



Press Release

Newly-listed Global Palm’s FY09 net profit doubles to Rp145.0 billion (S\$21.7 million)

- *Revenue up 13% to Rp301.5 billion (S\$45.2 million)*
- *On track to double current cultivated oil palm plantation land within the next 3 years*

	FY09 (Rp’ billion)	FY08 (Rp’ billion)	Change (%)
Revenue	301.5	267.7	+13
Gross profit	101.3	93.1	+9
Gain from changes in fair value of biological assets	103.8	63.6	+63
Net profit attributable to equity holders	145.0	70.0	+107

SINGAPORE – 26 May 2010 – Mainboard-listed palm-oil producer **Global Palm Resources Holdings Limited** (环球资源控股有限公司) (“*Global Palm*”, together with its subsidiaries, “*the Group*”), today reported that its net profit attributable to shareholders for FY2009 ended 31 December surged 107% to Rp145.0 billion (S\$21.7 million), exceeding the forecast of Rp144.6 billion disclosed in the IPO prospectus.

The net profit growth was achieved on the back of higher production volumes of the Group’s crude palm oil (“CPO”) and palm kernels, albeit lower average sales prices. Group revenue rose 13% to Rp301.5 billion (S\$45.2 million).

Segmental Review

	FY09	FY08	Change (%)
Revenue (Rp' billion)			
CPO	282.2	242.5	+16
Palm Kernels	19.3	25.2	-23
Sales Volume (tons)			
CPO	47,627	36,676	+30
Palm Kernels	8,886	7,476	+19
Average Selling Price (Rp/kg)			
CPO	5,925	6,611	-10
Palm Kernels	2,176	3,373	-35

Sales of CPO form the bulk of the Group's revenue. Contribution from CPO expanded from 90.6% in FY2008 to 93.6% in FY2009, while that of Palm Kernels dipped from 9.4% to 6.4%.

Both CPO and Palm Kernels, which are sold domestically, experienced a 30% and 19% increase in sales volume respectively. However, the average selling prices, which are influenced by the market, declined by 10% and 35%.

The Group's CPO selling prices are determined with reference to international prices of CPO trading on Bursa Malaysia Derivatives Berhad in Kuala Lumpur, as well as published CPO tender prices of other major Indonesian CPO producers.

Notwithstanding a dip in the Group's CPO price year-on-year, the average selling price of CPO has witnessed a 81% increase in the last four years from Rp3,270/kg in FY2006 to Rp5,925/kg in FY2009.

Looking ahead, in FY2010, with continuing global and Indonesian domestic demand for CPO, driven by rising population particularly in India and China, constant demand for palm oil for bio diesel production and oleo chemicals, the Group expects its CPO selling price to maintain at around FY2009 level and Palm Kernels' selling price to move in tandem.

Operational Performance

Global Palm has a 16,079 ha land bank in West Kalimantan comprising 11,535 ha of cultivated land, which includes 2,834 ha set aside for its Plasma Programme, an Indonesian government policy which requires plantation companies to set aside at least 20% of plantation land for development and transfer to local small land owners.

As at 31 December 2009, Global Palm's plantation produced 131 thousands tons of fresh fruit bunches ("FFB"), which increased 16% over the same period last year, representing a FFB yield of 17.5 tons per hectare.

Its palm oil mill, which has a maximum processing capacity of 60 tons of FFB per hour, produced a total of 46,850 tons of CPO, which rose 21% from FY2008. The Group's CPO extraction rate, a measure of CPO extracted per unit ton of fresh fruit bunch processed, achieved 21.47% in FY2009.

As part of its continuing efforts to trim operating costs and reduce the pollution caused to the environment, the Group has commenced construction of a co-composting plant to generate organic compost fertilisers from empty palm fruit bunches ("EFB") and palm oil mill effluent ("POME"), which are production waste from its milling process. Apart from the cost benefits of using organic compost fertilizers, the plant, which is expected to be completed and operational by end of 2010, also helps to reduce the emission of methane gases to the environment.

Committed to corporate social responsibility and to develop its palm oil business in an environmentally sustainable manner, Global Palm adopts a "zero burning" policy, using chain saws and machinery rather than fire to clear land for oil palm cultivation and is continuously working towards "zero waste management" on its CPO production waste. The Group has, on 11 March 2010, applied for membership to the Roundtable of Sustainable Palm Oil ("RSPO"), a not-for-profit association which promotes the sustainable production and use of palm oil.

Business Prospects

Said Dr Suparno Adijanto (陳洪傑), Global Palm's Executive Chairman and CEO, "With 87% of our oil palms at peak production stage, and more oil palms still to enter their peak production years, we expect to increase production of FFB over the next several years, with minimal increases in production costs or capital expenditure. As palm oil is clearly a growing industry, driven by strong

demand for food and industrial applications, we are cautiously optimistic about the growth in CPO prices which will benefit our operating performance in FY2010.”

Going forward, the Group continues with its land bank expansion and development, aiming to double the size of its current cultivated oil palm plantation land within the next three years by developing our existing uncultivated land banks, and by acquiring other oil palm plantations in Indonesia.

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The conversion rate used in this press release is Rp6,667:S\$1.00.

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The initial public offering of Global Palm Resources Holdings Limited was sponsored by AmFraser Securities Pte. Ltd. (a member of AmInvestment Bank Group) and Oversea-Chinese Banking Corporation Limited (collectively, the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this announcement.

About Global Palm Resources

Founded by the Adijanto family, who has various business interests in this region, including coal mining, production of formalin-based chemicals and timber businesses, GPRH's operating subsidiary PT Prakarsa Tani Sejati commenced the palm oil business in October 1991 in West Kalimantan, Indonesia where the climate and soil conditions are suitable for oil palm cultivation.

Today, GPRH is engaged in the cultivation of oil palms, harvesting of the fresh fruit bunches (“FFB”) and processing them, together with purchased FFB, into crude palm oil (“CPO”) and palm kernels.

Strong focus on Corporate Social Responsibility

The Group is also committed to improving the quality of life of the local communities in the area it operates as part of its corporate social responsibility, contributing in the areas of education, social, and cultural welfare, as well as helping to improve living conditions of the local communities.

Beyond creating employment opportunities for local communities in its oil palm plantation, it also partners with approximately 1,400 surrounding small landholders in the development of small oil palm plantations, under its Plasma Programme.

Another area of focus of GPRH is its commitment to sustainable development of its business, with the view to conserve and preserve the natural environment. It adopts a “zero burning” policy, using chain saws and machinery rather than fire to clear land for oil palm cultivation and is continuously working towards “zero waste management” on its CPO production waste.

The Group has, on 11 March 2010, applied for membership to the Roundtable of Sustainable Palm Oil, a not-for-profit association which promotes the production and use of palm oil in a sustainable manner.