit	44,033	19,590	63,623
Increase/(Decrease) %	36.2%	n.m	52.3%
<b>EBITDA (see note (1))</b>			
30 Sept 2006	155,673	15,323	170,996
30 Sept 2005	113,798	-*	113,798
Increase/(Decrease) in profit	41,875	15,323	57,198
Increase/(Decrease) %	36.8%	n.m	50.3%
<b>Interest on borrowings</b>			
30 Sept 2006	22,672	3,043	25,715
30 Sept 2005	21,272	-*	21,272
Increase/(Decrease)	1,400	3,043	4,443
Increase/(Decrease) %	6.6%	n.m	20.9%
<b>Depreciation and amortisation</b>			
30 Sept 2006	52,564	4,211	56,775
30 Sept 2005	41,300	-*	41,300
Increase/(Decrease)	11,264	4,211	15,475
Increase/(Decrease) %	27.3%	n.m	37.5%
<b>Foreign exchange gain(loss)</b>			
30 Sept 2006	558	1,037	1,595
30 Sept 2005	(809)	-*	(809)
Increase/(Decrease) in gain	1,367	1,037	2,404
Increase/(Decrease) %	n.m.	n.m	n.m.
<b>Exceptional (loss)gain</b>			
30 Sept 2006	(10,446)	-	(10,446)
30 Sept 2005	7,249	-*	7,249
Increase in loss	17,695	-	17,695
Increase/(Decrease) %	n.m.	-	n.m.
<b>Share of associates' profit</b>			
30 Sept 2006	588	-	588
30 Sept 2005	351	-*	351
Increase/(Decrease) in profit	237	-	237
Increase/(Decrease) %	67.5%	-	67.5%
<b>Profit before tax</b>			
30 Sept 2006	71,137	9,106	80,243
30 Sept 2005	58,017	-*	58,017
Increase/(Decrease) in profit	13,120	9,106	22,226
Increase/(Decrease) %	22.6%	n.m	38.3%
<b>Net profit attributable to equity holders of the Company</b>			
30 Sept 2006	52,085	8,734	60,819
30 Sept 2005	48,534	-*	48,534
Increase/(Decrease) in profit	3,551	8,734	12,285
Increase/(Decrease) %	7.3%	n.m	25.3%

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 PERIOD ENDED 30 SEPTEMBER 2006

Revenue of the Group grew 55.1 percent to US\$826.2 million for nine months ended 30 September 2006 ("9 months 2006") in comparison to US\$532.7 million recorded for the same period in 2005 ("9 months 2005").

On the back of the stronger revenue, operating profit rose 74 percent to US\$109.4 million from US\$62.9 million in 9 months 2005 and net profit attributable to equity holders of the Company increased 25.3 percent to US\$60.8 million in 9 months 2006 from US\$48.5 million in 9 months 2005.

The Group's results for 9 months 2006 included the results of the China Agri-business operations acquired in the last quarter of 2005.

### REVENUE

The 55.1 percent or US\$293.4 million increase in revenue was mainly due to the inclusion of revenue from China Agri-business operations acquired in the last quarter of 2005. In addition, higher revenue was also recorded in Indonesia Agri-business.

Indonesia Agri-business contributed US\$579.1 million (70.1 percent) and China Agri-business contributed US\$247.1 million (29.9 percent) to the Group's revenue of US\$826.2 million.

#### *Indonesia*

Revenue from Indonesia Agri-business was US\$579.1 million, 8.7 percent or US\$46.3 million higher as compared to US\$532.7 million in 9 months 2005. The increase was mainly attributable to higher selling prices in line with higher crude palm oil ("CPO") prices.

Average international CPO (CIF Rotterdam) price was US\$454 per ton in 9 months 2006, about 9.4 percent higher as compared to US\$415 per ton in 9 months 2005.

#### *China*

China Agri-business contributed US\$247.1 million to the Group's revenue in 9 months 2006, with US\$121.3 million from the crushing operations and US\$105.7 million from refinery operations.

### COST OF SALES

Cost of sales was US\$640.9 million, an increase of 55.9 percent or US\$229.8 million from US\$411.1 million recorded in 9 months 2005, primarily due to the inclusion of cost of sales amounting to US\$227.5 million from China Agri-business.

#### *Indonesia*

Cost of sales from Indonesia Agri-business comprised mainly plantation maintenance, manuring and harvesting costs, Fresh fruit bunch ("FFB") purchases and CPO purchases for our refinery. Cost of sales from Indonesia Agri-business remained at US\$413.4 million in 9 months 2006 as compared to US\$411.1 million in 9 months 2005. This was mainly due to the increase in CPO production thereby reducing external CPO purchase for our refinery operations, and lower plantation maintenance expenses.

CPO production for 9 months 2006 was 1,207,000 tons, an increase of 158,000 tons or about 15 percent from 1,049,000 tons produced in 9 months 2005. FFB yield per hectare was also higher at 17.16 tons in 9 months 2006 as compared to 15.15 tons in 9 months 2005.

#### *China*

The US\$227.5 million cost of sales in China Agri-business mainly comprised purchase cost of soybean.

## **GROSS PROFIT**

Gross profit grew 52.3 percent or US\$63.6 million from US\$121.6 million in 9 months 2005 to US\$185.3 million in 9 months 2006.

Overall gross profit margin decreased marginally to 22.4 percent from 22.8 percent in 9 months 2005. Indonesia Agri-business reported an improvement in gross profit margin from 22.8 percent in 9 months 2005 to 28.6 percent in 9 months 2006, though China Agri-business' gross profit margin was 7.9 percent.

## **OPERATING EXPENSES**

- ***Selling expenses***

Selling expenses comprised mainly transportation, advertising and promotion, export tax and salaries. The 66.6 percent or US\$10.4 million increase from US\$15.6 million in 9 months 2005 to US\$26 million in 9 months 2006 was mainly due to selling expenses of US\$5.4 million from China Agri-business being included in 9 months 2006. The US\$5.0 million increase in Indonesia Agri-business was mainly attributable to higher transportation expenses due to higher fuel price.

- ***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 15.5 percent or US\$6.7 million increase from US\$43.1 million in 9 months 2005 to US\$49.8 million in 9 months 2006 was mainly due to the inclusion of expenses from China Agri-business amounting to US\$3.8 million.

## **FINANCIAL EXPENSES, NET**

Net financial expenses comprised net interest expenses (after deducting interest income), amortisation of deferred loan charges and other finance charges. The 38.9 percent or US\$6.3 million increase from US\$16.1 million in 9 months 2005 to US\$22.4 million in 9 months 2006 was attributable to net interest expenses from China Agri-business of US\$2.7 million being included, and higher net interest expense in Indonesia Agri-business mainly due to higher interest rates.

## **FOREIGN EXCHANGE GAIN(LOSS)**

During 9 months 2006, the Group recorded a foreign exchange gain of US\$1.6 million in contrast to US\$0.8 million loss in 9 months 2005, comprising US\$1 million from China Agri-business and US\$0.6 million from Indonesia Agri-business. The gain from China Agri-business mainly arose from the translation of U.S. Dollar ("USD") payables to renminbi ("RMB") due to the strengthening of RMB against USD during 9 months 2006, from USD1 to RMB8.1 end of 2005 to RMB7.9 end of September 2006.

## **EXCEPTIONAL LOSS**

The net exceptional loss of US\$10.4 million was mainly attributable to US\$6.7 million loss on disposal of certain plantation assets and property, plant and equipment in Sintang, Kalimantan, and US\$3.7 million provision made relating to certain assets of a subsidiary.

## **TAX**

The US\$7.4 million income tax expense in 9 months 2006 was mainly due to higher taxable profits (in Indonesian Rupiah terms) of certain subsidiaries in Indonesia Agri-business and the utilisation of brought forward tax losses (net) during the period. No group relief is available for set-off of taxable profits against tax losses under the Group.

## MINORITY INTERESTS

Minority interests' share of profit increased 32.6 percent or US\$3.0 million from US\$9.0 million in 9 months 2005 to US\$12.0 million in 9 months 2006 mainly due to the improved results of P.T Sinar Mas Agro Resources and Technology Tbk and its subsidiaries 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 outlook for palm oil remains positive, 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. The Group is currently exploring various opportunities to invest in the production of this value-added product.

Rainfall was significantly lower in Indonesia during the third quarter of 2006 and should rainfall remain below normal in the last quarter of 2006, our yields and productivity could be affected. We will nonetheless continue to strive to increase production through improving plantation management techniques, improved transportation infrastructures and construction of additional CPO mills.

The China Agri-business is expected to face challenging market conditions with the anticipated increase in soybean prices in line with the increase in overall commodity prices. The Group is in the process 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 September 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**

<b>Name of interested person</b>	<b>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)</b>	<b>Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD100,000)</b>
	3Q2006	3Q2006
	US\$	US\$
Ningbo Asia Pulp & Paper Co., Ltd	Nil	455,809
Ningbo Zhonghua Paper Co., Ltd	Nil	74,013
PT Asuransi Sinar Mas	Nil	198,031
PT Bina Sinar Amity	Nil	100,223
PT Cakrawala Mega Indah	Nil	537,110
PT Rolimex Kimia Nusamas	Nil	62,544
PT Sinar Jati Mitra	Nil	1,433,684
Zhuhai Huafeng Foodstuff Co., Ltd	Nil	376,769
<b>Total</b>	<b>Nil</b>	<b>3,238,183</b>



## 18. CONFIRMATION PURSUANT TO THE RULE 705(4) 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 the attention of the Board of directors of the Company which may render the third quarter and nine months ended 30 September 2006 unaudited financial results to be false or misleading.

On behalf of the board of directors

Simon Lim  
Director

Rafael Buhay Concepcion, Jr.  
Director

13 November 2006

## BY ORDER OF THE BOARD

Simon Lim  
Director  
13 November 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 13/11/2006 to the SGX