

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 2006**

(Amounts in United States dollars)

	1st Qtr 2006 US\$'000	1st Qtr 2005 US\$'000	Change %
Revenue	268,749	164,342	63.5
Cost of sales	<u>209,845</u>	<u>128,347</u>	63.5
Gross profit	<u>58,904</u>	<u>35,995</u>	63.6
Operating expenses			
Selling expenses	7,213	4,605	56.6
General and administrative expenses	<u>14,226</u>	<u>11,537</u>	23.3
	<u>21,439</u>	<u>16,142</u>	32.8
Operating profit	37,465	19,853	88.7
Other income(expenses)			
Financial income	1,383	1,594	(13.2)
Financial expenses	(8,831)	(7,197)	22.7
Share of results of associated companies, net	85	156	(45.5)
Foreign exchange (loss) gain	(2,660)	1,173	n.m.
Other operating income, net	<u>3,129</u>	<u>1,679</u>	86.4
	<u>(6,894)</u>	<u>(2,595)</u>	165.7
Exceptional item			
Loss on disposal of investment in a subsidiary	<u>-</u>	<u>(1,466)</u>	(100.0)
Profit before tax	30,571	15,792	93.6
Tax	<u>(166)</u>	<u>165</u>	n.m.
Profit for the period	<u>30,405</u>	<u>15,957</u>	90.5
Attributable to:			
Equity holders of the Company	27,738	14,520	91.0
Minority interests	<u>2,667</u>	<u>1,437</u>	85.6
	<u>30,405</u>	<u>15,957</u>	90.5

Note: (1) n.m. – not meaningful

ADDITIONAL INFORMATION

Earnings before income tax, minority interests, interest on borrowings, depreciation and amortisation, and foreign exchange gain(loss) ("EBITDA")

	1st Qtr 2006 <u>US\$'000</u>	1st Qtr 2005 <u>US\$'000</u>	Change %
Earnings before income tax, minority interests, interest on borrowings, depreciation and amortisation, and foreign exchange gain(loss) ("EBITDA")	61,519	36,098	70.4
Interest on borrowings	(7,796)	(7,109)	9.7
Depreciation and amortisation	(20,577)	(13,060)	57.6
Foreign exchange (loss) gain	(2,660)	1,173	n.m.
Exceptional item	-	(1,466)	(100.0)
Profit before income tax and minority interests, but after interest on borrowings, depreciation and amortisation, and foreign exchange gain(loss)	<u>30,486</u>	<u>15,636</u>	95.0
Share of results of associated companies, net	85	156	(45.5)
Profit before tax	<u><u>30,571</u></u>	<u><u>15,792</u></u>	93.6

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 SHEET

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2006 US\$'000	31/12/2005 US\$'000	31/3/2006 US\$'000	31/12/2005 US\$'000
Assets				
Current Assets				
Cash and cash equivalents	179,460	79,988	1,258	1,494
Short-term investments	46,452	21,142	-	-
Due from a related party	-	3,304	-	-
Trade receivables	47,283	49,282	-	-
Other receivables (note (a))	67,904	64,885	-	-
Inventories	132,544	143,335	-	-
	473,643	361,936	1,258	1,494
Non-Current Assets				
Other long-term receivables (note (b))	100,250	94,657	45,000	45,000
Subsidiary companies	-	-	1,185,747	1,184,102
Associated companies	18,040	18,047	-	-
Property, plant and equipment	648,671	647,962	-	-
Plantation assets	621,346	622,989	-	-
Deferred income tax	22,718	18,173	-	-
Deferred charges	6,001	4,580	-	-
Brands and trademarks	2,802	2,882	-	-
Goodwill	31,357	26,060	-	-
	1,451,185	1,435,350	1,230,747	1,229,102
Total Assets	1,924,828	1,797,286	1,232,005	1,230,596

UNAUDITED BALANCE SHEET (cont'd)

(Amounts in United States dollars)

	Group		Company	
	As at		As at	
	31/3/2006 US\$'000	31/12/2005 US\$'000	31/3/2006 US\$'000	31/12/2005 US\$'000
Liabilities and Equity				
Current Liabilities				
Short-term loans	163,576	158,448	3,500	3,500
Trade payables	124,647	139,317	-	-
Other payables (note(c))	84,869	48,094	34,567	34,815
Taxes payable	2,951	3,355	4	4
Obligations under finance leases	718	715	-	-
	376,761	349,929	38,071	38,319
Non-Current Liabilities				
Obligations under finance leases	1,151	1,327	-	-
Long-term borrowings	269,122	207,040	-	-
Deferred income tax	109,480	103,347	-	-
Other long-term payable	1,726	1,715	-	-
	381,479	313,429	-	-
Total Liabilities	758,240	663,358	38,071	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	125,389	125,389	-	-
Hedging reserve	-	(1,853)	-	-
Foreign currency translation reserve	535	196	-	-
Cumulative translation adjustments	(16,684)	(16,684)	-	-
Retained earnings	224,813	197,075	45,602	43,945
	1,031,833	1,001,903	1,193,934	1,192,277
Minority interests	134,755	132,025	-	-
Total equity	1,166,588	1,133,928	1,193,934	1,192,277
Total Liabilities and Equity	1,924,828	1,797,286	1,232,005	1,230,596

UNAUDITED BALANCE SHEET (cont'd)

Note:

(a) Other Receivables

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	31/3/2006 US\$'000	31/12/2005 US\$'000	31/3/2006 US\$'000	31/12/2005 US\$'000
Prepaid expenses	14,129	3,015	-	-
Prepaid value added tax, net	9,708	9,349	-	-
Others	37,203	37,400	-	-
	<u>61,040</u>	<u>49,764</u>	<u>-</u>	<u>-</u>
Related parties	6,864	15,121	-	-
	<u>67,904</u>	<u>64,885</u>	<u>-</u>	<u>-</u>

(b) Other Long-Term Receivables

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	31/3/2006 US\$'000	31/12/2005 US\$'000	31/3/2006 US\$'000	31/12/2005 US\$'000
Associated company	5,350	5,503	-	-
Related party	12,017	7,467	-	-
	<u>17,367</u>	<u>12,970</u>	<u>-</u>	<u>-</u>
Loan receivable	45,000	45,000	45,000	45,000
Tax recoverable	14,912	21,563	-	-
Advances for project plasma plantations, net	9,122	6,285	-	-
Advances for project and purchase of fixed assets	2,282	1,892	-	-
Land clearing	5,268	1,107	-	-
Investments in land	2,553	2,553	-	-
Deposits	1,099	1,076	-	-
Others	2,647	2,211	-	-
	<u>100,250</u>	<u>94,657</u>	<u>45,000</u>	<u>45,000</u>

(c) Other Payables

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	31/3/2006 US\$'000	31/12/2005 US\$'000	31/3/2006 US\$'000	31/12/2005 US\$'000
Advances from customers	9,434	5,653	-	-
Accrued expenses	17,700	16,554	542	277
Others	50,627	19,278	79	292
	<u>77,761</u>	<u>41,485</u>	<u>621</u>	<u>569</u>
Related parties	7,108	6,609	33,946	34,246
	<u>84,869</u>	<u>48,094</u>	<u>34,567</u>	<u>34,815</u>

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

	As at 31/3/2006			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	154,283	10,011	164,294	148,984	10,179	159,163
Amount repayable after one year	221,540	48,733	270,273	159,645	48,722	208,367
Total	375,823	58,744	434,567	308,629	58,901	367,530

Details of any collateral

The secured loans are collateralised by certain cash and cash equivalents, short-term investments, 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 bank 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 31 MARCH 2006

(Amounts in United States dollars)

	1st Qtr 2006 US\$'000	1st Qtr 2005 US\$'000
Cash flows from operating activities		
Profit before tax	30,571	15,792
Adjustments for:		
Depreciation	19,554	12,873
Amortisation	1,023	187
Unrealised loss (gain) on foreign exchange on short-term loans, long-term debts and receivables, net	3,770	(2,323)
Share of results of associated companies, net	(85)	(156)
(Gain) loss on disposal of property, plant and equipment, net of write off	(191)	39
Write off of plantation assets	54	54
Write off of goodwill	-	29
Loss on disposal of investment in a subsidiary	-	1,466
Gain on disposal of short-term investments	-	(39)
Interest income	(1,383)	(1,594)
Interest expense	7,796	7,109
Operating cash flow before working capital changes	61,109	33,437

**UNAUDITED CONSOLIDATED CASH FLOW STATEMENT
FOR THE PERIOD ENDED 31 MARCH 2006 (Cont'd)**

(Amounts in United States dollars)

	1st Qtr 2006 <u>US\$'000</u>	1st Qtr 2005 <u>US\$'000</u>
Operating cash flow before working capital changes	61,109	33,437
Changes in operating assets and liabilities:		
Trade receivables	1,999	6,822
Other receivables	3,446	(22,737)
Inventories	13,692	(698)
Trade payables	(14,361)	(5,446)
Other payables	(334)	7,846
Cash generated from operations	65,551	19,224
Interest paid	(7,060)	(5,718)
Interest received	2,513	1,227
Income tax (paid)refund	(165)	34
Net cash from operating activities	60,839	14,767
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	1,019	1,126
Proceeds from sale of plantation assets	316	187
Capital expenditure on property, plant and equipment	(9,965)	(12,338)
Capital expenditure on plantation assets	(2,409)	(1,321)
Proceeds from disposal of investment in a subsidiary	-	(90)
Additional investment in subsidiaries	-	(54)
Acquisition of subsidiaries, net of cash acquired	(5,872)	-
Net (increase) decrease in short-term investments	(3,679)	4,476
Investments in Plasma/KKPA Program plantations, net	(2,837)	884
Dividend received	-	215
Repayments of current account and deposit with a related party	3,339	10,417
(Increase)Decrease in other long-term receivable from related parties	(4,397)	7,522
Investments in software development	-	(203)
Investments in deferred land rights	(24)	(314)
Increase in other non-current receivables and assets	(1,701)	(7,800)
Net cash (used in)generated from investing activities	(26,210)	2,707
Cash flows from financing activities		
Proceeds from short-term loans	16,794	96
Proceeds from long-term borrowings	75,000	-
Payments of short-term loans	(10,821)	(5,008)
Payments of long-term borrowings	(14,077)	(9,494)
Decrease in trade financing	-	(123)
(Decrease)Increase in trust receipt payables	(297)	1
Deferred loan charges and long-term bank loan administration costs	(1,756)	(29)
Net cash generated from(used in) financing activities	64,843	(14,557)
Net increase in cash and cash equivalents	99,472	2,917
Cash and cash equivalents at the beginning of the period	79,988	51,389
Cash and cash equivalents at the end of the period	179,460	54,306

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

	←-----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		
The Group											
Balance as at 1 Jan 2005	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
	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
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

The Company	Issued 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 Mar 2005	216,867	931,465	42,304	1,190,636
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 Mar 2006	216,867	931,465	45,602	1,193,934

- 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 auditing standard or practice**

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**

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
 (ii) On a fully diluted basis

The Group	
1st Qtr 2006	1st Qtr 2005
USD1.28cents	USD0.67cents
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 31 Mar 2006	As at 31 Dec 2005	As at 31 Mar 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	USD47.58cents	USD46.20cents	USD55.05cents	USD54.98cents

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:-
- (a) 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; and
- (b) 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 the period ended	Indonesia	China ⁽²⁾	Total
Revenue			
31 March 2006	184,598	84,151	268,749
31 March 2005	164,342	-*	164,342
Increase/(Decrease)	20,256	84,151	104,407
Increase/(Decrease) %	12.3%	100.0%	63.5%
Gross Profit			
31 March 2006	51,358	7,546	58,904
31 March 2005	35,995	-*	35,995
Increase/(Decrease) in profit	15,363	7,546	22,909
Increase/(Decrease) %	42.7%	100.0%	63.6%
EBITDA (see note (1))			
31 March 2006	55,667	5,852	61,519
31 March 2005	36,098	-*	36,098
Increase/(Decrease) in profit	19,569	5,852	25,421
Increase/(Decrease) %	54.2%	100.0%	70.4%
Interest on borrowings			
31 March 2006	6,794	1,002	7,796
31 March 2005	7,109	-*	7,109
Increase/(Decrease)	(315)	1,002	687
Increase/(Decrease) %	(4.4)%	100.0%	9.7%
Depreciation and amortisation			
31 March 2006	19,197	1,380	20,577
31 March 2005	13,060	-*	13,060
Increase/(Decrease)	6,137	1,380	7,517
Increase/(Decrease) %	47.0%	100.0%	57.6%
Foreign exchange (loss)gain			
31 March 2006	(2,823)	163	(2,660)
31 March 2005	1,173	-*	1,173
Increase/(Decrease) in loss	(3,996)	163	(3,833)
Increase/(Decrease) %	n.m.	100.0%	n.m.
Exceptional loss			
31 March 2006	-	-	-
31 March 2005	1,466	-*	1,466
Decrease in loss	(1,466)	-	(1,466)
Increase/(Decrease) %	(100.0)%	-	(100.0)%
Share of associates' profit			
31 March 2006	85	-	85
31 March 2005	156	-*	156
Increase/(Decrease) in profit	(71)	-	(71)
Increase/(Decrease) %	(45.5)%	-	(45.5)%
Profit before tax			
31 March 2006	26,938	3,633	30,571
31 March 2005	15,792	-*	15,792
Increase/(Decrease) in profit	11,146	3,633	14,779
Increase/(Decrease) %	70.6%	100.0%	93.6%
Net profit attributable to equity holders of the Company			
31 March 2006	24,169	3,569	27,738
31 March 2005	14,520	-*	14,520
Increase/(Decrease) in profit	9,649	3,569	13,218
Increase/(Decrease) %	66.5%	100.0%	91.0%

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

(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 31 MARCH 2006

Revenue of the Group for the 3-month period ended 31 March 2006 ("1Q2006") was higher at US\$268.7 million, representing an increase of US\$104.4 million or 63.5 percent over US\$164.3 million recorded for the same period in 2005 ("1Q2005").

Operating profit also rose by a significant 88.7 percent to US\$37.5 million as compared to US\$19.9 million for 1Q2005. Correspondingly, net profit attributable to equity holders of the Company increased 91 percent from US\$14.5 million in 1Q2005 to US\$27.7 million in 1Q2006.

The Group's 1Q2006 results included the results of the China Agri-business operations acquired by the Company in the last quarter of 2005.

REVENUE

Of the aggregate revenue of US\$268.7 million, 68.7 percent was contributed by the Indonesia Agri-business operations with the balance 31.3 percent from China Agri-business operations.

The increase was mainly due to contribution by the China Agri-business and higher contribution from Indonesia.

Indonesia

The increased revenue contribution of the Indonesia Agri-business operations, rising 12.3 percent from US\$164.3 million to US\$184.6 million, was primarily attributable to higher crude palm oil ("CPO") prices and CPO production.

Average international CPO price (CIF Rotterdam) for 1Q2006 was US\$433 per ton, an increase of about 5.4 percent from US\$411 per ton in 1Q2005.

CPO produced during the period was 386,000 tons, 24.9 percent increase over the 309,000 tons produced in 1Q2005. Accordingly, fresh fruit bunch ("FFB") yield per hectare grew to 5.31 tons in 1Q2006 from 4.36 tons in the previous period.

China

Revenue contribution from the China Agri-business operations was US\$84.2 million for 1Q2006 mainly US\$45.2 million from the crushing operations and US\$36.4 million from refinery operations.

COST OF SALES

In line with the higher revenue, cost of sales also increased 63.5 percent or US\$81.5 million to US\$209.8 million (1Q2005: US\$128.3 million). The increase was mainly due to the inclusion of cost of sales of the China Agri-business operations.

Indonesia

Cost of sales from Indonesia Agri-business comprised mainly plantation maintenance, manuring and harvesting costs, FFB purchases and CPO purchases for our refinery. It rose only 3.8 percent to US\$133.2 million (1Q2005: US\$128.3 million) despite the 12.3 percent increase in revenue for the Indonesia Agri-business. This was mainly attributable to certain fixed costs that had remained fairly constant in spite of the higher revenue.

China

Cost of sales from China Agri-business for 1Q2006 was US\$76.6 million, comprising mainly purchase cost of soybean.

GROSS PROFIT

Gross profit rose 63.6 percent to US\$58.9 million (1Q2005: US\$36 million) with gross profit margin at 21.9 percent. The gross profit margin of Indonesia Agri-business improved from 21.9 percent in 1Q2005 to 27.8 percent whereas gross profit margin of China Agri-business was 9 percent (1Q2005: 5.6 percent).

OPERATING EXPENSES

- ***Selling expenses***

Selling expenses, comprising mainly transportation, advertising and promotion, export tax and salaries, increased 56.6 percent or US\$2.6 million to US\$7.2 million (1Q2005: US\$4.6 million). This was mainly due to the inclusion of selling expenses of China Agri-business amounting to US\$1.9 million.

- ***General and administrative expenses***

General and administrative expenses included salaries and related expenses, rent, tax and licenses, depreciation, repairs and maintenance, and professional fees. This was principally attributable to Indonesia Agri-business. The increase of 23.3 percent or US\$2.7 million to US\$14.2 million (1Q2005: US\$11.5 million) was due to inclusion of US\$1.2 million expenses of China Agri-business and US\$1.5 million increase in expenses of Indonesia Agri-business mainly due to increase in salary and repair and maintenance expenses.

FINANCIAL EXPENSES, NET

The increase in net financial expenses of 32.9 percent or US\$1.8 million to US\$7.4 million (1Q2005: US\$5.6 million) was mainly due to increase in interest expense in line with the higher market interest rates.

FOREIGN EXCHANGE LOSS

The Group's foreign exchange loss of US\$2.7 million (1Q2005: US\$1.2 million gain) mainly arose 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 from USD1 to approximately IDR9,800 as at end of 2005 to approximately IDR9,100 as at end of March 2006.

In contrast, the IDR weakened during 1Q2005 from IDR9,300 as at end of 2004 to IDR9,500 as at end of March 2005.

OTHER OPERATING INCOME, NET

Other operating income (net) of US\$3.1 million (1Q2005: US\$1.7 million) was mainly from Indonesia Agri-business and the increase of US\$1.4 million was mainly due to increase in management fee income.

TAX

Income tax expense of US\$0.2 million (1Q2005: US\$0.2 million tax credit) was mainly attributable to increase in 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 rose 85.6 percent or US\$1.3 million to US\$2.7 million (1Q2005: US\$1.4 million) mainly due to share of profits in the subsidiaries of P.T Sinar Mas Agro Resources and Technology Tbk in Indonesia Agri-business which recorded better results.

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 performance of the Group will be affected by global economic outlook, global climatic condition, CPO price, foreign exchange rates movement, and developments in Indonesia and China.

Demand for palm oil is expected to increase due to the recent lifting by the Chinese Government of its import quota on palm oil. Coupled with the recent health concerns about trans fatty acids in hydrogenated oil, this will help increase demand for palm oil. In addition, there is growing interest to use palm oil as an alternative energy source (bio-diesel).

We will strive to increase production yields by organic growth and acquisition, and ensure optimum output level through more effective fertiliser application, improved transportation infrastructures and construction of additional CPO mills. The China Agri-business operations, acquired in the last quarter of 2005, will enable the Group to strategically develop and grow our presence by introducing various palm-based products to the China market.

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 31 March 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**

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)
	1Q2006	1Q2006
	US\$	US\$
PT Asuransi Sinar Mas	Nil	600,744
PT Cakrawala Mega Indah	Nil	461,793
PT Rolimex Kimia Nusamas	Nil	91,257
Ningbo Zhonghua Paper Co., Ltd,	Nil	61,836
Zhuhai Huafeng Foodstuff Co., Ltd	Nil	380,044
Total	Nil	1,595,674

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 Balances
	1Q2006	As at 31 March 2006 *
	US\$	US\$
BII Limited, Cook Islands	Nil	Nil
Total	Nil	Nil

* This refers to the placement of deposits with interested person as at 31 March 2006. There was no placement of further or fresh deposits with BII Limited, Cook Islands ("BII Ltd") during the period, transactions comprised only roll-overs of deposits and its accrued interest thereon. No disclosure is made of the aggregate value of these transactions conducted during the period as it is not practicable to determine these aggregate values since these transactions involve numerous roll-over of placements. On 7 February 2006, these deposits (including interest) have been fully repaid.

BY ORDER OF THE BOARD

Simon Lim
 Director
 15 May 2006

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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 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.

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Submitted by Kimberley Lye Chor Mei, Senior Manager on 15/5/2006 to the SGX