
FULL YEAR FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

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

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

	4th Quarter			Full Year		
	2010 Rp'000	2009 Rp'000	Change %	2010 Rp'000	2009 Rp'000	Change %
Revenue	94,544,610	79,063,357	20	287,232,345	301,521,858	(5)
Cost of sales	<u>(54,649,401)</u>	<u>(55,777,710)</u>	(2)	<u>(185,995,426)</u>	<u>(200,234,891)</u>	(7)
Gross profit	39,895,209	23,285,647	71	101,236,919	101,286,967	(0)
Other income	1,549,378	5,888,477	(74)	5,841,338	21,321,194	(73)
Other income - gain from changes in fair value of biological assets	67,210,000	103,784,000	(35)	67,210,000	103,784,000	(35)
Distribution expenses	(445,929)	(743,475)	(40)	(2,768,778)	(3,364,223)	(18)
Administrative expenses	(7,711,690)	(5,135,739)	50	(30,444,383)	(16,015,758)	90
Other expenses	(795,436)	(2,399,072)	(67)	(980,317)	(2,607,685)	(62)
Finance costs	<u>(731,186)</u>	<u>(2,767,401)</u>	(74)	<u>(5,946,093)</u>	<u>(12,704,702)</u>	(53)
Profit before income tax	98,970,346	121,912,437	(19)	134,148,686	191,699,793	(30)
Income tax expense	<u>(28,476,572)</u>	<u>(19,392,726)</u>	47	<u>(39,770,359)</u>	<u>(38,986,949)</u>	2
Profit for the financial period/year	<u>70,493,774</u>	<u>102,519,711</u>	(31)	<u>94,378,327</u>	<u>152,712,844</u>	(38)
Other comprehensive income, net of tax						
Foreign currency translation differences on consolidation	2,472,675	327,777	n.m	14,477,973	327,777	n.m

Total comprehensive income for the financial period/year						
	<u>72,966,449</u>	<u>102,847,488</u>	(29)	<u>108,856,300</u>	<u>153,040,621</u>	(29)
	4th Quarter			Full Year		
	2010	2009	Change	2010	2009	Change
	Rp'000	Rp'000	%	Rp'000	Rp'000	%
Profit attributable to:						
Owners of the parent	66,805,360	97,287,296	(31)	89,040,648	144,986,045	(39)
Non-controlling interests	<u>3,688,414</u>	<u>5,232,415</u>	(30)	<u>5,337,679</u>	<u>7,726,799</u>	(31)
	<u>70,493,774</u>	<u>102,519,711</u>	(31)	<u>94,378,327</u>	<u>152,712,844</u>	(38)
Total comprehensive income attributable to:						
Owners of the parent	69,278,035	97,615,073	(29)	103,518,621	145,313,822	(29)
Non-controlling interests	<u>3,688,414</u>	<u>5,232,415</u>	(30)	<u>5,337,679</u>	<u>7,726,799</u>	(31)
	<u>72,966,449</u>	<u>102,847,488</u>	(29)	<u>108,856,300</u>	<u>153,040,621</u>	(29)
n.m. : Not meaningful						

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

	GROUP 4th Quarter			GROUP Full Year		
	2010 Rp'000	2009 Rp'000	Change %	2010 Rp'000	2009 Rp'000	Change %
Interest income	(332,767)	(59,364)	461	(763,625)	(162,559)	370
Interest expense	731,187	2,767,401	(74)	5,946,093	12,704,702	(53)
Depreciation expense	2,013,618	1,635,574	23	7,059,476	6,269,043	13
Amortisation of operating use rights	11,041	11,041	-	44,161	44,161	-
Foreign exchange gain , net	(2,949)	(914,948)	(100)	(2,224,293)	(16,095,188)	(86)
Gain on disposal of plant and equipment	(50,956)	(15,000)	n.m	(50,956)	(164,283)	n.m
Gain from changes in fair value of biological assets	(67,210,000)	(103,784,000)	(35)	(67,210,000)	(103,784,000)	(35)
Fair value(gain)/ loss from financial assets at fair value through profit or loss	(346,500)	14,175	n.m	(396,900)	2,450	n.m
Initial public offering expenses	-	-	n.m	6,137,280	-	n.m



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Additional information :

EBITDA (Excluding biological assets gain)	34,183,425	22,483,088	52	79,224,792	106,771,140	(26)
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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	
	31/12/2010 Rp'000	31/12/2009 Rp'000	31/12/2010 Rp'000	31/12/2009 Rp'000
Non-current assets				
Biological assets	697,944,398	606,951,395	-	-
Property, plant and equipment	96,587,026	81,977,043	2,110,150	-
Investments in subsidiaries	-	-	389,753,124	389,753,115
Operating use rights	871,043	915,204	-	-
Club memberships	888,112	-	888,112	-
	<u>796,290,579</u>	<u>689,843,642</u>	<u>392,751,386</u>	<u>389,753,115</u>
Current assets				
Inventories	21,331,810	19,735,290	-	-
Trade and other receivables	7,624,539	11,432,155	151,327,000	16,710,236
Dividend receivable	-	-	16,700,000	-
Prepayments	1,254,242	610,894	432,224	5,700
Financial assets at fair value through profit or loss	466,200	69,300	-	-
Cash and cash equivalents	<u>263,899,681</u>	<u>2,468,811</u>	<u>165,861,616</u>	<u>7</u>
	<u>294,576,472</u>	<u>34,316,450</u>	<u>334,320,840</u>	<u>16,715,943</u>
Less:				
Current liabilities				
Trade and other payables	34,316,270	39,474,314	16,421,272	40,116,558
Dividend payable	2,000,000	-	-	-
Bank borrowings	53,946,000	43,600,000	-	-
Finance lease payables	818,882	2,351,245	-	-
Current income tax payable	4,179,203	17,185,234	-	-
	<u>95,260,355</u>	<u>102,610,793</u>	<u>16,421,272</u>	<u>40,116,558</u>
Net current assets/(liabilities)	<u>199,316,117</u>	<u>(68,294,343)</u>	<u>317,899,568</u>	<u>(23,400,615)</u>
Non-current liabilities				
Bank borrowings	-	(65,700,000)	-	-
Finance lease payables	(149,033)	(834,520)	-	-
Provision for post-employment benefits	(7,927,196)	(5,567,972)	-	-
Deferred tax liabilities	(145,666,359)	(127,600,904)	(4,578)	-

	(153,742,588)	(199,703,396)	(4,578)	-
Net assets	<u>841,864,108</u>	<u>421,845,903</u>	<u>710,646,376</u>	<u>366,352,500</u>

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	31/12/2010	31/12/2009	31/12/2010	31/12/2009
	Rp'000	Rp'000	Rp'000	Rp'000
Capital and reserves				
Share capital	681,817,047	368,655,142	681,817,047	368,655,142
Foreign currency translation reserve	14,805,750	327,777	22,755,695	327,777
Accumulated profits/(losses)	113,490,015	24,449,367	6,073,634	(2,630,419)
Total attributable to owners of the parent	<u>810,112,812</u>	<u>393,432,286</u>	<u>710,646,376</u>	<u>366,352,500</u>
Non-controlling interests	31,751,296	28,413,617	-	-
Total equity	<u>841,864,108</u>	<u>421,845,903</u>	<u>710,646,376</u>	<u>366,352,500</u>

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:-

	As at 31/12/2010 Rp' 000	As at 31/12/2009 Rp' 000
Amount due within one year		
- Secured	54,764,882	45,951,245
- Unsecured	-	-
- Total	<u>54,764,882</u>	<u>45,951,245</u>
Amount due more than one year		
- Secured	149,033	66,534,520
- Unsecured	-	-
- Total	<u>149,033</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.

	4th Quarter		Full Year	
	2010 Rp'000	2009 Rp'000	2010 Rp'000	2009 Rp'000
Cash flows from operating activities				
Profit before income tax	98,970,346	121,912,437	134,148,686	191,699,793
Adjustments for:				
Amortisation of operating use rights	11,041	11,041	44,161	44,161
Depreciation of property, plant and equipment	2,013,618	1,635,574	7,059,476	6,269,043
Gain from changes in fair value of biological assets	(67,210,000)	(103,784,000)	(67,210,000)	(103,784,000)
Fair value(gain)/ loss from financial assets at fair value through profit or loss	(346,500)	14,175	(396,900)	2,450
Interest expense	731,187	2,767,401	5,946,093	12,704,702
Interest income	(332,767)	(59,364)	(763,625)	(162,559)
Unrealised foreign exchange loss/(gain), net	5,554,214	(1,108,973)	14,555,973	(12,847,223)
Gain on disposal of plant and equipment	(50,956)	(15,000)	(50,956)	(164,283)
Provision for post-employment benefits	2,542,859	1,448,615	2,542,859	1,448,615
Operating cash flows before working capital changes	41,883,042	22,821,906	95,875,767	95,210,699
Working capital changes:				
Inventories	(6,602,601)	7,387,929	(1,596,520)	(3,237)
Trade and other receivables	(561,934)	27,981,173	3,807,616	9,827,038
Prepayments	(2,240)	(266,094)	(643,348)	(94,746)
Trade and other payables	10,134,478	(29,860,430)	(5,158,044)	(24,068,487)
Provision for post-employment benefits	(35,570)	(74,398)	(183,635)	(182,793)
Cash generated from operations	44,815,175	27,990,086	92,101,836	80,688,474
Interest paid	(731,187)	(2,767,401)	(5,946,093)	(12,704,702)
Interest received	332,767	59,364	763,625	162,559
Income tax paid	(9,044,252)	(2,220,557)	(34,710,935)	(6,865,216)
Net cash from operating activities	35,372,503	23,061,492	52,208,433	61,281,115

	4th Quarter		Full Year	
	2010 Rp'000	2009 Rp'000	2010 Rp'000	2009 Rp'000
Cash flows from investing activities				
Acquisition of biological assets	(5,497,275)	(4,978,721)	(23,783,003)	(18,532,973)
Purchase of club memberships	-	-	(888,112)	-
Purchase of plant and equipment	(4,041,966)	(4,828,502)	(21,669,459)	(12,360,921)
Net consideration on acquisition of subsidiary	-	(389,753,115)	-	(389,753,115)
Purchase of financial assets at fair value through profit or loss	-	-	-	(54,250)
Proceeds from disposal of plant and equipment	50,956	20,535	50,956	413,175
Net cash used in investing activities	(9,488,285)	(399,539,803)	(46,289,618)	(420,288,084)
Cash flows from financing activities				
Proceeds from issuance of shares	-	368,655,142	328,571,429	368,655,142
Share issue expenses	-	-	(15,409,524)	-
Repayments of bank borrowings	-	(8,212,500)	(62,153,520)	(38,325,000)
Proceeds from bank borrowings	6,721,520	3,900,000	6,721,520	29,400,000
Repayments of obligations under finance leases	(632,047)	(182,947)	(2,217,850)	(2,202,000)
Net cash from financing activities	6,089,473	364,159,695	255,512,055	357,528,142
Net change in cash and bank balances	31,973,691	(12,318,615)	261,430,870	(1,478,827)
Cash and cash equivalents at beginning of financial period/year	231,925,990	14,787,427	2,468,811	3,947,638
Cash and cash equivalents at end of financial period/year	263,899,681	2,468,811	263,899,681	2,468,811



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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 owners of the parent					Non-controlling interests Rp'000	Total equity Rp'000
	Share capital Rp'000	Merger reserve ¹ Rp'000	Foreign currency translation Reserve 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
Issuance of ordinary shares pursuant to initial public offering ²	328,571,429	-	-	-	328,571,429	-	328,571,429
Share issue expenses	(15,409,524)	-	-	-	(15,409,524)	-	(15,409,524)
Total comprehensive income recognised for the financial year	-	-	14,477,973	89,040,648	103,518,621	5,337,679	108,856,300
Dividends	-	-	-	-	-	(2,000,000)	(2,000,000)
Balance at 31.12.2010	<u>681,817,047</u>	-	<u>14,805,750</u>	<u>113,490,015</u>	<u>810,112,812</u>	<u>31,751,296</u>	<u>841,864,108</u>
Balance at 1.1.2009	6	-	-	269,216,431	269,216,437	20,686,818	289,903,255
Issuance of shares at date of incorporation	6	-	-	-	6	-	6
Restructuring exercise	(6)	(389,753,109)	-	-	(389,753,115)	-	(389,753,115)
Issuance of shares for restructuring	368,655,136	-	-	-	368,655,136	-	368,655,136
Transfer from accumulated profits to merger reserve	-	389,753,109	-	(389,753,109)	-	-	-
Total comprehensive income recognised for the financial year	-	-	327,777	144,986,045	145,313,822	7,726,799	153,040,621
Balance at 31.12.2009	<u>368,655,142</u>	-	<u>327,777</u>	<u>24,449,367</u>	<u>393,432,286</u>	<u>28,413,617</u>	<u>421,845,903</u>

1. 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.

2. Includes incentive shares issued to Joint Issue Managers



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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
Issuance of ordinary shares pursuant to initial public offering ¹	328,571,429	-	-	328,571,429
Share issue expenses	(15,409,524)	-	-	(15,409,524)
Total comprehensive income recognised for the financial year	-	22,427,918	8,704,053	31,131,971
Balance at 31.12.2010	681,817,047	22,755,695	6,073,634	710,646,376
Balance at 13.11.2009 (date of incorporation)	6	-	-	6
Issuance of shares for restructuring	368,655,136	-	-	368,655,136
Total comprehensive income recognised for the financial period	-	327,777	(2,630,419)	(2,302,642)
Balance at 31.12.2009	368,655,142	327,777	(2,630,419)	366,352,500

1. Includes incentive shares issued to Joint Issue Managers

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 December 2010	As at 31 December 2009
412,968,000	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 financial year ended 31 December 2009. In addition, the Group also adopted various revisions to the FRS, which became effective during that period. The said adoption has no significant impact to the financial statements of the Group.

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).

	4th Quarter		Full Year	
	2010 Rp	2009 Rp	2010 Rp	2009 Rp
Earnings per share for the period				
(a) based on weighted average number of shares	162	97,287,295,689	216	5,978
(b) based on a fully diluted basis	162	97,287,295,689	216	5,978
(c) based on pre-invitational number of shares	225	327	300	488
(c) based on post-invitational number of shares	162	236	216	351
Number of shares outstanding				
- Weighted average/actual number of shares	412,968,000	1	412,968,000	24,253,878
- Pre-invitational number of shares	297,110,000	297,110,000	297,110,000	297,110,000
- Post-invitational number of shares	412,968,000	412,968,000	412,968,000	412,968,000

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 31/12/2010 Rp	As at 31/12/2009 Rp	As at 31/12/2010 Rp	As at 31/12/2009 Rp
Net asset value per ordinary share	2,039	1,420	1,721	1,233
Number of shares outstanding	412,968,000	297,110,000	412,968,000	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

4Q2010 versus 4Q2009

Revenue

Our revenue for 4Q2010 increased by Rp15.5 billion or 20%, from Rp79.1 billion in 4Q2009 to Rp94.5 billion in 4Q2010, contributed from higher CPO and Palm Kernel sales.

Our revenue from CPO increased by Rp13.3 billion, from Rp72.5 billion in 4Q2009 to Rp85.8 billion in 4Q2010, attributed by the higher average selling price, offset slightly by lower sales volume. The average selling price increased by Rp1,946 per kilogram, from Rp5,744 per kilogram in 4Q2009 to Rp7,690 per kilogram in 4Q2010. The sales volume of CPO decreased slightly by 1,461 tons from 12,616 tons in 4Q2009 to 11,155 tons in 4Q2010. The decrease in sales volume was due to lower fresh fruit bunch purchased from external source, hence lower production.

Our revenue from palm kernels increased by Rp2.2 billion, from Rp6.6 billion in 4Q2009 to Rp8.8 billion in 4Q2010. This was attributed to higher average selling price, offset by lower sales volume. The average selling price per kilogram of palm kernels increased by Rp2,280 per kilogram from Rp2,201 per kilogram in 4Q2009 to Rp4,481 per kilogram in 4Q2010. The sales volume decreased by 1,040 tons, from 2,996 tons in 4Q2009 to 1,956 tons in 4Q2010.

Costs of sales

Our costs of sales decreased by Rp1.2 billion or 2%, from Rp55.8 billion in 4Q2009 to Rp54.6 billion in 4Q2010. This decrease was mainly due to lower indirect material expenses offset by increase in the costs of FFB purchased. Increase in the cost of FFB purchased was due to higher CPO prices resulting in higher FFB cost, while decrease in indirect material expenses was due to lower amount of fertilizer applied in the quarter as compared to previous year.

Gross profit

As a result of the above factors, our gross profit increased by Rp16.6 billion or 71%, from Rp23.3 billion in 4Q2009 to Rp39.9 billion in 4Q2010. Our gross profit margin increased from 29.5% in 4Q2009 to 41.1% in 4Q2010.

Other income/expense

Other income and expense is mainly due to the movement in foreign exchange rate in 4Q2009.

Gains arising from changes in fair value of biological assets

Our gain arising from changes in fair value of biological assets decreased by Rp36.6 billion or 35%, from Rp103.8 billion in FY2009 to Rp67.2 billion in FY2010. The gain from changes in fair value of biological assets reduced in FY2010 versus FY2009 due to the increase in biological asset value from FY2009 to FY2010 is lower than increase from FY2008 to FY2009. FY2010 valuation of biological asset increased mainly due to the higher CPO prices.

Distribution expenses

Our distribution expenses decreased by Rp0.3 billion or 40%, from Rp0.7 billion in 4Q2009 to Rp0.4 billion in 4Q2010. The decrease is in line with lower palm kernel sales volume.

Administrative expenses

Our administrative expenses increased by Rp2.6 billion, from Rp5.1 billion in 4Q2009 to Rp7.7 billion in 4Q2010. This was mainly due to higher salaries with the increase headcount and higher professional fees for consultancy work.

Finance costs

Our finance costs decreased by Rp2.1 billion or 74%, from Rp2.8 billion in 4Q2009 to Rp0.7 billion in 4Q2010. This was mainly due to lower interest expense correspond to the lower outstanding Niaga Loan in 4Q2010 versus 4Q2009. The borrowing cost was also reduced after negotiation with the lender.

Profit before income tax

As a result of the foregoing, our profit before income tax decreased by Rp22.9 billion, from Rp121.9 billion in 4Q2009 to Rp99.0 billion in 4Q2010.

Tax expense

Our tax expenses increased by Rp9.1 billion, from Rp19.4 billion in 4Q2009 to Rp28.5 billion in 4Q2010. The increase is due to a deferred tax adjustment in Dec 2009 following the change in Indonesia corporate tax rate.

Profit after income tax

As a result of the above, our profit after income tax decreased by Rp32.0 billion or 31%, from Rp102.5 billion in 4Q2009 to Rp70.5 billion in 4Q2010.

12 months 2010("FY10") versus 12 months 2009("FY09")

Revenue

Our revenue for FY10 decreased by Rp14.3 billion or 5%, from Rp301.5 billion in FY09 to Rp287.2 billion in FY10, contributed from lower CPO sales, offset by higher palm kernel sales.

Our revenue from CPO decreased by Rp18.8 billion, from Rp282.2 billion in FY09 to Rp263.4 billion in FY10, mainly attributed by the lower sales volume. The sales volume of CPO decreased by 9,533 tons from 47,627 tons in FY09 to 38,094 tons in FY10. The reduction in sales volume was mainly due to a drop in fresh fruits bunch ("FFB") production in Year 2010, impact by biological stress on the palm trees which is a cyclical characteristic of palm trees. The average selling price increased by Rp988 per kilogram, from Rp5,925 per kilogram in FY09 to Rp6,913 per kilogram in FY10.

Our revenue from palm kernels increased by Rp4.6 billion, from Rp19.3 billion in FY09 to Rp23.9 billion in FY10. This was attributed to the increase in average selling price, but offset by the lower sales volume.

The average selling price per kilogram of palm kernels increased by Rp1,296 per kilogram from Rp2,176 per kilogram in FY09 to Rp3,472 per kilogram in FY10. The sales volume decreased by 2,008 tons, from 8,886 tons in FY09 to 6,878 tons in FY10.

Costs of sales

Our costs of sales decreased by Rp14.2 billion or 7%, from Rp200.2 billion in FY09 to Rp186.0 billion in FY10. This decrease was mainly due to the decrease in indirect material expenses. This was slightly offset by increase in repair and maintenance expenses.

Gross profit

As a result of the above factors, our gross profit decreased marginally by Rp0.1 billion, from Rp101.3 billion in FY09 to Rp101.2 billion in FY10. Our gross profit margin increased from 33.6% in FY09 to 35.2% in FY10.

Other income/expense

Other income and expense is mainly due to the movement in foreign exchange rate in 4Q2009.

Gains arising from changes in fair value of biological assets

Our gain arising from changes in fair value of biological assets decrease by Rp36.6 billion or 35%, from Rp103.8 billion in FY2009 to Rp67.2 billion in FY2010. The gain from changes in fair value of biological assets reduced in FY2010 versus FY2009 due to the increase in biological asset value from FY2009 to FY2010 is lower than increase from FY2008 to FY2009. FY2010 valuation of biological asset increased mainly due to the higher CPO prices.

Distribution expenses

Our distribution expenses decreased by Rp0.6 billion or 18%, from Rp3.4 billion in FY09 to Rp2.8 billion in FY10. The decrease was mainly due to lower freight cost as a result of lower palm kernel sales volume in FY10.

Administrative expenses

Our administrative expenses increased by Rp14.4 billion, from Rp16.0 billion in FY09 to Rp30.4 billion in FY10. This was mainly due to the listing expenses in relation to the invitation. Also contributing to the increase is the higher salaries due to higher headcount and higher professional fees for consultancy work done.

Finance costs

Our finance costs decreased by Rp6.8 billion or 53%, from Rp12.7 billion in FY09 to Rp5.9 billion in FY10. This was mainly due to lower interest expense correspond to the lower outstanding Niaga Loan in FY10 versus FY09. The borrowing cost was also reduced after negotiation with the lender.

Profit before income tax

As a result of the foregoing, our profit before income tax decreased by Rp57.6 billion, from Rp191.7 billion in FY09 to Rp134.1 billion in FY10.

Tax expense

Our tax expenses increased by Rp0.8 billion, from Rp39.0 billion in FY09 to Rp39.8 billion in FY10. The increase is due to a deferred tax adjustment in Dec 2009 following the change in Indonesia corporate tax rate. The adjustment is being offset by the lower FY10 tax following lower profit.

Profit after income tax

As a result of the above, our profit after income tax decreased by Rp58.3 billion or 37%, from Rp152.7 billion in FY09 to Rp94.4 billion in FY10.

Review of Financial Position as at 31 December 2010

Non-current assets

Non-current assets for the group increased by Rp106.5 billion or 15%, from Rp689.8 billion as at 31 December 2009 to Rp796.3 billion as at 31 December 2010. This was mainly due to increases in biological assets value due to the higher CPO price.

Current assets

Current assets for the group increased by Rp260.3 billion, from Rp34.3 billion as at 31 December 2009 to Rp294.6 billion as at 31 December 2010. This was mainly due to higher cash and bank balances from the Invitation proceeds.

Current liabilities

Current liabilities for the group decreased by Rp7.3 billion or 7%, from Rp102.6 billion as at 31 December 2009 to Rp95.3 billion as at 31 December 2010. This was mainly due to decrease in tax payables and also lower finance leases. The decrease in tax payables is in line with lower profit.

Non-current liabilities

Non-current liabilities for the group decreased by Rp46.0 billion or 23%, from Rp199.7 billion as at 31 December 2009 to Rp153.7 billion as at 31 December 2010. This was mainly due to lower bank borrowings and finance lease payables due to repayment of bank loan from the invitation proceeds.

Review of Consolidated Cashflow

Net cashflow from operating activities for FY10 decreased by Rp9.1 billion, from Rp61.3 billion in FY09 to Rp52.2 billion in FY10. Lower cash inflow recorded mainly due to lower revenue in FY10 and also higher tax paid. Higher tax paid in FY2010 was mainly for financial year ended 31 December 2009.

Net cash used in investing activities of Rp46.3 billion comprised mainly additional planting in the quarter and also purchase of planting equipment. Net cash from financing activities of Rp255.5 billion was mainly from the Invitation proceeds offset by bank loan 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.

Demand for palm oil going forward will continue 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. Though CPO prices have soared in 4Q2010 as compared to prices in first nine months of FY2010, price volatility is expected to continue given the uncertainty in the global financial market and abnormal weather's impact on market dynamics.

Our production yield has showed sign of recovery in 4Q2010. Although not achieving its peak yet, we expect the palm trees to continue its recovery from the biological tree stress in the coming quarters. We will also be focusing 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

Any dividend declared for the current financial period reported on?

Yes

Name of dividend:	First and final
Dividend Type:	Cash
Dividend Amount per share:	S\$0.0016 per ordinary share
Tax Rate:	One-tier tax exempt dividend

(b) Corresponding Period of the Immediately Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financials year?

None.

(c) Date payable

To be announced at a later date.

(d) Books closure date

To be announced at a later date.

12. If no dividend has been declared (recommended), a statement to that effect.

Not applicable

PART II ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

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 as our plantation segment accounts for more than 98% of the Group's revenue and profit.

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 as follows:-

		The Group		
		2010 Rp'000	2009 Rp'000	Increase / (Decrease)
a)	Sales reported for the first half year	119,957,351	139,838,627	(19,881,276)
b)	Operating profit before deducting minority interests reported for first half year	24,492,396	37,501,342	(13,008,946)
c)	Sales reported for second half year	167,274,994	161,683,231	5,591,763
d)	Operating profit before deducting minority interests reported for second half year	116,878,643	148,189,644	(31,311,001)

16. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year.

	FY 2010		FY 2009	
	S\$'000	Rp'000 equivalent	S\$'000	Rp'000 equivalent
Ordinary – Interim	-	-	-	-
Ordinary – Final (Proposed)	660.7	4,612,687*	-	-
Total	660.7	4,612,687	-	-

* Based on exchange rate of SGD 1 = Rp 6,981

17. Interested persons transactions disclosure

(a) Aggregate value of all interested person transactions conducted under the shareholders' mandate pursuant to Rule 920 (excluding transactions less than SGD 100,000).

Not applicable.

(b) Aggregate value of all interested person transactions with the group (excluding transactions less than SGD 100,000).

18. 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)
	FY2010	FY2010
PT Bumiraya Utama Lines	3,910	NIL
PT. Ketapang Indah Plywood Industries	682	NIL

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO
23 February 2011

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.