

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 2013 TO 30 JUNE 2013**

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

	<u>2nd Qtr 2013</u> <u>Rp '000</u>	<u>2nd Qtr 2012</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>	<u>YTD June 2013</u> <u>Rp '000</u>	<u>YTD June 2012</u> <u>Rp '000</u>	<u>Change</u> <u>%</u>
Revenue	84,112,167	106,357,520	(21)	150,914,158	205,276,240	(26)
Cost of sales	(68,877,211)	(68,251,614)	1	(122,426,230)	(141,779,246)	(14)
Gross profit	<u>15,234,956</u>	<u>38,105,906</u>	<u>(60)</u>	<u>28,487,928</u>	<u>63,496,994</u>	<u>(55)</u>
Operating expenses						
Distribution expenses	(623,174)	(158,596)	n.m.	(932,294)	(1,300,020)	(28)
Administrative expenses	(6,439,811)	(8,002,530)	(20)	(14,125,299)	(14,693,814)	(4)
Finance costs	(220,981)	(353,416)	(37)	(437,530)	(735,042)	(40)
	<u>(7,283,966)</u>	<u>(8,514,542)</u>	<u>(14)</u>	<u>(15,495,123)</u>	<u>(16,728,876)</u>	<u>(7)</u>
Other items of income/(expenses)						
Interest income	1,254,815	643,488	95	2,630,634	1,250,888	110
Other income	(81,005)	455,290	n.m.	979,264	856,337	14
Other expenses	(430,986)	(358,250)	20	(728,133)	(519,266)	40
Foreign exchange gain/(loss), net	(879,811)	(1,821,596)	(52)	2,180,636	(1,513,759)	n.m.
	<u>(136,987)</u>	<u>(1,081,068)</u>	<u>(87)</u>	<u>5,062,401</u>	<u>74,200</u>	<u>n.m.</u>
Profit before income tax	7,814,003	28,510,296	(73)	18,055,206	46,842,318	(61)
Income tax expense	(1,437,259)	(7,122,836)	(80)	(2,984,708)	(11,839,495)	(75)
Profit for the financial period	<u>6,376,744</u>	<u>21,387,460</u>	<u>(70)</u>	<u>15,070,498</u>	<u>35,002,823</u>	<u>(57)</u>
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	881,499	4,939,701	n.m.	(1,932,932)	12,450,183	n.m.
Total comprehensive income for the financial period	<u><u>7,258,243</u></u>	<u><u>26,327,161</u></u>	<u>(72)</u>	<u><u>13,137,566</u></u>	<u><u>47,453,006</u></u>	<u>(72)</u>

n.m.: Not meaningful



GLOBAL PALM RESOURCES HOLDINGS LIMITED

	2nd Qtr 2013 Rp '000	2nd Qtr 2012 Rp '000	Change %	YTD June 2013 Rp '000	YTD June 2012 Rp '000	Change %
Profit attributable to:						
Owners of the parent	6,063,807	20,261,146	(70)	14,400,966	33,191,706	(57)
Non-controlling interests	312,937	1,126,314	(72)	669,532	1,811,117	(63)
	6,376,744	21,387,460	(70)	15,070,498	35,002,823	(57)
Total comprehensive income attributable to:						
Owners of the parent	6,945,306	25,200,847	(72)	12,468,034	45,641,889	(73)
Non-controlling interests	312,937	1,126,314	(72)	669,532	1,811,117	(63)
	7,258,243	26,327,161	(72)	13,137,566	47,453,006	(72)

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

	2nd Qtr 2013 Rp '000	2nd Qtr 2012 Rp '000	Change %	YTD June 2013 Rp '000	YTD June 2012 Rp '000	Change %
Interest income	(1,254,815)	(643,488)	95	(2,630,634)	(1,250,888)	110
Finance costs	220,981	353,416	(37)	437,530	735,042	(40)
Depreciation expense	2,604,129	2,476,350	5	5,090,980	4,605,055	11
Amortisation of operating use rights	11,040	11,040	n.m.	22,080	22,080	n.m.
Foreign exchange loss/(gain), net	879,811	1,821,596	(52)	(2,180,636)	1,513,759	n.m.
(Gain)/loss on disposal of plant and equipment, net	(560)	1,403	n.m.	(152,638)	1,403	n.m.
Fair value loss/(gain) from financial assets at fair value through profit or loss	95,130	359,100	(74)	120,330	283,500	(58)
Employment benefits expenses - salaries, wages and bonuses	4,013,432	5,698,139	(30)	8,952,089	10,040,740	(11)
Operating lease expenses - rental of premises	265,610	245,895	8	531,377	488,020	9
Representation and entertainment	171,018	80,600	112	319,226	193,288	65
Transportation, travelling and accommodation	133,239	191,840	(31)	325,976	389,332	(16)
Additional information:						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	9,395,338	30,707,614	(69)	20,975,162	50,953,607	(59)

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	
	30/6/2013	31/12/2012	30/6/2013	31/12/2012
	Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets				
Biological assets	681,505,322	677,144,369	-	-
Property, plant and equipment	118,272,722	114,688,293	694,775	1,038,082
Investments in subsidiaries	-	-	452,312,180	456,110,059
Operating use rights	760,642	782,723	-	-
Club memberships	995,843	1,004,204	995,843	1,004,204
Deferred charges	3,628,500	3,628,500	-	-
	805,163,029	797,248,089	454,002,798	458,152,345
Current assets				
Inventories	32,566,105	51,965,656	-	-
Trade and other receivables	23,887,811	18,219,104	303,820,740	304,075,714
Dividend receivable	-	-	19,000,000	19,000,000
Prepayments	1,118,222	1,461,642	450,174	396,272
Financial assets at fair value through profit or loss	191,520	311,850	-	-
Cash and cash equivalents	278,241,639	292,415,847	35,058,768	49,518,401
	336,005,297	364,374,099	358,329,682	372,990,387
Less:				
Current liabilities				
Trade and other payables	33,548,330	53,629,424	800,620	980,000
Dividend payable	1,700,000	1,700,000	-	-
Bank borrowings	29,787,000	29,010,000	-	-
Finance lease payables	8,606	30,121	-	-
Current income tax payable	1,835,977	3,577,185	275,347	727,455
	66,879,913	87,946,730	1,075,967	1,707,455
Net current asset	269,125,384	276,427,369	357,253,715	371,282,932
Less:				
Non-current liabilities				
Provision for post-employment benefits	13,533,756	13,585,152	-	-
Deferred tax liabilities	136,098,306	135,518,065	49,541	49,957
	149,632,062	149,103,217	49,541	49,957
Net assets	924,656,351	924,572,241	811,206,972	829,385,320
Capital and reserves				
Share capital	681,817,047	681,817,047	681,817,047	681,817,047
Foreign currency translation reserves	40,410,586	42,343,518	124,968,320	131,774,843
Accumulated profits	168,503,892	167,156,382	4,421,605	15,793,430
Equity attributable to owners of the parent	890,731,525	891,316,947	811,206,972	829,385,320
Non-controlling interests	33,924,826	33,255,294	-	-
Total equity	924,656,351	924,572,241	811,206,972	829,385,320

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

	As at	
	30/6/2013 Rp '000	31/12/2012 Rp '000
Amount repayable in one year or less, or on demand		
Secured	29,795,606	29,040,121
Unsecured	-	-
Total	29,795,606	29,040,121
Amount repayable after one year		
Secured	-	-
Unsecured	-	-
Total	-	-

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 2013 Rp '000	2nd Qtr 2012 Rp '000	YTD June 2013 Rp '000	YTD June 2012 Rp '000
Cash flows from operating activities				
Profit before income tax	7,814,003	28,510,296	18,055,206	46,842,318
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	22,080	22,080
(Gain)/loss on disposal of plant and equipment, net	(560)	1,403	(152,638)	1,403
Depreciation of property, plant and equipment	2,604,129	2,476,350	5,090,980	4,605,055
Fair value loss/(gain) from financial assets at fair value through profit or loss	95,130	359,100	120,330	283,500
Finance costs	220,981	353,416	437,530	735,042
Interest income	(1,254,815)	(643,488)	(2,630,634)	(1,250,888)
Currency translation losses	1,344,108	2,498,252	(736,599)	2,524,083
Operating cash flows before working capital changes	10,834,016	33,566,369	20,206,255	53,762,593
Working capital changes:				
Inventories	16,261,024	10,724,983	19,399,551	30,335,898
Trade and other receivables	(1,766,735)	2,113,681	(5,663,472)	76,591
Prepayments	(93,045)	437,438	343,420	575,446
Trade and other payables	3,845,782	(11,716,545)	(20,081,094)	(31,572,926)
Utilisation of post-employment benefits	(66)	(9,171)	(51,396)	(13,142)
Cash generated from operations	29,080,976	35,116,755	14,153,264	53,164,460
Interest paid	(219,625)	(353,416)	(434,140)	(735,042)
Interest received	1,254,693	643,488	2,625,399	1,250,888
Income tax paid	(2,568,616)	(4,902,215)	(4,145,674)	(9,941,807)
Net cash from operating activities	27,547,428	30,504,612	12,198,849	43,738,499



GLOBAL PALM RESOURCES HOLDINGS LIMITED

	2nd Qtr 2013	2nd Qtr 2012	YTD June 2013	YTD June 2012
	Rp '000	Rp '000	Rp '000	Rp '000
Cash flows from investing activities				
Acquisition of biological assets	(2,020,205)	(5,568,917)	(4,360,953)	(9,902,659)
Purchase of plant and equipment	(4,439,913)	(5,030,733)	(8,731,973)	(9,591,726)
Proceeds of disposal of plant and equipment	12,153	17,182	200,790	202,334
Payments for deferred expenditure	-	(346,642)	-	(3,975,142)
Net cash used in investing activities	(6,447,965)	(10,929,110)	(12,892,136)	(23,267,193)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	(13,053,456)	(6,144,072)	(13,053,456)	(6,144,072)
Finance lease interest	(1,356)	-	(3,390)	-
Repayments of bank borrowings	-	-	-	(1,752,500)
Proceeds from bank borrowings	-	1,200,000	-	-
Repayments of obligations under finance leases	(8,606)	(38,269)	(21,515)	(75,723)
Net cash used in financing activities	(13,063,418)	(4,982,341)	(13,078,361)	(7,972,295)
Net change in cash and cash equivalents	8,036,045	14,593,161	(13,771,648)	12,499,011
Cash and cash equivalents at beginning of financial period	270,044,189	261,686,886	292,415,847	256,346,163
Effects of currency translation on cash and cash equivalents	161,405	2,350,658	(402,560)	9,788,531
Cash and cash equivalents at end of financial period	278,241,639	278,630,705	278,241,639	278,633,705



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/(losses) Rp '000	Equity attributable to owners of the parent Rp '000	Non-controlling interests Rp '000	
Balance as at 1 January 2013	681,817,047	42,343,518	167,156,382	891,316,947	33,255,294	924,572,241
Profit for the financial period	-	-	14,400,966	14,400,966	669,532	15,070,498
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(1,932,932)	-	(1,932,932)	-	(1,932,932)
Total comprehensive income for the financial period	-	(1,932,932)	14,400,966	12,468,034	669,532	13,137,566
Dividend paid	-	-	(13,053,456)	(13,053,456)	-	(13,053,456)
Balance as at 30 June 2013	681,817,047	40,410,586	168,503,892	890,731,525	33,924,826	924,656,351
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 on translation of non-Indonesian rupiah financial statements	-	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



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 2013	681,817,047	131,774,843	15,793,430	829,385,320
Profit for the financial period	-	-	1,681,631	1,681,631
Other comprehensive income/(loss) for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(6,806,523)	-	(6,806,523)
Total comprehensive income/(loss) for the financial period	-	(6,806,523)	1,681,631	(5,124,892)
Dividend paid	-	-	(13,053,456)	(13,053,456)
Balance as at 30 June 2013	681,817,047	124,968,320	4,421,605	811,206,972
Balance as at 1 January 2012	681,817,047	36,375,295	8,587,072	726,779,414
Loss for the financial period	-	-	(2,120,279)	(2,120,279)
Other comprehensive income/(loss) 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/(loss) for the financial period	-	43,850,343	(2,120,279)	41,730,064
Dividend paid	-	-	(6,144,072)	(6,144,072)
Balance as at 30 June 2012	681,817,047	80,225,638	322,721	762,365,406

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 2013	As at 31 December 2012
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 2012 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 2013</u> <u>Rp</u>	<u>2nd Qtr 2012</u> <u>Rp</u>	<u>YTD June 2013</u> <u>Rp</u>	<u>YTD June 2012</u> <u>Rp</u>
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	15	49	35	80
(b) based on a fully diluted basis	15	49	35	80
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>	
	<u>As at</u>		<u>As at</u>	
	<u>30/6/2013</u>	<u>31/12/2012</u>	<u>30/6/2013</u>	<u>31/12/2012</u>
Net asset value per ordinary share (Rp)	2,239	2,239	1,964	2,008
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

2Q2013 versus 2Q2012

Revenue

Our revenue for 2Q2013 decreased by Rp22.2 billion or 21%, from Rp106.3 billion in 2Q2012 to Rp84.1 billion in 2Q2013, mainly contributed by lower crude palm oil ("CPO") sales of Rp25.1 billion and offset by higher palm kernel ("PK") sales of Rp2.9 billion.

Revenue from CPO sales decreased by Rp25.1 billion, from Rp102.2 billion in 2Q2012 to Rp77.1 billion in 2Q2013, due to lower sales volume and decrease in the average selling price of CPO. Sales volume of CPO decreased by 1,352 tons from 13,308 tons in 2Q2012 to 11,956 tons in 2Q2013. Average selling price of CPO decreased by Rp1,236 per kilogram, from Rp7,687 per kilogram in 2Q2012 to Rp6,451 per kilogram in 2Q2013.

Revenue from PK increased by Rp2.9 billion, from Rp4.1 billion in 2Q2012 to Rp7.0 billion in 2Q2013. This was due to higher sales volume and partially offset by a decrease in average selling price of PK. Sales volume increased by 1,815 tons, from 987 tons in 2Q2012 to 2,802 tons in 2Q2013. Average selling price of PK decreased by Rp1,622 per kilogram from Rp4,116 per kilogram in 2Q2012 to Rp2,494 per kilogram in 2Q2013.

Costs of sales

Cost of sales increased by Rp0.6 billion or 1%, from Rp68.3 billion in 2Q2012 to Rp68.9 billion in 2Q2013. This was mainly due to higher plantation and factory overheads incurred for indirect material used (which comprised mainly cost of fertilizers) and freight and stevedoring costs (which was in line with the higher sales volume of PK sold ex Pontianak), offset by decrease in purchases of fresh fruit bunch ("FFB") from third parties and lower FFB average purchase price.

Gross profit

As a result of the foregoing, gross profit decreased by Rp22.9 billion or 60%, from Rp38.1 billion in 2Q2012 to Rp15.2 billion in 2Q2013. Gross profit margin decreased from 35.8% in 2Q2012 to 18.1% in 2Q2013.

Distribution expenses

Distribution expenses increased by Rp0.5 billion from Rp0.1 billion in 2Q2012 to Rp0.6 billion in 2Q2013. This was mainly due to increase in sales claims and higher freight and stevedoring costs for PK sales that was sold ex Pontianak.

Administrative expenses

Administrative expenses decreased by Rp1.6 billion or 20% from Rp8.0 billion in 2Q2012 to Rp6.4 billion in 2Q2013. 2Q2012 figure had a one-time payment made to the estate of our late Chief Operating Officer, Mr Thomas Agap Lim.

Finance costs

Finance costs decreased by Rp0.2 billion or 37%, from Rp0.4 billion in 2Q2012 to Rp0.2 billion in 2Q2013 due to lower bank borrowings.

Interest income

Interest income increased by Rp0.7 billion or 95%, from 0.6 billion in 2Q2012 to Rp1.3 billion in 2Q2013 due to higher interest earned from bank deposits.

Other income

Other income decreased by Rp0.5 billion due to lower sales of sludge and kernel shells.

Other expenses

Other expenses increased marginally by Rp0.1 billion or 20%, from Rp0.3 billion in 2Q2012 to Rp0.4 billion in 2Q2013, due to higher expenses incurred for area survey.

Foreign exchange loss, net

Net foreign exchange loss of Rp0.9 billion in 2Q2013 was due to the net difference of the appreciation or depreciation between USD, SGD and IDR.

Profit before income tax

As a result of the foregoing, profit before income tax decreased by Rp20.7 billion or 73%, from Rp28.5 billion in 2Q2012 to Rp7.8 billion in 2Q2013.

Income tax expense

Income tax expense decreased by Rp5.7 billion or 80%, from Rp7.1 billion in 2Q2012 to Rp1.4 billion in 2Q2013. The decrease is in line with the lower profit.

Profit after income tax

As a result of the above, profit after income tax decreased by Rp15.0 billion or 70%, from Rp21.4 billion in 2Q2012 to Rp6.4 billion in 2Q2013.

1H2013 versus 1H2012

Revenue

Our revenue for 1H2013 decreased by Rp54.4 billion or 26%, from Rp205.3 billion in 1H2012 to Rp150.9 billion in 1H2013, mainly contributed by lower crude palm oil (“CPO”) sales of Rp50.5 billion and lower palm kernel (“PK”) sales of Rp3.9 billion.

Revenue from CPO sales decreased by Rp50.5 billion, from Rp192.2 billion in 1H2012 to Rp141.7 billion in 1H2013, due to lower sales volume and decrease in the average selling price of CPO. Sales volume of CPO decreased by 2,856 tons from 25,917 tons in 1H2012 to 23,061 tons in 1H2013. The lower sales volume was due to lower FFB purchase from third parties as they have set up their own mill. Average selling price of CPO decreased by Rp1,268 per kilogram, from Rp7,415 per kilogram in 1H2012 to Rp6,147 per kilogram in 1H2013.

Revenue from PK decreased by Rp3.9 billion, from Rp13.1 billion in 1H2012 to Rp9.2 billion in 1H2013. This was due to lower sales volume and decrease in average selling price of PK. Sales volume decreased by 188 tons, from 3,953 tons in 1H2012 to 3,765 tons in 1H2013. Average selling price of PK decreased by Rp877 per kilogram from Rp3,312 per kilogram in 1H2012 to Rp2,435 per kilogram in 1H2013.

Costs of sales

Cost of sales decreased by Rp19.4 billion or 14%, from Rp141.8 billion in 1H2012 to Rp122.4 billion in 1H2013. This was mainly due to decrease in purchases of fresh fruit bunch (“FFB”) and lower FFB average purchase price.

Gross profit

As a result of the foregoing, gross profit decreased by Rp35.0 billion or 55%, from Rp63.5 billion in 1H2012 to Rp28.5 billion in 1H2013. Gross profit margin decreased from 30.9% in 1H2012 to 18.9% in 1H2013.

Distribution expenses

Distribution expenses decreased by Rp0.4 billion or 28% from Rp1.3 billion in 1H2012 to Rp0.9 billion in 1H2013. This was mainly due to lower sales claims in 1H2013.

Administrative expenses

Administrative expenses decreased by Rp0.6 billion or 4% from Rp14.7 billion in 1H2012 to Rp14.1 billion in 1H2013. 1H2012 figure had a one-time payment made to the estate of our late Chief Operating Officer, Mr Thomas Agap Lim.

Finance costs

Finance costs decreased by Rp0.3 billion or 40%, from Rp0.7 billion in 1H2012 to Rp0.4 billion in 1H2013 due to lower bank borrowings.

Interest income

Interest income increased by Rp1.3 billion or 110%, from 1.3 billion in 1H2012 to Rp2.6 billion in 1H2013 due to higher interest earned from bank deposits.

Other income

Other income increased marginally by Rp0.1 billion or 14%, from Rp0.9 billion in 1H2012 to Rp1.0 billion in 1H2013 mainly due to fair value gain from financial assets at fair value through profit or loss.

Other expenses

Other expenses increased by Rp0.2 billion or 40%, from Rp0.5 billion in 1H2012 to Rp0.7 billion in 2Q2013, due to higher expenses incurred for area survey.

Foreign exchange gain, net

Net foreign exchange gain of Rp2.2 billion in 1H2013 was due to the net difference of the appreciation or depreciation between USD, SGD and IDR.

Profit before income tax

As a result of the foregoing, profit before income tax decreased by Rp28.7 billion or 61%, from Rp46.8 billion in 1H2012 to Rp18.1 billion in 1H2013.

Income tax expense

Income tax expense decreased by Rp8.8 billion or 75%, from Rp11.8 billion in 1H2012 to Rp3.0 billion in 1H2013. The decrease is in line with the lower profit.

Profit after income tax

As a result of the above, profit after income tax decreased by Rp19.9 billion or 57%, from Rp35.0 billion in 1H2012 to Rp15.1 billion in 1H2013.

Review of Financial Position as at 30 June 2013

Non-current assets

Non-current assets for the Group increased by Rp8.0 billion or 1%, from Rp797.2 billion as at 31 December 2012 to Rp805.2 billion as at 30 June 2013. This was mainly due to increase in biological assets for the plantings done at cost in FP2013 and additions to property, plant and equipment.

Current assets

Current assets for the Group decreased by Rp28.4 billion or 8%, from Rp364.4 billion as at 31 December 2012 to Rp336.0 billion as at 30 June 2013. This was due to decrease in FFB purchases and decrease in cash and cash equivalents. The decrease in cash and cash equivalents is mainly due to purchase of plant and equipment and decrease in cash advances received from customers in FP2013.

Current liabilities

Current liabilities for the Group decreased by Rp21.1 billion or 24%, from Rp88.0 billion as at 31 December 2012 to Rp66.9 billion as at 30 June 2013. This was mainly due to decrease in advances received from customers in FP2013, lower trade payables and lower income tax payables.

Non-current liabilities

Non-current liabilities for the Group increased marginally by Rp0.5 billion from Rp149.1 billion as at 31 December 2012 to Rp149.6 billion as at 30 June 2013, due to the higher deferred tax liabilities.

Review of Consolidated Cash Flows

Net cash generated from operating activities decreased by Rp31.5 billion, from Rp43.7 billion inflow in 1H2012 to Rp12.2 billion in 1H2013. Lower cash generated is mainly due to decrease in sales receipts from customers.

Net cash used in investing activities of Rp12.9 billion comprised mainly additional plantings and purchase of planting equipment.

Net cash used in financing activities of Rp13.1 billion was mainly attributable to dividends paid to equity holders of the Company.

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.

In the second quarter, CPO prices were under pressure from the slower than expected drawdown from record stockpiles in Malaysia and Indonesia and current weakness in crude oil prices. The Group also expects labour costs to rise in the coming months with the upward revision of Indonesia's minimum wages with effect 2013, though it does not expect the impact to be significant as labour costs constitute only around 20% of its total production cost per ton of CPO.

Notwithstanding the volatility and price pressures on CPO, the Group believes that the demand for palm oil remains sustainable in the long run and will continue to vigilantly review its cost structure to ensure that it achieves 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.

(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)
	YTD June 2013	YTD June 2013
PT Bumiraya Utama Lines	2,604	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 2013 to 30 June 2013 to be false or misleading in any material aspects.

15. Update of the utilization of the Initial Public Offering (“IPO”) proceeds of S\$50.6 million

As at 30 June 2013, the use of net proceeds from the IPO are as follows:

Use of net proceeds	Amount allocated (S\$' million)	Amount utilised (S\$' million)	Balance (S\$' million)
Development of existing uncultivated land banks into oil palm plantations	15.61	9.96 ⁽¹⁾	5.65
Acquisition of other oil palm plantations and land banks	15.00	0.46 ⁽²⁾	14.54 ⁽³⁾
Repayment of the loans to PT Bank CIMB Niaga Tbk (“Bank Niaga”)	5.00	5.00	-
Construction of the co-composting plant	2.00	1.47	0.53
Working capital	9.50	9.50 ⁽⁴⁾	-
Invitation expenses	3.49	3.49	-
Total	50.60	29.88	20.72

Notes:

- (1) Out of the S\$9.96 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$8.43 million were used for land clearing purposes.
- (2) The S\$0.46 million utilized for the acquisition of other oil palm plantations and land banks are expenses incurred for the location permit for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan.
- (3) The Company has the option to acquire PT Cemar, an Indonesian-incorporated company which holds *Hak Guna Usaha* to approximately 6,429 ha of oil palm plantation land in the Landak Regency in West Kalimantan. The acquisition is subject to the fulfillment of conditions such as the conduct of legal and financial due diligence on PT Cemar as well as approvals required by the Indonesian authorities.
- (4) S\$8.5 million and S\$1.0 million were used for general working capital of the Indonesia's office and Singapore's office respectively.

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO

12 August 2013