

GOLDEN HOPE PLANTATIONS BERHAD

(Incorporated in Malaysia)

(Company No : 29992-U)

QUARTERLY REPORT FOR THE SIX MONTHS ENDED 31 DECEMBER 2005

The Directors have pleasure in announcing that the unaudited consolidated results for the second quarter ended 31 December 2005 were:

CONDENSED CONSOLIDATED INCOME STATEMENT

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 31.12.05 RM'000	PRECEDING YEAR 31.12.04 RM'000	CURRENT YEAR 31.12.05 RM'000	PRECEDING YEAR 31.12.04 RM'000
Revenue	1,056,292	888,041	1,898,128	1,558,500
Operating profit	69,953	100,230	160,720	210,179
Investment income	700	1,750	700	1,750
Interest income	1,977	2,758	4,423	4,805
Other income	7,542	4,810	11,385	8,053
Operating profit before finance cost	80,172	109,548	177,228	224,787
Finance cost	(2,923)	(1,873)	(5,311)	(3,462)
Operating profit after finance cost	77,249	107,675	171,917	221,325
Associated companies	(2,131)	7,187	8,537	19,705
Exceptional item	-	271,491	-	271,491
Profit before taxation	75,118	386,353	180,454	512,521
Taxation	(19,453)	(97,930)	(48,778)	(132,810)
Profit after taxation	55,665	288,423	131,676	379,711
Minority interests	(623)	(575)	(3,067)	1,378
Profit attributable to shareholders	55,042	287,848	128,609	381,089
Earnings per share (sen) :				
- Basic	3.87	22.09	9.03	32.22

The Condensed Consolidated Income Statements should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2005.

CONDENSED CONSOLIDATED BALANCE SHEET

	AS AT END OF CURRENT QUARTER 31.12.05 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR END 30.06.05 RM'000 (audited)
Non-current assets:		
Property, plant & equipment	3,890,962	3,872,345
Investments in associated companies	358,689	352,327
Other investments	42,686	42,686
Land held for property development	90,309	90,309
Goodwill on consolidation	183,390	187,590
Deferred tax assets	235,769	235,769
Current assets		
<i>Property development-in-progress</i>	198,943	190,364
<i>Amount due from customers</i>	40,953	47,335
<i>Inventories</i>	312,521	280,543
<i>Receivables, deposits and prepayments</i>	773,384	768,347
<i>Short term investment</i>	-	1,263,885
<i>Cash and bank balances</i>	243,803	452,700
	1,569,604	3,003,174
Current liabilities		
<i>Dividends payable</i>	-	79,715
<i>Payables, accruals and provision</i>	561,404	637,572
<i>Amount due to customers</i>	20,848	26,582
<i>Bank borrowings</i>	317,603	213,848
<i>Taxation</i>	33,042	51,489
	932,897	1,009,206
Net current assets	636,707	1,993,968
	5,438,512	6,774,994
Financed by:		
Share capital	1,423,489	1,423,489
Reserves	3,495,327	4,816,790
Shareholders' equity	4,918,816	6,240,279
Minority interests	200,850	197,783
Long term borrowings	131,450	150,141
Deferred tax liabilities	187,396	186,791
	5,438,512	6,774,994
Net assets per share (RM)	3.60	4.52

The Condensed Consolidated Balance Sheet should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2005.

STATEMENT OF CHANGES IN EQUITY FOR THE SIX MONTHS ENDED 31 DECEMBER 2005

	<u>Share capital</u> RM'000	<u>Share premium</u> RM'000	<u>Non-distributable Reserve on consolidation</u> RM'000	<u>Exchange adjustment</u> RM'000	<u>Distributable Retained profits</u> RM'000	<u>Total</u> RM'000
At 1 July 2005	1,423,489	1,731,147	68,452	26,487	2,990,704	6,240,279
Profit for the year	-	-	-	-	128,609	128,609
Dividends paid	-	-	-	-	(184,484)	(184,484)
Capital distribution	-	(1,263,885)	-	-	-	(1,263,885)
Translation of foreign subsidiary companies	-	-	-	(1,703)	-	(1,703)
At 31 December 2005	1,423,489	467,262	68,452	24,784	2,934,829	4,918,816
At 1 July 2004	1,062,217	849,216	68,976	29,732	2,641,161	4,651,302
Profit for the year	-	-	-	-	381,089	381,089
Dividends paid	-	-	-	-	(120,668)	(120,668)
Issue of shares	361,272	888,728	-	-	-	1,250,000
Translation of foreign subsidiary companies	-	-	-	3,004	-	3,004
At 31 December 2004	1,423,489	1,737,944	68,976	32,736	2,901,582	6,164,727

The Consolidated Statement of Changes in Equity should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2005.

**CONDENSED CONSOLIDATED CASH FLOW STATEMENTS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2005**

	FOR THE QUARTER ENDED 31.12.05 RM'000	FOR THE QUARTER ENDED 31.12.04 RM'000
Net Profit Before Taxation	180,454	512,521
Adjustment of non-cash flow items	45,408	(226,081)
Operating Profit Before Working Capital Changes	<u>225,862</u>	<u>286,440</u>
Working capital changes		
Net changes in working capital	(112,535)	(157,679)
Interest paid	(7,267)	(5,437)
Tax paid	(64,445)	(47,310)
Net Cash Flows From Operating Activities	<u>41,615</u>	<u>76,014</u>
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(67,200)	(27,601)
Proceeds from disposal of property, plant and equipment	2,601	-
Purchase of subsidiaries (net cash inflow)	-	10,824
Proceeds from disposal of subsidiary companies (net cash(outflow))	-	(21,771)
Expenditure on property development	(6,623)	(76,893)
	<u>(71,222)</u>	<u>(115,441)</u>
Cash Flow From Financing Activities		
Dividends paid	(264,199)	(120,668)
Bank borrowings	73,253	10,911
Net Cash (Used In) Financing Activities	<u>(190,946)</u>	<u>(109,757)</u>
Net (Decrease) In Cash And Cash Equivalents	<u>(220,553)</u>	<u>(149,184)</u>
Cash And Cash Equivalents At Beginning Of Period	449,635	395,760
Effects Of Exchange Rate Changes	(155)	3,400
Cash And Cash Equivalents At End Of Period	<u>228,927</u>	<u>249,976</u>
The cash and cash equivalents comprise:		
Short term deposits	145,473	220,288
Bank balances and cash	98,330	45,205
Bank overdraft	(14,876)	(15,517)
	<u>228,927</u>	<u>249,976</u>

The Condensed Consolidated Cash Flow Statements should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2005.

NOTES

1) Accounting Policies

This interim financial report has been prepared in accordance with Malaysian Accounting Standard Board Standard 26 "Interim Financial Reporting" and Chapter 9 Part K of the Listing Requirements of the Bursa Malaysia Securities Berhad. The accounting policies and methods of computation used are consistent with those used in the preparation of the most recent annual audited financial statements.

The notes should be read in conjunction with the Annual Financial Statements for the year ended 30 June 2005.

2) Annual Audit Report

The annual audit report of the preceding annual financial statements was not qualified.

3) Seasonal Or Cyclical Factors

The Group's operations were, to a certain extent affected by seasonal or cyclical factors. However, due to the diversity of its business, any seasonal or cyclical factors would effectively mitigate each other and therefore would not have material adverse effects on the earnings of the Group.

4) Extraordinary Items

There were no extraordinary items for the current quarter and financial period to date.

5) Changes In Estimated Amounts Reported In Prior Period Which Have Effect On The Current Period

There were no changes in estimated amounts reported in prior period, which have a material effect on the current period.

6) Changes In Debt And Equity Securities

There has been no issuance or repayment of debts and equity securities, share buy-back, share cancellations, shares held as treasury shares and resale of treasury shares for the period ended 31 December 2005.

7) Dividends Paid

The interim dividend in respect of the financial year ended 30 June 2005 of 7 sen per share comprising 2 sen tax exempt and 5 sen less tax at 28% declared on 30 May 2005, was paid on 13 July 2005.

The final dividend in respect of the financial year ended 30 June 2005 of 13 sen per share less tax at 28% and a special dividend of 5 sen per share less tax at 28% was paid on 12 December 2005.

8) Segmental Reporting (Cont'd)

	Plantations and other related businesses RM'000	Oils & Fats RM'000	Property development and management RM'000	Others RM'000	Elimination RM'000	Total RM'000
6 Months ended 31 December 2004						
External sales	339,088	27,081	1,114,185	78,146		1,558,500
Inter-segment sales	244,444	-	8,335	-	(252,779)	-
Total revenue	<u>583,532</u>	<u>27,081</u>	<u>1,122,520</u>	<u>78,146</u>	<u>(252,779)</u>	<u>1,558,500</u>
Operating profit	218,347	(12,404)	609	165		206,717
Investment income						1,750
Interest income						4,805
Other income						8,053
Associated companies	-	18,913	969	(177)		19,705
Exceptional item						<u>271,491</u>
Profit before taxation						<u>512,521</u>

b) Analysis by geographical location:

	Revenue (External) RM'000	Profit before taxation RM'000
6 Months ended 31 December 2005		
Malaysia	991,656	154,106
Europe	610,715	(688)
South Africa	219,831	6,048
Asia	75,926	(4,057)
	<u>1,898,128</u>	<u>155,409</u>
6 Months ended 31 December 2004		
Malaysia	641,137	205,237
Europe	733,861	1,405
South Africa	129,804	1,356
Asia	53,698	(1,281)
	<u>1,558,500</u>	<u>206,717</u>

9) Valuation Of Property, Plant And Equipment

The Group did not carry out any valuation on its property, plant and equipment.

10) Material Events Subsequent To The End Of Financial Period

- (i) On 26 January 2006, Golden Hope Plantations Berhad (Golden Hope) announced that it has entered into a Letter of Intent with Godiver Handelsgesellschaft mbH (Godiver) (LOI) on 20 December 2005.

In furtherance of the LOI Golden Hope or its nominee and Godiver will incorporate a Dutch limited liability company that will erect and operate a bio diesel production facility in Zwijndrecht, the Netherlands.

Save for the above, there were no other material factors or events which has occurred between the end of the financial period and 17 February 2006 affecting the earnings of the Group.

11) Changes In The Composition Of The Group

There were no other material changes in the composition of the Group for the current quarter and financial period to date.

12) Contingent Liabilities

There were no contingent liabilities as at the date of issue of this report.

13) Review Of Performance

Group profit for the six months was lower compared to the corresponding period last year. This was largely attributable to the absence of exceptional gains arising from the disposal of the property companies to Island & Peninsular Berhad, and reduced contribution from plantations. Plantations earnings decreased on account of lower selling prices of palm products, notwithstanding the increase in crop production.

14) Material Changes In The Quarterly Results Compared To The Preceding Quarter

Group profit for the current quarter was lower compared to the preceding quarter. The decrease in profit was due to lower returns from plantations, property and other industries, whilst the improved performance of oils & fats partly offset the decline. Plantations recorded lower surplus mainly on account of lower selling prices of palm products.

15) Current Year Prospects

Group profit for the current year is anticipated to be lower than that earned during the year just ended as no exceptional gains are expected. Operating profit however, is expected to be higher than last year's and this is largely attributable to the expected improvement in performance in all divisions.

16) Variance Of Actual Profit From Forecast Profit

No profit forecast or profit guarantee were made or issued during the period.

17) Taxation

The tax expense comprised:

	SECOND QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER RM'000	PRECEDING YEAR QUARTER RM'000	CURRENT YEAR TODATE RM'000	PRECEDING YEAR TODATE RM'000
Current	18,550	26,847	44,761	60,377
Deferred	303	70,963	605	72,263
Associated companies	600	120	3,412	170
	19,453	97,930	48,778	132,810

18) Profit On Sale Of Investments And/Or Properties

There were no other material disposal of unquoted investments and/or properties outside the ordinary course of business of the Group for the current quarter and financial period todate.

19) Quoted Securities

- a) There were no purchases or disposals of quoted securities for the current quarter and financial period todate, except for the distribution of Island & Peninsular Berhad Shares pursuant to the Company's rationalisation exercise as mentioned in Note 20.
- b) Investment in quoted shares as at 31 December 2005 were as follows :

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
- Subsidiary companies	191,214	162,212	192,309
- Other investments	27,930	5,890	4,533
	<u>219,144</u>	<u>168,102</u>	<u>196,842</u>

20) Status Of Corporate Proposals

- (i) On 16 September 2003, Aseambankers Malaysia Berhad (Aseambankers), on behalf of the Board of Directors of Golden Hope Plantations Berhad (Golden Hope) announced a Rationalisation Exercise with Island & Peninsular Berhad (I&P) which involved the following:

- (a) Acquisition of 83,683,022 ordinary shares of RM1.00 each, representing approximately 99.63% equity interest in Austral Enterprises Berhad (AEB) a wholly-owned subsidiary company of I&P, for a purchase consideration of RM1,250,000,000 to be satisfied by the issuance of 361,271,676 new Golden Hope Shares at an issue price of RM3.46 per Golden Hope Share. (Acquisition)
- (b) Subscription of 1,500,000 new ordinary shares of RM1.00 each, representing 60% of the enlarged issued and paid-up share capital of I&P Seriemas Sdn. Bhd. (formerly known as Golden Hope Development Sdn. Bhd.) (I&P Seriemas) by I&P for a subscription price of RM629,645,945, which will be satisfied by the issuance of 185,189,984 new I&P Shares to Golden Hope, at an issue price of RM3.40 per share, in consideration of Golden Hope paying I&P Seriemas the subscription price of RM629,645,945 on behalf of I&P by setting-off against the balance amount of debt as at 30 September 2003 owing by I&P Seriemas to Golden Hope. (Subscription)
- (c) Settlement by I&P the amount of RM33,096,419 as at 30 September 2003 owing by I&P Permodalan Harta Sdn. Bhd. (formerly known as Golden Hope Properties (Johor) Sdn. Bhd.) (I&P Permodalan Harta) to Golden Hope by the issuance of 9,734,240 new I&P Shares at an issue price of RM3.40 per I&P Share to Golden Hope. (Settlement)

Sale of the entire issued and paid-up capital of I&P Permodalan Harta by Golden Hope to I&P at the sale consideration of RM17,222,158 to be satisfied by the issuance of 5,065,340 new I&P Shares at an issue price of RM3.40 per I&P Share to Golden Hope. (Disposal of I&P Permodalan Harta)

- (d) Subscription of 49,500,000 new ordinary shares of RM1.00 each, representing 99% of the issued and paid-up share capital in I&P Alam Impian Sdn. Bhd. (formerly known as Golden Hope Properties Sdn. Bhd.) (I&P Alam Impian) by I&P, for a total cash subscription price of RM49,500,000 of which RM495,000 will be paid on completion and the balance of RM49,005,000 will be "uncalled capital". (Subscription)

Settlement by I&P the amount of RM583,920,060 by the issuance of 171,741,194 new I&P Shares at an issue price of RM3.40 per I&P Share to Golden Hope in settlement of the consolidated inter-company advances owing by I&P Alam Impian to Golden Hope of RM301,281,000 as at 30 September 2003 and in consideration of Golden Hope assuming the obligation to pay the balance of the purchase price for Haron Estate of RM282,639,060 directly to Haron Estate Development Sdn. Bhd. (Haron Estate Development) in accordance with the terms and conditions of the Haron Estate Development SPA. (Settlement)

20) Status Of Corporate Proposals (Cont'd)

(i) (Cont'd)

- (e) Voluntary General Offer (VGO) by I&P to acquire the entire issued and paid-up share capital of Negara Properties Berhad (Negara), a 62.6% subsidiary company of Golden Hope (held directly and indirectly through subsidiary companies of Golden Hope), (Offer Shares) for a total purchase consideration of RM310,000,000 or approximately RM4.39 per ordinary share in Negara to be satisfied by the issuance of 91,176,470 new I&P Shares at an issue price of RM3.40 per I&P Share (assuming full acceptances of the Offer Shares) (VGO on Negara).
- (f) Capital distribution to its shareholders (excluding those issued pursuant to the Acquisition) of the entire new I&P Shares received by Golden Hope pursuant to the Disposal of I&P Permodalan Harta, the Subscriptions and the Settlements of Amounts Owning through Bonus Issue and Capital Repayment.

The proposed rationalisation has been approved by :

- (i) Securities Commission (SC) on 28 May 2004 subject to Golden Hope/AEB meeting certain conditions;
- (ii) Foreign Investment Committee (FIC) on 21 July 2004;
- (iii) The shareholders of Golden Hope and I&P at their respective Extraordinary General Meetings (EGM) held on 15 September 2004 and 28 September 2004 respectively;
- (iv) Bursa Malaysia for the listing of and quotation of 361,271,676 new ordinary shares issued by Golden Hope pursuant to the Proposed Rationalisation; and
- (v) The Capital Repayment under Section 64 of the Companies Act 1965 has been sanctioned by the High Court of Malaya on 24 June 2005. Capital distribution to shareholders of 371,730,758 I&P shares amounting to RM1,263,884,582 received by Golden Hope pursuant to the Disposal of I&P Permodalan, the Subscriptions and Settlements of Amount Owning was completed on 14 September 2005 and charged against Share Premium.

The Subscription in I&P Seriemas and Subscription in I&P Alam Impian shall be collectively referred to as "Subscriptions"; and the Settlement of Amount Owning by I&P Permodalan Harta and Settlement of Amount Owning by I&P Alam Impian shall be referred to as "Settlements".

On 1 November 2004, Aseambankers, on behalf of the Board of Directors, announced that both Golden Hope and I&P have completed the Acquisition, Disposal of I&P Permodalan Harta, Subscriptions and Settlements.

The rationalisation exercise is still pending the following:

- (i) Change to the Express Conditions for Lot 509, Mukim of Burau, District of Jerantut, Pahang and Lot No. 379, Mukim of Pedah, District of Jerantut, Pahang, within 12 months from the date of SC's approval.

In respect of the Change to the Express Conditions, the conversion of land use for Lot 379, Mukim of Pedah, District of Jerantut, Pahang has been approved whilst the conversion of land use for Lot 509, Mukim of Burau, District of Jerantut, Pahang is still pending the approval from Pejabat Tanah Jerantut and the State EXCO.

Extension of time for the conversion of express conditions for Lot 509, Mukim of Burau, District of Jerantut, Pahang was obtained from SC for a further period of 6 months to 31 May 2006.

- (ii) VGO by I&P to acquire the entire issued and paid-up share capital of Negara for a total purchase consideration of RM310,000,000 to be satisfied by the issuance of 91,176,470 new I&P Shares at an issue price of RM3.40 per I&P Share.

The VGO on Negara was approved by the shareholders of Golden Hope at an EGM held on 8 March 2005. The Group's shareholdings in Negara were transferred to I&P's Central Depository System (CDS) account after the EGM held on 8 March 2005. However, the Company, on 31 March 2005, received from Kumpulan Wang Simpanan Pekerja (KWSP), an order from the High Court of Malaya of Kuala Lumpur restraining the Company and I&P from acting in any manner whatsoever on the resolution passed at the Golden Hope EGM of 8 March 2005 in relation to the acceptance of the VGO on Negara by Golden Hope.

20) Status Of Corporate Proposals (Cont'd)

(i) (Cont'd)

The Court, on 11 July 2005, dismissed Golden Hope's application for a declaratory relief in the Originating Summons filed by Golden Hope against KWSP for an interpretation of Section 61 of the Articles Of Association on the right to demand a poll at its general meeting. On 12 July 2005, Golden Hope filed a notice of appeal to the Court of Appeal in respect of the said decision.

The Court has ordered KWSP's application for the injunction and Golden Hope's application for setting aside the injunction order of 31 March 2005 to be heard on 12 August 2005. The hearing which was originally fixed on 12 August 2005, was postponed to 12 September 2005, 14 November 2005 and subsequently 16 November 2005.

On 16 November 2005, Aseambankers, on behalf of Golden Hope announced that pursuant to the amicable settlement which has been reached between KWSP, Golden Hope and I&P, KWSP had with the consent of Golden Hope and I&P wholly withdrawn the suit with no order as to the costs and no admission as to liability by any of the parties.

On 20 January 2006, Aseambankers, on behalf of Golden Hope announced that the Board, has proposed to convene an EGM for the shareholders to consider and if thought fit, to pass a resolution to revoke the approval for the Acceptance granted by the shareholders of Golden Hope at the EGM convened on 8 March 2005 and to rescind the Acceptance.

(ii) On 12 November 2005, Commerce International Merchant Bankers Berhad (CIMB), on behalf of the Board of Directors of Golden Hope, announced the proposed extension to the scope of the existing joint venture in Cognis Oleochemicals (Malaysia) Sdn. Bhd. (COM) between Cognis B.V. and Golden Hope by entering into the following agreements:

(a) A revised and restated joint venture agreement dated 11 November 2005 between Cognis B.V., Golden Hope and COM whereby Cognis B.V. and Golden Hope have agreed to extend the existing scope of business of COM from conducting a Malaysian business to a worldwide business with fatty acids, glycerine, hardened oils, triacetine, ozone acids, oilfield esters and chemicals, PVC lubricants and plasticiser (Oleochemical Products) (Proposed Expansion).

(b) A share subscription agreement dated 11 November 2005 between Cognis B.V., Golden Hope and COM whereby:

Golden Hope agrees to subscribe for and COM agrees to issue and allot 162,625,000 new COM Shares at the subscription price of USD47.5 million or approximately RM180.5 million, based on an exchange rate of RM3.80 per USD to be satisfied in cash; and

Cognis B.V. agrees to subscribe for and COM agrees to issue and allot 162,625,000 new COM Shares at the subscription price of USD47.5 million or approximately RM180.5 million, based on an exchange rate of RM3.80 per USD to be fully satisfied by the transfer of inter-company receivable owing by Cognis Oleochemical GmbH to Cognis B.V. (a company involved in the oleochemical business), which will be transferred by Cognis B.V. to COM.

The proposed Expansion is conceived through COM entering into a share purchase agreement dated 11 November 2005 with Cognis B.V. (SPA). The SPA would involve the acquisition by COM of the entire issued and paid-up share capital of Cognis Oleochemicals UK Ltd. (Cognis UK) from Cognis B.V.. By then, Cognis UK would have acquired or be in the process of acquiring 6 companies incorporated in the United States of America, Canada, Germany, Brazil, the United Kingdom and Japan which will own and operate the non-Malaysian oleochemicals businesses of Cognis GmbH and its subsidiary companies.

On 18 February 2006, CIMB, on behalf of the Board of Directors announced that the proposed expansion and subscription of new ordinary shares of RM1.00 each in COM was completed on 17 February 2006, German time (18 February 2006, Malaysian time), in accordance with the terms and conditions of the share subscription agreement dated 11 November 2005.

(iii) On 5 December 2005, Golden Hope announced that Golden Hope Plantations (Peninsular) Sdn. Bhd., a wholly-owned subsidiary of Golden Hope, had entered into two Sale and Purchase Agreements with I&P Seriemas Sdn. Bhd. for the proposed acquisition of lands held under the following titles:-

(a) Sg. Sedu Estate

Geran 30586, Lot 746, Mukim Tanjong Dua Belas, District of Kuala Lumpur State of Selangor, measuring approximately 63 acres.

(b) Dusun Durian Estate

Geran 48775, Lot 8, Mukim Morib and Geran 44714, Lot 1710 Mukim Kelanang both in District of Kuala Langat State of Selangor, measuring approximately 256 acres.

20) Status Of Corporate Proposals (Cont'd)

- (iv) On 6 December 2005, Golden Hope announced that the shareholders of Jiangyin Golden Hope Oils & Fats Co Ltd (Jiangyin-GH), Golden Hope Overseas Sdn. Bhd. and Jiangyin Oils & Fat Chemical Co had at the EGM held on 6 December 2005 in Jiangyin, People's Republic of China, approved the resolution to dissolve Jiangyin-GH by way of members' voluntary winding up.
- (v) On 12 December 2005, Golden Hope announced that Rubiatec Sdn. Bhd., (Rubiatec), a wholly-owned subsidiary of Golden Hope had signed an agreement with Malaysian Palm Oil Board (MPOB), to enter into an arrangement for the design, construction, commissioning and completion of a palm bio-diesel plant together with the requisite support buildings, infrastructure and ancillary facilities (Project).

Taking cognizance of Government's move towards migrating to renewable energy supply; the increased demand for palm oil and the effects of the Kyoto Protocol, the Project forms the basis to enable Golden Hope, through Rubiatec, to position itself as a leader in the production of sustainable energy. The project is also synergistic to its core business of plantation.

21) Group Borrowings

The Group Borrowings were as follows:

	Period ended 31.12.05 RM'000	Year ended 30.06.05 RM'000
a) Total short term borrowings (unsecured)	317,603	213,848
b) Total long term borrowings (unsecured)	131,450	150,141
Total borrowings	449,053	363,989
c) Foreign borrowings in Ringgit equivalent were as follows:		
Euro	188,507	187,190

22) Off Balance Sheet Financial Instruments

As at 31 December 2005, the outstanding foreign exchange currency contracts entered into by the Group to hedge its trade receivables and payables were as follows:

CURRENCY	CONTRACT AMOUNTS '000	CARRYING AMOUNTS Euro '000	CARRYING AMOUNTS RM'000 equivalent
<u>Trade Receivables</u>			
US Dollar	1,219	-	4,533
US Dollar	6,159	5,005	22,646
Euro	256	-	1,201
GBP	64	92	599
<u>Trade Payables</u>			
US Dollar	6,867	5,671	25,660

The committed sales and purchases transactions that are hedged are recorded at the contracted foreign exchange rates. Other gains or losses arising from the forward contracts are dealt with in the income statements.

All the contracts mature within six months.

23) Changes In Material Litigation

Since the last audited financial statements for the year ended 30 June 2005, there were no changes in the Group's material litigations.

24) Dividend

The Directors have declared an interim dividend of 7 sen per share less tax at 28% for the financial year ending 30 June 2006, payable on Wednesday, 5 April 2006.

Notice Of Book Closure

NOTICE IS HEREBY GIVEN that the Register of Members will be closed at 5.00 p.m. on Tuesday, 14 March 2006 to determine shareholders' entitlement to the dividend payment. The dividend will be paid on Wednesday, 5 April 2006 to shareholders whose names appear in the Register of Members and record of Depositors as at 13 March 2006.

A depositor shall qualify for entitlement only in respect of:

- (a) shares deposited into the depositor's securities account before 12.30 p.m. on Friday, 10 March 2006 (in respect of shares which are exempted from mandatory deposit);
- (b) shares transferred to the depositor's account before 4.00 p.m. on Tuesday, 14 March 2006 in respect of transfers; and
- (c) shares bought on the Bursa Malaysia Securities Berhad on a cum entitlement basis according to the Rules of Bursa Malaysia Securities Berhad.

25) Earnings Per Share

		SECOND QUARTER		CUMULATIVE QUARTER	
		CURRENT YEAR QUARTER	PRECEDING YEAR QUARTER	CURRENT YEAR TODATE	PRECEDING YEAR TODATE
a) Basic					
Profit attributable to shareholders	RM'000	55,042	287,848	128,609	381,089
Weighted average number of ordinary shares in issue	'000	1,423,489	1,303,065	1,423,489	1,182,641
Basic earnings per share	sen	3.87	22.09	9.03	32.22

b) Diluted

Diluted earnings per share is not calculated as there are no potential ordinary shares outstanding during the period.

By Order of the Board
Norlin binti Abdul Samad
LS000981
Secretary

Kuala Lumpur
23 February 2005