

HALF 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 PERIOD
FROM 1 JANUARY 2012 TO 30 JUNE 2012**

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

	<u>2nd Qtr 2012</u> <u>Rp '000</u>	<u>2nd Qtr 2011</u> <u>Rp '000</u>	Change %	<u>YTD June 2012</u> <u>Rp '000</u>	<u>YTD June 2011</u> <u>Rp '000</u>	Change %
Revenue	106,357,520	86,638,886	23	205,276,240	174,963,529	17
Cost of sales	(68,251,614)	(56,492,358)	21	(141,779,246)	(117,890,984)	20
Gross profit	38,105,906	30,146,528	26	63,496,994	57,072,545	11
Operating expenses						
Distribution expenses	(158,596)	(530,303)	(70)	(1,300,020)	(1,061,153)	23
Administrative expenses	(8,002,530)	(5,132,972)	56	(14,693,814)	(11,314,635)	30
Finance costs	(353,416)	(419,306)	(16)	(735,042)	(895,111)	(18)
	(8,514,542)	(6,082,581)	40	(16,728,876)	(13,270,899)	26
Other items of income/(expenses)						
Interest income	643,488	472,359	36	1,250,888	892,700	40
Other income	455,290	860,292	(47)	856,337	1,093,623	(22)
Other expenses	(358,250)	(486,394)	(26)	(519,266)	(492,057)	6
Foreign exchange (loss)/gain, net	(1,821,596)	1,606,732	n.m.	(1,513,759)	1,592,023	n.m.
	(1,081,068)	2,452,989	(144)	74,200	3,086,289	(98)
Profit before income tax	28,510,296	26,516,936	8	46,842,318	46,887,935	n.m.
Income tax expense	(7,122,836)	(5,829,434)	22	(11,839,495)	(10,595,981)	12
Profit for the financial period	21,387,460	20,687,502	3	35,002,823	36,291,954	(4)
Other comprehensive income						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	4,939,701	(3,965,247)	n.m.	12,450,183	(6,557,013)	n.m.
Total comprehensive income for the financial period	26,327,161	16,722,255	57	47,453,006	29,734,941	60

n.m.: Not meaningful

	<u>2nd Qtr 2012</u> <u>Rp '000</u>	<u>2nd Qtr 2011</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>	<u>YTD June 2012</u> <u>Rp '000</u>	<u>YTD June 2011</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>
Profit attributable to:						
Owners of the parent	20,261,146	19,773,663	2	33,191,706	34,654,059	(4)
Non-controlling interests	1,126,314	913,839	23	1,811,117	1,637,895	11
	<u>21,387,460</u>	<u>20,687,502</u>	<u>3</u>	<u>35,002,823</u>	<u>36,291,954</u>	<u>(4)</u>
Total comprehensive income attributable to:						
Owners of the parent	25,200,847	15,808,416	59	45,641,889	28,097,046	62
Non-controlling interests	1,126,314	913,839	23	1,811,117	1,637,895	11
	<u>26,327,161</u>	<u>16,722,255</u>	<u>57</u>	<u>47,453,006</u>	<u>29,734,941</u>	<u>60</u>

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

	<u>2nd Qtr 2012</u> <u>Rp '000</u>	<u>2nd Qtr 2011</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>	<u>YTD June 2012</u> <u>Rp '000</u>	<u>YTD June 2011</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>
Interest income	(643,488)	(472,359)	36	(1,250,888)	(892,700)	40
Finance costs	353,416	419,306	(16)	735,042	895,111	(18)
Depreciation expense	2,476,350	2,052,022	21	4,605,055	4,077,916	13
Amortisation of operating use rights	11,040	11,040	n.m.	22,080	22,080	n.m.
Foreign exchange (gain)/loss, net	1,821,594	(1,606,732)	n.m.	1,513,758	(1,592,023)	n.m.
Loss on disposal of plant and equipment, net	1,403	69,777	(98)	1,403	71,253	(98)
Fair value (gain)/loss from financial assets at fair value through profit or loss	359,100	(144,900)	n.m.	283,500	(163,800)	n.m.
Employment benefits expenses - salaries, wages and bonuses	5,698,139	2,895,214	97	10,040,740	6,894,504	46
Operating lease expenses - rental of premises	245,895	242,114	2	488,020	544,141	(10)
Representation and entertainment	80,600	82,747	(3)	193,288	174,116	11
Transportation, travelling and accommodation	191,840	181,346	6	389,332	387,499	n.m.
Additional information:						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	30,707,614	28,526,946	8	50,953,607	50,990,342	n.m.

n.m.: Not meaningful

1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at		As at	
	30/6/2012	31/12/2011	30/6/2012	31/12/2011
	Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets				
Biological assets	794,513,358	784,610,699	-	-
Property, plant and equipment	111,225,956	106,359,075	1,289,985	1,514,991
Investments in subsidiaries	-	-	427,736,718	403,380,856
Operating use rights	804,803	826,883	-	-
Club memberships	941,735	888,112	941,735	888,112
Deferred charges	3,975,142	-	-	-
	911,460,994	892,684,769	429,968,438	405,783,959
Current assets				
Inventories	27,889,585	58,225,483	-	-
Trade and other receivables	9,119,252	9,195,843	163,102,428	153,460,820
Dividend receivable	-	-	3,000,000	3,000,000
Prepayments	690,523	1,265,969	475,990	379,182
Financial assets at fair value through profit or loss	529,200	812,700	-	-
Cash and cash equivalents	278,633,705	256,346,163	166,887,888	165,512,180
	316,862,265	325,846,158	333,466,306	322,352,182
Less:				
Current liabilities				
Trade and other payables	24,664,819	56,237,745	613,820	1,152,199
Dividend payable	191,250	225,000	-	-
Bank borrowings	37,920,000	39,672,500	-	-
Finance lease payables	69,007	118,912	-	-
Current income tax payable	3,744,560	2,284,644	418,442	169,563
	66,589,636	98,538,801	1,032,262	1,321,762
Net current asset	250,272,629	227,307,357	332,434,044	321,030,420
Less:				
Non-current liabilities				
Finance lease payables	4,303	30,121	-	-
Provision for post-employment benefits	9,743,123	9,756,265	-	-
Deferred tax liabilities	164,112,215	163,640,692	37,076	34,965
	173,859,641	173,427,078	37,076	34,965
Net assets	987,873,982	946,565,048	762,365,406	726,779,414
Capital and reserves				
Share capital	681,817,047	681,817,047	681,817,047	681,817,047
Foreign currency translation reserves	27,230,815	14,780,632	80,225,638	36,375,295
Accumulated profits	240,177,095	213,129,461	322,721	8,587,072
Equity attributable to owners of the parent	949,224,957	909,727,140	762,365,406	726,779,414
Non-controlling interests	38,649,025	36,837,908	-	-
Total equity	987,873,982	946,565,048	762,365,406	726,779,414

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

	As at	
	30/6/2012 Rp '000	31/12/2011 Rp '000
Amount repayable in one year or less, or on demand		
Secured	37,989,007	39,791,412
Unsecured	-	-
Total	37,989,007	39,791,412
Amount repayable after one year		
Secured	4,303	30,121
Unsecured	-	-
Total	4,303	30,121

The secured loans are collateralised by corporate and personal guarantees, building use rights, land operating use rights, machinery and equipment of the Group.

1(c) Consolidated Statement of Cash Flows, together with a comparative statement for the corresponding period of the immediately preceding financial year

	2nd Qtr 2012 Rp '000	2nd Qtr 2011 Rp '000	YTD June 2012 Rp '000	YTD June 2011 Rp '000
Cash flows from operating activities				
Profit before income tax	28,510,296	26,516,936	46,842,318	46,887,935
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	22,080	22,080
Depreciation of property, plant and equipment	2,514,800	2,052,023	4,605,055	4,077,916
Fair value gain from financial assets at fair value through profit or loss	359,100	(144,900)	283,500	(163,800)
Finance cost	353,416	419,306	735,042	895,111
Interest income	(643,488)	(472,359)	(1,250,888)	(892,700)
Unrealised foreign exchange (gain)/loss, net	(1,205,922)	1,606,732	(1,513,759)	1,592,023
Currency translation losses/(gains)	3,742,624	(8,595,239)	4,037,842	(9,078,122)
Operating cash flows before working capital changes	33,641,866	21,393,539	53,761,190	43,340,443
Working capital changes:				
Inventories	10,724,983	(20,191,216)	30,335,898	(23,336,278)
Trade and other receivables	2,113,681	9,101,144	76,591	(2,314,371)
Prepayments	437,438	(143,531)	575,446	392,013
Trade and other payables	(11,713,545)	14,624,137	(31,572,926)	13,855,369
Utilisation of post-employment benefits	(9,171)	(13,258)	(13,142)	(13,258)
Cash generated from operations	35,195,252	24,770,815	53,163,057	31,923,918
Interest paid	(353,416)	(419,306)	(735,042)	(895,111)
Interest received	643,488	472,359	1,250,888	892,700
Income tax paid	(4,902,215)	(7,325,282)	(9,941,807)	(11,338,515)
Net cash from operating activities	30,583,109	17,498,586	43,737,096	20,582,992

	2nd Qtr 2012	2nd Qtr 2011	YTD June 2012	YTD June 2011
	Rp '000	Rp '000	Rp '000	Rp '000
Cash flows investing activities				
Acquisition of biological assets	(5,568,917)	(4,530,395)	(9,902,659)	(10,905,349)
Purchase of club membership	-	372	-	372
Purchase of plant and equipment	(5,089,048)	(3,111,944)	(9,591,726)	(10,344,874)
Proceeds of disposal of plant and equipment	-	-	203,737	-
Payments for deferred expenditure	(346,642)	-	(3,975,142)	-
Net cash used in investing activities	(11,004,607)	(7,641,967)	(23,265,790)	(21,249,851)
Cash flows from financing activities				
Dividends paid	(6,144,072)	-	(6,144,072)	-
Repayments of bank borrowings	-	(46,142,800)	(1,752,500)	(57,359,820)
Proceeds from bank borrowings	1,200,000	50,638,300	-	57,359,820
Repayments of obligations under finance leases	(38,269)	(233,065)	(75,723)	(746,318)
Net cash (used in)/from financing activities	(4,982,341)	4,262,435	(7,972,295)	(746,318)
Net change in cash and cash equivalents	14,596,161	14,119,056	12,499,011	(1,413,177)
Cash and cash equivalents at beginning of financial period	261,686,886	244,722,275	256,346,163	263,899,681
Effects of currency translation on cash and cash equivalents	2,350,658	2,210,260	9,788,531	(1,434,913)
Cash and cash equivalents at end of financial period	278,633,705	261,051,591	278,633,705	261,051,591



GLOBAL PALM RESOURCES HOLDINGS LIMITED

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 capitalization 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					Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Equity attributable to owners of the parent Rp '000	Non-controlling interests Rp '000	
Balance as at 1 January 2012	681,817,047	14,780,632	213,129,461	909,727,140	36,837,908	946,565,048
Profit for the financial period	-	-	33,191,706	33,191,706	1,811,117	35,002,823
Other comprehensive income for the financial period: Foreign currency translation differences	-	12,450,183	-	12,450,183	-	12,450,183
Total comprehensive income for the financial period	-	12,450,183	33,191,706	45,641,889	1,811,117	47,453,006
Dividend paid	-	-	(6,144,072)	(6,144,072)	-	(6,144,072)
Balance as at 30 June 2012	681,817,047	27,230,815	240,177,095	949,224,957	38,649,025	987,873,982
Balance as at 1 January 2011	681,817,047	14,805,750	113,490,015	810,112,812	31,751,296	841,864,108
Profit for the financial period	-	-	34,654,059	34,654,059	1,637,895	36,291,954
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(6,557,013)	-	(6,557,013)	-	(6,557,013)
Total comprehensive income for the financial period	-	(6,557,013)	34,654,059	28,097,046	1,637,895	29,734,941
Balance as at 30 June 2011	681,817,047	8,248,737	148,144,074	838,209,858	33,389,191	871,599,049



GLOBAL PALM RESOURCES HOLDINGS LIMITED

Company	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits/(losses) Rp '000	Total Rp '000
Balance as at 1 January 2012	681,817,047	36,375,295	8,587,072	726,779,414
Profit for the financial period	-	-	(8,264,351)	(8,264,351)
Other comprehensive income for the financial period:				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	43,850,343	-	43,850,343
Total comprehensive income for the financial period	-	43,850,343	(8,264,351)	35,585,992
Balance as at 30 June 2012	681,817,047	80,225,638	322,721	762,365,406
Balance as at 1 January 2011	681,817,047	22,755,695	6,073,634	710,646,376
Profit for the financial period	-	-	1,291,022	1,291,022
Other comprehensive income for the financial period:				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(1,950,448)	-	(1,950,448)
Total comprehensive income for the financial period	-	(1,950,448)	1,291,022	(659,426)
Balance as at 30 June 2011	681,817,047	20,805,247	7,364,656	709,986,950

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 30 June 2012	As at 31 December 2011
412,968,000	412,968,000

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 consolidation financial statements for the financial year ended 31 December 2011 except for the valuation of biological assets which will be undertaken at the end of the financial year. 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).

	<u>2nd Qtr 2012</u> Rp	<u>2nd Qtr 2011</u> Rp	<u>YTD June 2012</u> Rp	<u>YTD June 2011</u> Rp
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	49	48	80	84
(b) based on a fully diluted basis	49	48	80	84
Number of shares outstanding				
- Weighted average number of shares	412,968,000	412,968,000	412,968,000	412,968,000
- Total 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.

	<u>Group</u>		<u>Company</u>	
	As at		As at	
	<u>30/6/2012</u>	<u>31/12/2011</u>	<u>30/6/2012</u>	<u>31/12/2011</u>
Net asset value per ordinary share (Rp)	2,392	2,292	1,846	1,760
Number of shares outstanding	412,968,000	412,968,000	412,968,000	412,968,000

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

2Q2012 versus 2Q2011

Revenue

Our revenue for 2Q2012 increased by Rp19.7 billion or 23%, from Rp86.6 billion in 2Q2011 to Rp106.3 billion in 2Q2012, mainly contributed by higher crude palm oil ("CPO") sales of Rp26.4 billion, offset by a decrease in palm kernel ("PK") sales of Rp6.7 billion.

Revenue from CPO sales increased by Rp26.4 billion, from Rp75.9 billion in 2Q2011 to Rp102.3 billion in 2Q2012, attributed by higher sales volume and increase in the average selling price of CPO. Sales volume of CPO increased by 3,303 tons from 10,005 tons in 2Q2011 to 13,308 tons in 2Q2012. The average selling price of CPO increased by Rp101 per kilogram, from Rp7,586 per kilogram in 2Q2011 to Rp7,687 per kilogram in 2Q2012.

Revenue from PK decreased by Rp6.7 billion, from Rp10.8 billion in 2Q2011 to Rp4.1 billion in 2Q2012. This was mainly due to a decrease in the average selling price of PK as well as a decrease in PK sales volume. Average selling price per kilogram of PK decreased by Rp1,305 per kilogram from Rp5,421 per kilogram in 2Q2011 to Rp4,116 per kilogram in 2Q2012. Sales volume decreased by 995 tons, from 1,982 tons in 2Q2011 to 987 tons in 2Q2012.

Costs of sales

Cost of sales increased by Rp11.8 billion or 21%, from Rp56.5 billion in 2Q2011 to Rp68.3 billion in 2Q2012. This was mainly due to the increase in sales volume of CPO, resulting in higher labour costs. The increase in cost of sales was also due to higher repairs and maintenance for the plantation and factory and higher indirect material used (which comprised mainly cost of fertilizers).

Gross profit

As a result of the higher revenue over cost of sales, gross profit increased by Rp8.0 billion or 26%, from Rp30.1 billion in 2Q2011 to Rp38.1 billion in 2Q2012. Gross profit margin increased from 34.8% in 2Q2011 to 35.8% in 2Q2012.

Distribution expenses

Distribution expenses decreased by Rp0.4 billion or 70% from Rp0.5 billion in 2Q2011 to Rp0.1 billion in 2Q2012. This was mainly due to decrease in freight and stevedoring costs, which was in line with the lower sales of PK.

Administrative expenses

Administrative expenses increased by Rp2.9 billion or 57% from Rp5.1 billion in 2Q2011 to Rp8.0 billion in 2Q2012. This was mainly due to payments of Rp2.9 billion to the estate of our late Chief Operating Officer, Mr Thomas Agap Lim (brother-in-law to our current Chief Executive Officer), as required under Indonesia's laws and regulations.

Finance costs

Finance costs remained constant at Rp0.4 billion in 2Q11 and 2Q12.

Interest income

Interest income increased marginally by Rp0.1 billion or 36%, from Rp0.5 billion in 2Q2011 to Rp0.6 billion in 2Q2012, which was due to the higher interest earned from more deposits placed with the bank.

Other income

Other income decreased by Rp0.4 billion or 47%, from Rp0.9 billion in 2Q2011 to Rp0.5 billion in 2Q2012, which was mainly due to the decrease in fair value gain from financial assets at fair value through profit or loss.

Other expenses

Other expenses decreased marginally by Rp0.1 billion, which was due to lower loss on disposal of plant and equipment.

Foreign exchange loss, net

Foreign exchange loss of Rp1.8 billion in 2Q2012 was mainly due to appreciation of SGD against IDR.

Profit before income tax

As a result of the foregoing, profit before income tax increased by Rp2.0 billion or 8%, from Rp26.5 billion in 2Q2011 to Rp28.5 billion in 2Q2012.

Income tax expense

Income tax expense increased by Rp1.3 billion or 22%, from Rp5.8 billion in 2Q2011 to Rp7.1 billion in 2Q2012. The increase is in line with the higher profit.

Profit after income tax

As a result of the above, profit after income tax increased by Rp0.7 billion or 3%, from Rp20.7 billion in 2Q2011 to Rp21.4 billion in 2Q2012.

1H2012 versus 1H2011

Revenue

Our revenue for 1H2012 increased by Rp30.3 billion or 17%, from Rp175.0 billion in 1H2011 to Rp205.3 billion in 1H2012, mainly contributed by higher crude palm oil (“CPO”) sales of Rp40.9 billion, offset by a decrease in palm kernel (“PK”) sales of Rp10.6 billion.

Revenue from CPO sales increased by Rp40.9 billion, from Rp151.3 billion in 1H2011 to Rp192.2 billion in 1H2012, attributed by higher sales volume, offset by a decrease in the average selling price of CPO. Sales volume of CPO increased by 6,131 tons from 19,786 tons in 1H2011 to 25,917 tons in 1H2012. The average selling price of CPO decreased by Rp230 per kilogram, from Rp7,645 per kilogram in 1H2011 to Rp7,415 per kilogram in 1H2012.

Revenue from PK decreased by Rp10.6 billion, from Rp23.7 billion in 1H2011 to Rp13.1 billion in 1H2012. This was mainly due to the decrease in the average selling price of PK as well as a slight decrease in PK sales volume. Average selling price per kilogram of PK decreased by Rp2,645 per kilogram from Rp5,957 per kilogram in 1H2011 to Rp3,312 per kilogram in 1H2012. Sales volume decreased by 25 tons, from 3,978 tons in 1H2011 to 3,953 tons in 1H2012.

Costs of sales

Cost of sales increased by Rp23.9 billion or 20%, from Rp117.9 billion in 1H2011 to Rp141.8 billion in 1H2012. This was mainly due to the increase in sales volume of CPO, resulting in higher labour costs. The increase in cost of sales was also due to higher indirect material used (which comprised mainly cost of fertilizers) and higher cost of upkeep and harvesting.

Gross profit

As a result of the higher revenue over cost of sales, gross profit increased by Rp6.4 billion or 11%, from Rp57.1 billion in 1H2011 to Rp63.5 billion in 1H2012. Gross profit margin decreased from 32.6% in 1H2011 to 30.9% in 1H2012.

Distribution expenses

Distribution expenses increased by Rp0.2 billion or 23% from Rp1.1 billion in 1H2011 to Rp1.3 billion in 1H2012. This was mainly due to compensations to PK customers for quantity variance at destination, offset by lower freight and stevedoring costs, which is in line with the lower sales of PK.

Administrative expenses

Administrative expenses increased by Rp3.4 billion or 30% from Rp11.3 billion in 1H2011 to Rp14.7 billion in 1H2012. This was mainly due to (i) payments of Rp2.9 billion to the estate of our late Chief Operating Officer, Mr Thomas Agap Lim (brother-in-law to our current Chief Executive Officer), as required under Indonesia’s laws and regulations, as well as (ii) higher professional fees.

Finance costs

Finance costs decreased by Rp0.2 billion from Rp0.9 billion in 1H2011 to Rp0.7 billion in 1H2012. This was due to lower bank borrowings, offset by an increase in bank charges.

Interest income

Interest income increased by Rp0.4 billion or 40%, from Rp0.9 billion in 1H2011 to Rp1.3 billion in 1H2012, mainly due to the higher interest earned from more deposits placed with the bank.

Other income

Other income decreased by Rp0.2 billion or 22%, from Rp1.1 billion in 1H2011 to Rp0.9 billion in 1H2012, which was mainly due to the decrease in fair value gain from financial assets at fair value through profit or loss.

Other expenses

Other expenses remained constant at Rp0.5 billion in 1H2011 and 1H2012.

Foreign exchange loss, net

Foreign exchange loss of Rp1.5 billion in 1H2012 was mainly due to appreciation of SGD against IDR.

Profit before income tax

As a result of the foregoing, profit before income tax decreased by Rp0.1 billion, from Rp46.9 billion in 1H2011 to Rp46.8 billion in 1H2012.

Income tax expense

Income tax expense increased by Rp1.2 billion or 12%, from Rp10.6 billion in 1H2011 to Rp11.8 billion in 1H2012. The increase is in line with the higher profit.

Profit after income tax

As a result of the above, profit after income tax decreased by Rp1.3 billion or 4%, from Rp36.3 billion in 1H2011 to Rp35.0 billion in 1H2012.

Review of Financial Position as at 30 June 2012

Non-current assets

Non-current assets for the Group increased by Rp18.8 billion or 2%, from Rp892.7 billion as at 31 December 2011 to Rp911.5 billion as at 30 June 2012. This was mainly due to increase in biological assets for the planting done in FY2012, increase in property, plant and equipment and deferred charges incurred for the land location permit for expansion of the Group's land bank.

Current assets

Current assets for the Group decreased by Rp9.0 billion or 3%, from Rp325.9 billion as at 31 December 2011 to Rp316.9 billion as at 30 June 2012. This was mainly due to reduction in the inventories.

Current liabilities

Current liabilities for the Group decreased by Rp31.9 billion or 32%, from Rp98.5 billion as at 31 December 2011 to Rp66.6 billion as at 30 June 2012. This was mainly due to decrease in advances received from customers in FY2012 and decrease in trade payables.

Non-current liabilities

Non-current liabilities for the Group increased by Rp0.4 billion, from Rp173.4 billion as at 31 December 2011 to Rp173.8 billion as at 30 June 2012. This was mainly due to the increase in deferred tax liabilities for the portion of profit that will not be taxed in the current year.

Review of Consolidated Cash Flows

Net cash flow from operating activities for 1H2012 increased by Rp23.1 billion, from Rp20.6 billion in 1H2011 to Rp43.7 billion in 1H12. Higher cash inflow recorded is mainly due to increase in sales receipts from customers.

Net cash used in investing activities of Rp23.3 billion comprised mainly additional planting, purchase of planting equipment and payments for deferred expenditure.

Net cash used in financing activities of Rp8.0 billion was mainly for dividend paid to shareholders in 1H2012 as well as partial repayment of bank borrowings.

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.

The negative impact of El Nino in U.S and Southeast Asia is expected to tighten the market supply of CPO and other vegetable oils in the coming months, providing support for CPO prices.

In the first half of 2012, global demand for Indonesian palm oil grew at a steady rate as shown by an 8% growth in export volume to 7.91 million metric tons, according to media report¹, this point to the resilient demand for food requirements from China, India, Indonesia and other emerging markets.

The Group expects its CPO production to remain relatively stable for the coming months as its palm trees recover from biological stress.

As part of its ongoing expansion strategy, the Group remains focused on plans to expand its operations. In April 2012, the Group obtained a land location permit, issued by the provincial government of East Kalimantan, for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village. Both villages are located in Berau Regency, East Kalimantan, Indonesia. The land location permit is valid for two years with effect from 21 March 2012 and the Group is currently evaluating its next steps and will make the appropriate announcement/(s) in regard to any developments arising from the permit if necessary.

At the same time, the Group is also looking at ways to further streamline its operations 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?

None

¹ Linda Yulisman (27 July, 2012). Global demand for palm oil intact. Retrieved from <http://www.thejakartapost.com/news/2012/07/27/global-demand-palm-oil-intact.html>

(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. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

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)
	FY2012	FY2012
PT Bumiraya Utama Lines	2,001	NIL*

*The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5)

The Directors of the Company 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 financial period from 1 January 2012 to 30 June 2012 to be false or misleading in any material aspects.

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO

14 August 2012