

**FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT**

**INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2010**

1 (a) (i) Income statement (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year.

	Jan - Mar		Change %
	2010 Rp'000	2009 Rp'000	
Revenue	66,040,059	50,309,523	31
Cost of sales	<u>(44,490,770)</u>	<u>(34,405,467)</u>	29
Gross profit	21,549,289	15,904,056	35
Other income	3,568,757	442,265	n.m
Distribution expenses	(468,352)	(1,198,047)	(61)
Administrative expenses	(5,450,308)	(3,606,719)	51
Other expenses	(834,273)	(6,659,494)	(87)
Finance costs	<u>(2,597,321)</u>	<u>(3,545,640)</u>	(27)
Profit before income tax	15,767,792	1,336,421	n.m
Income tax expense	<u>(3,988,114)</u>	<u>233,576</u>	n.m
Profit after income tax	<u><u>11,779,678</u></u>	<u><u>1,569,997</u></u>	n.m
<b>Other comprehensive income, net of tax</b>			
Foreign currency translation differences on consolidation	954,934	-	n.m
<b>Total comprehensive income for the year</b>	<u><u>12,734,612</u></u>	<u><u>1,569,997</u></u>	n.m

	Jan - Mar		Change %
	2010 Rp'000	2009 Rp'000	
<b>Profit attributable to:</b>			
Owners of the parent	11,136,040	886,257	n.m
Minority interest	<u>643,638</u>	<u>683,740</u>	(6)
	<u>11,779,678</u>	<u>1,569,997</u>	n.m
<b>Total comprehensive income attributable to:</b>			
Owners of the parent	12,090,974	886,257	n.m
Minority interest	<u>643,638</u>	<u>683,740</u>	(6)
	<u>12,734,612</u>	<u>1,569,997</u>	n.m
n.m. : Not meaningful			

**1 (a) (ii) Profit before income tax is arrived at after charging / (crediting) the following significant items:**

	GROUP		Change %
	Jan - Mar		
	2010 Rp'000	2009 Rp'000	
Interest Income	(30,516)	(22,427)	36
Interest on borrowings	2,597,321	3,545,640	(27)
Depreciate expense	1,643,734	1,509,749	9
Foreign exchange (gain) / loss	(1,880,351)	6,646,767	n.m
<u>Additional information :</u>			
EBITDA (Excluding biological assets gain)	19,978,331	6,369,383	214

**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.**

	Group		Company	
	As at		As at	
	31/3/2010	31/12/2009	31/3/2010	31/12/2009
	Rp'000	Rp'000	Rp'000	Rp'000
<b>Non-current assets</b>				
Biological assets	611,453,799	606,951,395	-	-
Property, plant and equipment	81,136,319	81,977,043	-	-
Investment in subsidiary	-	-	389,753,124	389,753,115
Operating use rights	904,164	915,204	-	-
	693,494,282	689,843,642	389,753,124	389,753,115
<b>Current assets</b>				
Inventories	14,505,822	19,735,290	-	-
Trade and other receivables	11,688,196	12,043,049	17,409,664	16,715,936
Financial assets at fair value through profit or loss	126,000	69,300	-	-
Cash and bank balances	7,175,840	2,468,811	6	7
	33,495,858	34,316,450	17,409,670	16,715,943
Less:				
<b>Current liabilities</b>				
Trade and other payables	42,837,588	39,474,314	41,080,024	40,116,558
Bank borrowings	44,099,375	43,600,000	-	-
Finance lease payables	2,294,386	2,351,245	-	-
Current income tax payable	17,856,000	17,185,234	-	-
	107,087,349	102,610,793	41,080,024	40,116,558
<b>Net current liabilities</b>	(73,591,491)	(68,294,343)	(23,670,354)	(23,400,615)
<b>Non-current liabilities</b>				
Bank borrowings	(52,163,125)	(65,700,000)	-	-
Finance lease payables	(334,176)	(834,520)	-	-
Provision for post-employment benefits	(5,409,024)	(5,567,972)	-	-
Deferred tax liabilities	(127,743,728)	(127,600,904)	-	-
	(185,650,053)	(199,703,396)	-	-
<b>Net assets</b>	434,252,738	421,845,903	366,082,770	366,352,500

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>31/3/2010</u>	<u>31/12/2009</u>	<u>31/3/2010</u>	<u>31/12/2009</u>
	<u>Rp'000</u>	<u>Rp'000</u>	<u>Rp'000</u>	<u>Rp'000</u>
<b>Capital and reserve</b>				
Share capital	368,655,142	368,655,142	368,655,142	368,655,142
Foreign currency translation reserves	954,934	327,777	954,934	327,777
Accumulated profits/(losses)	35,585,408	24,449,367	(3,527,306)	(2,630,419)
<b>Total attributable to owners of the parent</b>	<b>405,195,484</b>	<b>393,432,286</b>	<b>366,082,770</b>	<b>366,352,500</b>
Minority interest	29,057,254	28,413,617	-	-
<b>Total equity</b>	<b>434,252,738</b>	<b>421,845,903</b>	<b>366,082,770</b>	<b>366,352,500</b>

**1 (b) (ii) Aggregate amount of the Group's borrowings and debt securities.**

In relation to the aggregate amount of the group's borrowings and debt securities, specify the following as at the end of the current financial period reported on with comparative figures as at the end of the immediately preceding financial year:-

	<u>As at 31/03/2010</u>	<u>As at 31/12/2009</u>
	<u>Rp' 000</u>	<u>Rp' 000</u>
Amount due within one year		
- Secured	46,393,761	45,951,245
- Unsecured	-	-
- Total	<u>46,393,761</u>	<u>45,951,245</u>
Amount due more than one year		
- Secured	52,497,301	66,534,520
- Unsecured	-	-
- Total	<u>52,497,301</u>	<u>66,534,520</u>

The secured loans are collateralised by corporate and personal guarantees, land and building rights, machine and equipment of the group.

**1 (c) A cash flow statement (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year.**

	Jan - Mar	
	2010	2009
	Rp'000	Rp'000
<b>Cash flows from operating activities</b>		
Profit before income tax	15,767,792	1,336,421
Adjustments for:		
Amortisation of operating use rights	11,040	11,040
Depreciation of property, plant and equipment	1,632,694	1,498,709
Interest expense	2,597,321	3,545,640
Interest income	(30,516)	(22,427)
Loss/(Gain) on foreign exchange difference	(1,510,344)	6,718,751
Loss/(Gain) on disposal of plant and equipment	-	12,727
Operating profit before working capital changes	18,467,987	13,100,861
Working capital changes:		
Inventories	5,229,468	(6,609,482)
Trade and other receivables	354,853	4,668,796
Trade and other payables	3,363,275	11,189,908
Provision for post-employment benefits	(158,948)	(125,415)
Cash generated from operations	27,256,635	22,224,668
Interest paid	(2,597,321)	(3,545,640)
Interest received	30,516	22,427
Income tax paid	(3,174,524)	(150,000)
<b>Net cash from operating activities</b>	<b>21,515,306</b>	<b>18,551,455</b>

	Jan - Mar	
	2010	2009
	<u>Rp'000</u>	<u>Rp'000</u>
<b>Cash flows from investing activities</b>		
Acquisition of biological assets	(4,502,403)	(3,554,644)
Purchase of plant and equipment	(791,970)	(1,408,945)
Purchase of financial assets	(56,700)	(3,500)
Proceeds from disposal of plant and equipment	-	(12,727)
<b>Net cash used in investing activities</b>	<u>(5,351,073)</u>	<u>(4,979,816)</u>
<b>Cash flows from financing activities</b>		
Repayments of bank borrowings	(10,900,000)	(5,006,250)
Repayments of obligations under finance leases	<u>(557,204)</u>	<u>(275,228)</u>
<b>Net cash used in financing activities</b>	<u>(11,457,204)</u>	<u>(5,281,478)</u>
Net change in cash and bank balances	4,707,029	8,290,161
<b>Cash and bank balances at beginning of financial year/period</b>	<u>2,468,811</u>	<u>3,947,638</u>
<b>Cash and bank balances at end of financial year/period</b>	<u><u>7,175,840</u></u>	<u><u>12,237,799</u></u>

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.

Group	Attributable to equity holders of the Company					Minority interest Rp'000	Total equity Rp'000
	Share Capital Rp'000	Merger reserve* Rp'000	Translation Reserves Rp'000	Accumulated profits Rp'000	Total Rp'000		
Balance at 1.1.2010	368,655,142	-	327,777	24,449,367	393,432,286	28,413,617	421,845,903
Total comprehensive Income	-	-	627,157	11,136,040	11,763,197	643,638	12,406,835
Balance at 31.03.2010	368,655,142	-	954,934	35,585,407	405,195,484	29,057,255	434,252,738
Balance at 1.1.2009	6	-	-	269,216,431	269,216,437	20,686,818	289,903,255
Total comprehensive Income	-	-	-	886,257	886,257	683,740	1,569,997
Balance at 31.03.2009	6	-	-	270,102,688	270,102,694	21,370,558	291,473,252

\* Merger reserve arises from the difference between the consideration paid for the subsidiary and the nominal value of shares of subsidiary acquired under the pooling-of-interest method of accounting.

Company	Share Capital Rp'000	Translation Reserves Rp'000	Accumulated losses Rp'000	Total Rp'000
Balance at 1.1.2010	368,655,142	327,777	(2,630,419)	366,352,500
Total comprehensive Income		627,157	(896,886)	(269,730)
Balance at 31.12.2009	<b>368,655,142</b>	<b>954,934</b>	<b>(3,527,305)</b>	<b>366,082,770</b>

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 well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, 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.

Not applicable.

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares (the Company has not held any treasury shares):

As at 31 Mar 2010	As at 31 December 2009
297,110,000	297,110,000

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice has been followed.

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 a 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 applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited combined financial statements for the period ended 31 December 2009, except for the valuation of biological assets which will be undertaken at the end of financial year.

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 financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends; (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	Jan - Mar	
	2010 Rp	2009 Rp
Earnings per share for the period		
(a) based on weighted average number of shares	37	886,257,045
(b) based on a fully diluted basis	37	886,257,045
(c) based on pre-invitational number of shares	37	3
Number of shares outstanding		
- Weighted average/actual number of shares	297,110,000	1
- Pre-invitational number of shares	297,110,000	297,110,000

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the; (a) current financial period reported on; and (b) immediately preceding financial year.

	Group		Company	
	As at 31/03/2010 Rp	As at 31/12/2009 Rp	As at 31/03/2010 Rp	As at 31/12/2009 Rp
Net asset value per ordinary share	1,462	1,324	1,232	1,233
Number of shares outstanding	297,110,000	297,110,000	297,110,000	297,110,000

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.

### **Review of Group performance**

#### **Revenue**

Our revenue increased by Rp15.7 billion or 31%, from Rp50.3 billion in 1Q2010 to Rp66.0 billion in 1Q2009, contributed from both CPO and Palm Kernel sales.

Our revenue from CPO increased by Rp13.7 billion, from Rp47.2 billion in 1Q2009 to Rp60.9 billion in 1Q2010, attributed by the higher average selling price of CPO. The sales volume of CPO decreased by

78 tons from 9,508 tons in 1Q2009 to 9,430 tons in 1Q2010. The average selling price increased by Rp1,490 per kilogram, from Rp4,962 per kilogram in 1Q2009 to Rp6,453 per kilogram in 1Q2010.

Our revenue from palm kernels increased by Rp2.0 billion, from Rp3.1 billion in 1Q2009 to Rp5.1 billion in 1Q2010. This was attributed to the increased in average selling price and slight increase in sales volume. The average selling price per kilogram of palm kernels increased by Rp1,003 from Rp1,614 in 1Q2009 to Rp2,617 in 1Q2010. The sales volume increased by 48 tons, from 1,935 tons in 1Q2009 to 1,983 tons in 1Q2010.

#### ***Costs of sales***

Our costs of sales was increased by Rp10.1 billion or 29%, from Rp34.4 billion in 1Q2009 to Rp44.5 billion in 1Q2010. This increase was mainly due to the increase in the costs of FFB purchased, labour costs, indirect material and repair and maintenance of roads which was offset by a decline in field upkeep and harvesting and cost of fuel and lubricants.

#### ***Gross profit***

As a result of the above factors, our gross profit increased by Rp5.6 billion or 35%, from Rp15.9 billion in 1Q2009 to Rp21.5 billion in 1Q2010. Our gross profit margin increased from 31.6% in 1Q2009 to 32.6% in 1Q2010. This was mainly attributed to the higher sales prices.

#### ***Other income***

Other income increased by Rp3.2 billion from Rp0.4 billion in 1Q2009 to Rp3.6 billion in 1Q2010. The increase was mainly due to foreign exchange gain of Rp2.5 billion in 1Q2010. The foreign exchange gain of Rp2.5 billion in 1Q2010, was mainly due to unrealized translation gain for the balance of the Niaga US\$ Loan arising from the appreciation of the Rp against US\$.

#### ***Distribution expenses***

Our distribution expenses decreased by Rp0.7 billion or 61%, from Rp1.2 billion in 1Q2009 to Rp0.5 billion in 1Q2010. The decrease was due to absence of sales claims on late deliveries of CPO in 1Q2010 against Rp0.7 billion received in 1Q2009.

#### ***Administrative expenses***

Our administrative expenses increased by Rp1.9 billion or 51%, from Rp3.6 billion in 1Q2009 to Rp5.5 billion in 1Q2010. This was mainly due to the increase in the salaries and wages of Rp0.7 billion and also higher project related professional fees incurred (Rp0.9 billion).

#### ***Other expenses***

Other expenses decreased from Rp5.8 billion or 87% in 1Q2010. The decrease was mainly due to foreign exchange loss in 1Q2009 versus a gain in 1Q2010.

#### ***Finance costs***

Our finance costs decreased by Rp0.9 billion or 27%, from Rp3.5 billion in 1Q2009 to Rp2.6 billion in 1Q2010. This was mainly due to lower interest expense correspond to the lower outstanding Niaga Loan in 1Q2010 versus 1Q2009 .

#### ***Profit before income tax***

As a result of the foregoing, our profit before income tax increased by Rp14.4billion, from Rp1.3 billion in 1Q2009 to Rp15.8 billion in 1Q2010.

***Tax expense***

Our tax expenses increased by Rp4.2 billion, from a tax credit of Rp0.3 billion in 1Q2009 to tax expense of Rp4.0 billion in 1Q2010. The tax credit in 1Q2009 is due to a reversal of deferred tax expense following a change in corporate tax rate, from flat rate of 28% to 25% in FY2009.

***Profit after income tax***

As a result of the above, our profit after income tax increased by Rp10.2 billion or 6.5 times, from Rp1.6 billion in 1Q2009 to Rp11.8 billion in 1Q2010.

**Review of Financial Position as at 31 March 2010**

***Non-current assets***

Non-current assets for the group increased by Rp3.7 billion or 1%, from Rp689.8 billion as at 31 December 2009 to Rp693.5 billion as at 31 March 2010. This was mainly due to increases in biological assets for the planting done in 1<sup>st</sup> Quarter 2010.

***Current assets***

Current assets for the group decreased by Rp0.8 billion or 2%, from Rp34.3 billion as at 31 December 2009 to Rp33.5 billion as at 31 March 2010. This was mainly due to decreases in inventories but offset by higher cash and bank balances.

The decrease in inventories was mainly as a resultant of production planning, while higher cash and bank balances due to timing of collection from customers.

***Current liabilities***

Current liabilities for the group increased by Rp4.5 billion or 4%, from Rp102.6 billion as at 31 December 2009 to Rp107.1 billion as at 31 March 2010. This was mainly due to increase in trade and other payables and also higher bank borrowings.

The increase in trade and other payables was in tandem with the higher cost of goods sold while higher bank borrowings was mainly due to higher repayment amount due in the next 12 months in accordance with the repayment schedule.

***Non-current liabilities***

Non-current liabilities for the group decreased by Rp14.1 billion or 7%, from Rp199.7 billion as at 31 December 2009 to Rp185.7 billion as at 31 March 2010. This was mainly due to decreases in bank borrowings and finance lease payables due to repayment of bank loan in accordance with the repayment schedule.

**Review of Consolidated Cashflow as at 31 March 2010**

Net cash inflow from operating activities for the period increased by Rp3.0 billion or, from Rp18.6 billion in 1Q2009 to Rp21.5 billion in 1Q2010. Higher cash inflow recorded mainly due to higher profits for the year.

Net cash used in investing activities of Rp5.4 billion comprised mainly additional planting done in the quarter, while net cash used in financing activities of Rp11.5 billion was for the repayment of bank loan and finance leases repayment.

**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.**

We expect demand for palm oil to maintain its strength supported by rising food requirements from China, India and emerging markets; as well as buoyant demand from the biofuel, oleochemicals and compound feed industries. In terms of price, although we can see an increase comparing 1Q2010 versus 1Q2009, but because of the uncertainty in the global financial market, the outlook is expected to be volatile.

The group's Year 2010 first quarter production is lower as compared to first quarter of Year 2009 due to biological tree stress phenomenon that we had observed. We expect the production in first half of this year to remain low compared to Year 2009 before picking up in second half of the year. Nevertheless, the Group will still be very much focus on our expansion plan while constantly reviewing our cost structure to achieve a cost competitive model in the long run.

**11. Dividend**

(a) Current Financial Period Reported on  
None.

(b) 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 or recommended.

**13. Interested persons transactions disclosure**

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$ 100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp'million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$ 100,000) (Rp' million)
	1Q2010	1Q2010
PT Bumiraya Utama Lines	908	NIL



**14. Confirmation pursuant to Rule 705(4) of the listing manual**

The Directors do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the period ended 31 March 2010 to be false or misleading in any material aspect.

**BY ORDER OF THE BOARD**

Dr Tan Hong Kiat @ Suparno Adjianto  
Executive Chairman & CEO  
11 June 2010

**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.**