

GOLDEN HOPE PLANTATIONS BERHAD

(Incorporated in Malaysia)

(Company No : 29992-U)

QUARTERLY REPORT FOR THE NINE MONTHS ENDED 31 MARCH 2006

The Directors have pleasure in announcing that the unaudited consolidated results for the third quarter ended 31 March 2006 were:

CONDENSED CONSOLIDATED INCOME STATEMENT

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR 31.03.06 RM'000	PRECEDING YEAR 31.03.05 RM'000	CURRENT YEAR 31.03.06 RM'000	PRECEDING YEAR 31.03.05 RM'000
Revenue	967,928	817,951	2,866,056	2,376,451
Operating profit	63,574	80,486	224,294	290,664
Investment income	-	-	700	1,750
Interest income	227	2,794	4,650	7,599
Other income	5,712	15,591	17,097	23,644
Operating profit before finance cost	69,513	98,871	246,741	323,657
Finance cost	(3,762)	(2,710)	(9,073)	(6,172)
Operating profit after finance cost	65,751	96,161	237,668	317,485
Associated companies	14,798	12,109	23,335	31,814
Exceptional item	-	-	-	271,491
Profit before taxation	80,549	108,270	261,003	620,790
Taxation	(22,581)	(25,684)	(71,359)	(158,494)
Profit after taxation	57,968	82,586	189,644	462,296
Minority interests	1,480	3,430	(1,587)	4,808
Profit attributable to shareholders	59,448	86,016	188,057	467,104
Earnings per share (sen) :				
- Basic	4.18	6.04	13.21	36.99

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 31.03.06 RM'000 (unaudited)	AS AT PRECEDING FINANCIAL YEAR END 30.06.05 RM'000 (audited)
Non-current assets:		
Property, plant & equipment	3,895,626	3,872,345
Investments in associated companies	548,375	352,327
Other investments	42,686	42,686
Land held for property development	90,335	90,309
Goodwill on consolidation	187,590	187,590
Deferred tax assets	233,565	235,769
Current assets		
<i>Property development-in-progress</i>	187,314	190,364
<i>Amount due from customers</i>	45,912	47,335
<i>Inventories</i>	376,478	280,543
<i>Receivables, deposits and prepayments</i>	802,344	768,347
<i>Short term investment</i>	-	1,263,885
<i>Cash and bank balances</i>	243,320	452,700
	1,655,368	3,003,174
Current liabilities		
<i>Dividends payable</i>	-	79,715
<i>Payables, accruals and provision</i>	583,499	637,572
<i>Amount due to customers</i>	29,306	26,582
<i>Bank borrowings</i>	463,714	213,848
<i>Taxation</i>	72,642	51,489
	1,149,161	1,009,206
Net current assets	506,207	1,993,968
	5,504,384	6,774,994
Financed by:		
Share capital	1,423,489	1,423,489
Reserves	3,557,276	4,816,790
Shareholders' equity	4,980,765	6,240,279
Minority interests	199,370	197,783
Long term borrowings	136,432	150,141
Deferred tax liabilities	187,817	186,791
	5,504,384	6,774,994
Net assets per share (RM)#	3.50	4.38

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

Net assets per share has been computed based on the shareholders' equity of RM4,980.8 million (2005: RM6,240.3 million) divided by 1,423,489,175 (2005: 1,423,489,175) shares in issue.

STATEMENT OF CHANGES IN EQUITY FOR THE NINE MONTHS ENDED 31 MARCH 2006

	<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 period	-	-	-	-	188,057	188,057
Dividends paid	-	-	-	-	(184,484)	(184,484)
Capital distribution	-	(1,263,885)	-	-	-	(1,263,885)
Translation of foreign subsidiary companies	-	-	-	798	-	798
At 31 March 2006	1,423,489	467,262	68,452	27,285	2,994,277	4,980,765
At 1 July 2004	1,062,217	849,216	68,976	29,732	2,641,161	4,651,302
Profit for the period	-	-	-	-	467,104	467,104
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 March 2005	1,423,489	1,737,944	68,976	32,736	2,987,597	6,250,742

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 NINE MONTHS ENDED 31 MARCH 2006**

	FOR THE QUARTER ENDED 31.03.06 RM'000	FOR THE QUARTER ENDED 31.03.05 RM'000
Net Profit Before Taxation	261,003	620,790
Adjustment of non-cash flow items	57,314	(242,234)
Operating Profit Before Working Capital Changes	<u>318,317</u>	<u>378,556</u>
Working capital changes		
Net changes in working capital	(179,858)	(76,430)
Interest paid	(11,985)	(9,700)
Tax paid	(42,776)	(57,140)
Net Cash Flows From Operating Activities	<u>83,698</u>	<u>235,286</u>
Cash Flow From Investing Activities		
Purchase of property, plant and equipment	(96,505)	(73,193)
Subscription of additional shares in associated companies	(176,913)	-
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)	-	(10,771)
Realisation of/(expenditure) on property development	5,936	(78,569)
	<u>(264,881)</u>	<u>(151,709)</u>
Cash Flow From Financing Activities		
Dividends paid	(264,199)	(120,668)
Bank borrowings	227,574	69,993
Net Cash (Used In) Financing Activities	<u>(36,625)</u>	<u>(50,675)</u>
Net (Decrease)/ Increase In Cash And Cash Equivalents	<u>(217,808)</u>	<u>32,902</u>
Cash And Cash Equivalents At Beginning Of Period	<u>449,635</u>	<u>395,760</u>
Effects Of Exchange Rate Changes	<u>(155)</u>	<u>3,255</u>
Cash And Cash Equivalents At End Of Period	<u>231,672</u>	<u>431,917</u>
The cash and cash equivalents comprise:		
Short term deposits	162,024	283,171
Bank balances and cash	81,296	152,890
Bank overdraft	(11,648)	(4,144)
	<u>231,672</u>	<u>431,917</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 March 2006.

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

Segmental information for the period ended 31 March 2006 were as follows :

a) Analysis by industries :

	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
3 Months ended 31 March 2006						
External sales	274,791	634,242	26,305	34,590	-	969,928
Inter-segment sales	71,260	14,569	-	-	(85,829)	-
Total revenue	346,051	648,811	26,305	34,590	(85,829)	969,928
Operating profit	74,921	(3,551)	(8,401)	(3,157)	-	59,812
Investment income						-
Interest income						227
Other income						5,712
Associated companies	-	11,923	3,004	(129)	-	14,798
Profit before taxation						80,549
3 Months ended 31 March 2005						
External sales	244,828	529,447	5,075	38,601	-	817,951
Inter-segment sales	58,912	8,312	-	-	(67,224)	-
Total revenue	303,740	537,759	5,075	38,601	(67,224)	817,951
Operating profit	90,466	(116)	(13,475)	901	-	77,776
Investment income						-
Interest income						2,794
Other income						15,591
Associated companies	-	9,113	3,426	(430)	-	12,109
Profit before taxation						108,270
9 Months ended 31 March 2006						
External sales	630,249	2,036,452	97,337	102,018	-	2,866,056
Inter-segment sales	328,372	58,018	-	-	(386,390)	-
Total revenue	958,621	2,094,470	97,337	102,018	(386,390)	2,866,056
Operating profit	228,122	1,283	(8,298)	(5,886)	-	215,221
Investment income						700
Interest income						4,650
Other income						17,097
Associated companies	-	19,108	5,235	(1,008)	-	23,335
Profit before taxation						261,003

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
9 Months ended 31 March 2005						
External sales	600,581	1,624,176	32,156	119,538	-	2,376,451
Inter-segment sales	310,904	13,100	-	-	(324,004)	-
Total revenue	911,485	1,637,276	32,156	119,538	(324,004)	2,376,451
Operating profit	307,357	1,948	(25,879)	1,066	-	284,492
Investment income						1,750
Interest income						7,599
Other income						23,644
Associated companies	-	27,578	4,395	(159)	-	31,814
Exceptional item						271,491
Profit before taxation						620,790

b) Analysis by geographical location:

	Revenue (External) RM'000	Operating Profit RM'000
9 Months ended 31 March 2006		
Malaysia	1,558,177	215,678
Europe	880,657	(2,353)
South Africa	317,758	6,912
Asia	109,464	(5,016)
	2,866,056	215,221
9 Months ended 31 March 2005		
Malaysia	1,054,872	275,817
Europe	1,031,480	8,535
South Africa	215,582	1,989
Asia	74,517	(1,849)
	2,376,451	284,492

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

There were no material factors or events which has occurred between the end of the financial period and 17 May 2006 affecting the earnings of the Group.

11) Changes In The Composition Of The Group

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

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 nine 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 lower contribution from plantations. The decrease in plantations earnings was mainly 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 higher compared to the preceding quarter. The increase in profit was due to the higher surplus recorded by plantations and contribution from the global oleochemical business expansion. Plantations recorded a higher surplus mainly on account of better selling prices of palm products.

15) Current Year Prospects

Group profit for the current year is anticipated to be lower than the previous financial year as no exceptional gains are expected. Operating profit is also expected to be lower compared to that achieved last year due mainly to lower contribution from plantations.

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:

	THIRD QUARTER		CUMULATIVE QUARTER	
	CURRENT YEAR QUARTER RM'000	PRECEDING YEAR QUARTER RM'000	CURRENT YEAR TODATE RM'000	PRECEDING YEAR TODATE RM'000
Current	19,168	25,046	63,929	85,423
Deferred	2,625	153	3,230	72,416
Associated companies	788	485	4,200	655
	22,581	25,684	71,359	158,494

18) Profit On Sale Of Investments And/Or Properties

There were no 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 March 2006 were as follows :

	At Cost RM'000	At Book Value RM'000	At Market Value RM'000
- Subsidiary companies	191,214	162,212	172,632
- Other investments	27,930	5,890	4,594
	219,144	168,102	177,226

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 Owing 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 Owing 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 Owing by I&P Permodalan Harta and Settlement of Amount Owing 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.

In respect of the VGO on Negara, the shareholders of Golden Hope approved the VGO at an 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.

On 27 March 2006, Aseambankers on behalf of Golden Hope, announced that, the shareholders of Golden Hope at an EGM held on 13 March 2006 approved the revocation of the ordinary resolution passed by the shareholders at the EGM held on 8 March 2005 relating to the acceptance of the VGO on Negara.

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 approval in principle has been obtained from Pejabat Tanah Jerantut and the State EXCO, subject to payment of additional premium.

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. The Company has applied to the land office for a reduction in the additional premium payable and in view of this, a further extension of time of 6 months from 31 May 2006 to 30 November 2006 is sought from the SC.

20) Status Of Corporate Proposals (Cont'd)

- (ii) 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.
- (iii) 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 31.03.06 RM'000	Year ended 30.06.05 RM'000
a) Total short term borrowings (unsecured)	463,714	213,848
b) Total long term borrowings (unsecured)	136,432	150,141
Total borrowings	600,146	363,989
c) Foreign borrowings in Ringgit equivalent were as follows: Euro	189,179	187,190

22) Off Balance Sheet Financial Instruments

As at 31 March 2006, 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	19,973	-	73,805
US Dollar	4,315	3,589	16,235
Euro	148	-	653
GBP	151	217	983
<u>Trade Payables</u>			
US Dollar	8,414	7,056	31,923

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 do not recommend the payment of any dividend for the current quarter under review.

The total dividend declared for the financial year ending 30 June 2006 is 7 sen per share less tax at 28% (2005 : 7 sen per share comprising 2 sen tax exempt and 5 sen less tax at 28%).

25) Earnings Per Share

		THIRD QUARTER		CUMULATIVE QUARTER	
		CURRENT	PRECEDING	CURRENT	PRECEDING
		YEAR	YEAR	YEAR	YEAR
		QUARTER	QUARTER	TODATE	TODATE
a) Basic					
Profit attributable to shareholders	RM'000	59,448	86,016	188,057	467,104
Weighted average number of ordinary shares in issue	'000	1,423,489	1,423,489	1,423,489	1,262,924
Basic earnings per share	sen	4.18	6.04	13.21	36.99

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
24 May 2006