

THIRD QUARTER 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 SEPTEMBER 2013**

1(a)(i) Consolidated Statements 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

	3rd Qtr 2013 Rp '000	3rd Qtr 2012 Rp '000	Change %	YTD Sept 2013 Rp '000	YTD Sept 2012 Rp '000	Change %
Revenue	73,219,165	58,419,372	25	224,133,323	263,695,612	(15)
Cost of sales	(45,788,630)	(32,607,942)	40	(168,214,860)	(174,387,188)	(4)
Gross profit	27,430,535	25,811,430	6	55,918,463	89,308,424	(37)
Operating expenses						
Distribution expenses	(305,634)	(264,211)	16	(1,237,928)	(1,564,231)	(21)
Administrative expenses	(6,645,069)	(5,906,193)	13	(20,770,368)	(20,600,007)	1
Finance costs	(20,944)	(259,481)	(92)	(458,474)	(994,523)	(54)
	(6,971,647)	(6,429,885)	8	(22,466,770)	(23,158,761)	(3)
Other items of income/(expenses)						
Interest income	1,239,238	616,771	101	3,869,872	1,867,659	107
Other income	489,946	441,551	11	1,469,210	1,297,888	13
Other expenses	(446,589)	(176,677)	153	(1,174,722)	(695,943)	69
Foreign exchange gain/(loss), net	(4,678,856)	(2,041,846)	129	(2,498,220)	(3,555,605)	(30)
	(3,396,261)	(1,160,201)	193	1,666,140	(1,086,001)	n.m.
Profit before income tax	17,062,627	18,221,344	(6)	35,117,833	65,063,662	(46)
Income tax expense	(5,829,731)	(4,757,589)	23	(8,814,439)	(16,597,084)	(47)
Profit for the financial period	11,232,896	13,463,755	(17)	26,303,394	48,466,578	(46)
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	39,667,729	11,704,307	n.m.	37,734,797	24,154,490	56
Total comprehensive income for the financial period	50,900,625	25,168,062	102	64,038,191	72,621,068	(12)

n.m.: Not meaningful



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	3rd Qtr 2013 Rp '000	3rd Qtr 2012 Rp '000	Change %	YTD Sept 2013 Rp '000	YTD Sept 2012 Rp '000	Change %
Profit attributable to:						
Owners of the parent	10,263,262	12,651,426	(19)	24,664,229	45,843,132	(46)
Non-controlling interests	969,634	812,329	19	1,639,165	2,623,446	(38)
	11,232,896	13,463,755	(17)	26,303,394	48,466,578	(46)
Total comprehensive income attributable to:						
Owners of the parent	49,930,991	24,355,733	105	62,399,026	69,997,622	(11)
Non-controlling interests	969,634	812,329	19	1,639,165	2,623,446	(38)
	50,900,625	25,168,062	102	64,038,191	72,621,068	(12)

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

	3rd Qtr 2013 Rp '000	3rd Qtr 2012 Rp '000	Change %	YTD Sept 2013 Rp '000	YTD Sept 2012 Rp '000	Change %
Interest income	(1,239,238)	(616,771)	101	(3,869,872)	(1,867,659)	107
Finance costs	20,944	259,481	(92)	458,474	994,523	(54)
Depreciation expense	2,682,215	2,388,618	12	7,773,196	6,993,673	11
Amortisation of operating use rights	11,040	11,040	n.m.	33,120	33,120	n.m.
Foreign exchange loss, net	4,678,856	2,041,846	129	2,498,220	3,555,605	(30)
Loss/(Gain) on disposal of plant and equipment, net	8,355	(12,668)	n.m.	(144,283)	(11,265)	n.m.
Fair value (gain)/loss from financial assets at fair value through profit or loss	(46,620)	154,350	(130)	73,710	437,850	(83)
Employment benefits expenses - salaries, wages and bonuses	4,219,961	3,762,963	12	13,172,050	13,803,703	(5)
Operating lease expenses - rental of premises	279,699	237,693	18	811,076	725,713	12
Representation and entertainment	160,488	25,209	n.m.	479,714	218,496	120
Transportation, travelling and accommodation	252,713	226,363	12	578,689	615,695	(6)
Additional information:						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	18,537,588	20,263,711	(9)	39,512,751	71,217,319	(45)

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	
	30/9/2013	31/12/2012	30/9/2013	31/12/2012
	Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets				
Biological assets	683,705,650	677,144,369	-	-
Property, plant and equipment	120,683,767	114,688,293	621,144	1,038,082
Investments in subsidiaries	-	-	532,665,243	456,110,059
Operating use rights	749,602	782,723	-	-
Club memberships	1,172,754	1,004,204	1,172,754	1,004,204
Deferred charges	3,628,500	3,628,500	-	-
	809,940,273	797,248,089	534,459,141	458,152,345
Current assets				
Inventories	37,661,301	51,965,656	-	-
Trade and other receivables	22,632,959	18,219,104	348,991,908	304,075,714
Dividend receivable	-	-	19,000,000	19,000,000
Prepayments	1,365,451	1,461,642	594,535	396,272
Financial assets at fair value through profit or loss	238,140	311,850	-	-
Cash and cash equivalents	295,118,919	292,415,847	43,899,674	49,518,401
	357,016,770	364,374,099	412,486,117	372,990,387
Less:				
Current liabilities				
Trade and other payables	38,765,220	53,629,424	838,564	980,000
Dividend payable	1,700,000	1,700,000	-	-
Bank borrowings	-	29,010,000	-	-
Finance lease payables	-	30,121	-	-
Current income tax payable	994,598	3,577,185	156,983	727,455
	41,459,818	87,946,730	995,547	1,707,455
Net current asset	315,556,952	276,427,369	411,490,570	371,282,932
Less:				
Non-current liabilities				
Provision for post-employment benefits	13,533,756	13,585,152	-	-
Deferred tax liabilities	136,406,493	135,518,065	58,342	49,957
	149,940,249	149,103,217	58,342	49,957
Net assets	975,556,976	924,572,241	945,891,369	829,385,320
Capital and reserves				
Share capital	681,817,047	681,817,047	681,817,047	681,817,047
Foreign currency translation reserves	80,078,315	42,343,518	267,748,312	131,774,843
Accumulated profits/(losses)	178,767,155	167,156,382	(3,673,990)	15,793,430
Equity attributable to owners of the parent	940,662,517	891,316,947	945,891,369	829,385,320
Non-controlling interests	34,894,459	33,255,294	-	-
Total equity	975,556,976	924,572,241	945,891,369	829,385,320

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

	As at	
	30/9/2013 Rp '000	31/12/2012 Rp '000
Amount repayable in one year or less, or on demand		
Secured	-	29,040,121
Unsecured	-	-
Total	-	29,040,121
Amount repayable after one year		
Secured	-	-
Unsecured	-	-
Total	-	-

The secured loans as at 31 December 2012 were 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

	3rd Qtr 2013 Rp '000	3rd Qtr 2012 Rp '000	YTD Sept 2013 Rp '000	YTD Sept 2012 Rp '000
Cash flows from operating activities				
Profit before income tax	17,062,627	18,221,344	35,117,833	65,063,662
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	33,120	33,120
Loss/(gain) on disposal of plant and equipment, net	8,355	(12,668)	(144,283)	(11,265)
Depreciation expense	2,682,215	2,388,618	7,773,196	6,993,673
Fair value (gain)/loss from financial assets at fair value through profit or loss	(46,620)	154,350	73,710	437,850
Finance costs	20,944	259,481	458,474	994,523
Interest income	(1,239,238)	(616,771)	(3,869,872)	(1,867,659)
Currency translation losses	37,339,922	7,767,260	36,603,322	10,291,343
Operating cash flows before working capital changes	55,839,245	28,172,654	76,045,500	81,935,247
Working capital changes:				
Inventories	(5,095,196)	(15,879,277)	14,304,355	14,456,621
Trade and other receivables	1,259,357	(2,705,429)	(4,404,115)	(2,628,838)
Prepayments	(247,229)	(61,683)	96,191	513,763
Trade and other payables	5,216,890	(1,000,562)	(14,864,204)	(32,573,488)
Utilisation of post-employment benefits	-	-	(51,396)	(13,142)
Cash generated from operations	56,973,067	8,525,703	71,126,331	61,690,163
Interest paid	(19,588)	(259,481)	(453,728)	(994,523)
Interest received	1,234,733	616,771	3,860,132	1,867,659
Income tax paid	(6,362,925)	(4,666,068)	(10,508,599)	(14,607,875)
Net cash from operating activities	51,825,287	4,216,925	64,024,136	47,955,424



GLOBAL PALM RESOURCES HOLDINGS LIMITED

	3rd Qtr 2013	3rd Qtr 2012	YTD Sept 2013	YTD Sept 2012
	Rp '000	Rp '000	Rp '000	Rp '000
Cash flows from investing activities				
Acquisition of biological assets	(2,200,328)	(3,565,919)	(6,561,281)	(13,468,578)
Purchase of club membership	-	(105,748)	-	(105,748)
Purchase of plant and equipment	(5,132,705)	(3,138,014)	(13,864,677)	(12,729,740)
Proceeds of disposal of plant and equipment	131,718	145,039	332,507	347,373
Payments for deferred expenditure	-	(24,347)	-	(3,999,489)
Net cash used in investing activities	(7,201,315)	(6,688,989)	(20,093,451)	(29,956,182)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	-	-	(13,053,456)	(6,144,072)
Finance lease interest paid	(1,356)	-	(4,746)	-
Repayments of bank borrowings	(34,839,000)	(9,156,000)	(34,839,000)	(10,908,500)
Proceeds from bank borrowings	-	-	-	-
Repayments of obligations under finance leases	(8,606)	(30,279)	(30,121)	(106,002)
Net cash used in financing activities	(34,848,962)	(9,186,279)	(47,927,323)	(17,158,574)
Net change in cash and cash equivalents	9,775,010	(11,658,343)	(3,996,638)	840,668
Cash and cash equivalents at beginning of financial period	278,241,639	278,633,705	292,415,847	256,346,163
Effects of currency translation on cash and cash equivalents	7,102,270	9,332,292	6,699,710	19,120,823
Cash and cash equivalents at end of financial period	295,118,919	276,307,654	295,118,919	276,307,654



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	-	-	24,664,229	24,664,229	1,639,165	26,303,394
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	37,734,797	-	37,734,797	-	37,734,797
Total comprehensive income for the financial period	-	37,734,797	24,664,229	62,399,026	1,639,165	64,038,191
Dividend paid	-	-	(13,053,456)	(13,053,456)	-	(13,053,456)
Balance as at 30 September 2013	681,817,047	80,078,315	178,767,155	940,662,517	34,894,459	975,556,976
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	-	-	45,843,132	45,843,132	2,623,446	48,466,578
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	24,154,490	-	24,154,490	-	24,154,490
Total comprehensive income for the financial period	-	24,154,490	45,843,132	69,997,622	2,623,446	72,621,068
Dividend paid	-	-	(6,144,072)	(6,144,072)	-	(6,144,072)
Balance as at 30 September 2012	681,817,047	38,935,122	252,828,521	973,580,690	39,461,354	1,013,042,044



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
Loss for the financial period	-	-	(6,413,964)	(6,413,964)
Other comprehensive income/(loss) for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	135,973,469	-	135,973,469
Total comprehensive income/(loss) for the financial period	-	135,973,469	(6,413,964)	129,559,505
Dividend paid	-	-	(13,053,456)	(13,053,456)
Balance as at 30 September 2013	681,817,047	267,748,312	(3,673,990)	945,891,369
Balance as at 1 January 2012	681,817,047	36,375,295	8,587,072	726,779,414
Loss for the financial period	-	-	(3,939,245)	(3,939,245)
Other comprehensive income/(loss) for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	85,959,374	-	85,959,374
Total comprehensive income/(loss) for the financial period	-	85,959,374	(3,939,245)	82,020,129
Dividend paid	-	-	(6,144,072)	(6,144,072)
Balance as at 30 September 2012	681,817,047	122,334,669	(1,496,245)	802,655,471

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 September 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>3rd Qtr 2013</u> Rp	<u>3rd Qtr 2012</u> Rp	<u>YTD Sept 2013</u> Rp	<u>YTD Sept 2012</u> Rp
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	25	31	60	111
(b) based on a fully diluted basis	25	31	60	111
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> As at		<u>Company</u> As at	
	<u>30/9/2013</u>	<u>31/12/2012</u>	<u>30/9/2013</u>	<u>31/12/2012</u>
Net asset value per ordinary share (Rp)	2,362	2,239	2,290	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

3Q2013 versus 3Q2012

Revenue

Our revenue for 3Q2013 increased by Rp14.8 billion or 25%, from Rp58.4 billion in 3Q2012 to Rp73.2 billion in 3Q2013, mainly contributed by higher crude palm oil ("CPO") sales of Rp15.0 billion and offset by lower palm kernel ("PK") sales of Rp0.2 billion.

CPO sales revenue increased Rp15.0 billion, from Rp55.6 billion in 3Q2012 to Rp70.6 billion in 3Q2013, from higher CPO sales volume, partially offset by decrease in the CPO average selling price. Sales volume of CPO increased by 2,303 tons from 7,702 tons in 3Q2012 to 10,005 tons in 3Q2013. Average selling price of CPO decreased by Rp168 per kilogram, from Rp7,225 per kilogram in 3Q2012 to Rp7,057 per kilogram in 3Q2013.

PK sales revenue decreased by Rp0.2 billion, from Rp2.8 billion in 3Q2012 to Rp2.6 billion in 3Q2013. This was mainly attributed by the decrease in PK average selling price. Sales volume of PK remained relatively constant by a slight increase of 3 tons, from 979 tons in 3Q2012 to 982 tons in 3Q2013. Average selling price of PK decreased by Rp172 per kilogram from Rp2,833 per kilogram in 3Q2012 to Rp2,661 per kilogram in 3Q2013.

Costs of sales

Cost of sales increased by Rp13.2 billion or 40%, from Rp32.6 billion in 3Q2012 to Rp45.8 billion in 3Q2013. This was mainly due to higher CPO sales and higher plantation and factory overheads incurred for indirect material used (which comprised mainly cost of fertilizers).

Gross profit

As a result of the foregoing, gross profit increased by Rp1.6 billion or 6%, from Rp25.8 billion in 3Q2012 to Rp27.4 billion in 3Q2013. Gross profit margin decreased from 44.2% in 3Q2012 to 37.5% in 3Q2013.

Distribution expenses

Distribution expenses remained relatively constant at Rp0.3 billion for 3Q2013 and 3Q2012.

Administrative expenses

Administrative expenses increased by Rp0.7 billion or 13% from Rp5.9 billion in 3Q2012 to Rp6.6 billion in 3Q2013. This was mainly due to higher salaries and wages to employees of the Group and other related costs.



Finance costs

Finance costs decreased by Rp0.2 billion or 92%, from Rp0.3 billion in 3Q2012 to Rp0.1 billion in 3Q2013 due to the full repayment of bank borrowings and finance leases in 3Q2013.

Interest income

Interest income increased by Rp0.6 billion or 101%, from 0.6 billion in 3Q2012 to Rp1.2 billion in 3Q2013 due to higher interest earned from bank deposits.

Other income

Other income remained relatively constant at Rp0.5 billion in 3Q2013 and 3Q2012.

Other expenses

Other expenses increased by Rp0.3 billion or 153%, from Rp0.2 billion in 3Q2012 to Rp0.5 billion in 3Q2013, due to higher expenses incurred for area survey.

Foreign exchange loss, net

Net foreign exchange loss of Rp4.7 billion in 3Q2013 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 Rp1.1 billion or 6%, from Rp18.2 billion in 3Q2012 to Rp17.1 billion in 3Q2013, primarily due to the foreign exchange loss of Rp4.7 billion.

Income tax expense

Income tax expense increased by Rp1.0 billion or 23%, from Rp4.8 billion in 3Q2012 to Rp5.8 billion in 3Q2013. 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 Rp2.3 billion or 17%, from Rp13.5 billion in 3Q2012 to Rp11.2 billion in 3Q2013.

9M2013 versus 9M2012

Revenue

Our revenue for 9M2013 decreased by Rp39.6 billion or 15%, from Rp263.7 billion in 9M2012 to Rp224.1 billion in 9M2013, mainly contributed by decrease in crude palm oil (“CPO”) sales of Rp35.5 billion and decrease in palm kernel (“PK”) sales of Rp4.1 billion.

Revenue from CPO sales decreased by Rp35.5 billion, from Rp247.8 billion in 9M2012 to Rp212.3 billion in 9M2013, due to lower sales volume and decrease in the average selling price of CPO. Sales volume of CPO decreased by 553 tons from 33,619 tons in 9M2012 to 33,066 tons in 9M2013. 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 Rp950 per kilogram, from Rp7,372 per kilogram in 9M2012 to Rp6,422 per kilogram in 9M2013.

Revenue from PK decreased by Rp4.1 billion, from Rp15.9 billion in 9M2012 to Rp11.8 billion in 9M2013. This was due to lower sales volume and decrease in average selling price of PK. Sales volume decreased by 184 tons, from 4,932 tons in 9M2012 to 4,748 tons in 9M2013. Average selling price of PK decreased by Rp736 per kilogram from Rp3,217 per kilogram in 9M2012 to Rp2,481 per kilogram in 9M2013.

Costs of sales

Cost of sales decreased by Rp6.2 billion or 4%, from Rp174.4 billion in 9M2012 to Rp168.2 billion in 9M2013. 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 Rp33.4 billion or 37%, from Rp89.3 billion in 9M2012 to Rp55.9 billion in 9M2013. Gross profit margin decreased from 33.9% in 9M2012 to 24.9% in 9M2013.

Distribution expenses

Distribution expenses decreased by Rp0.4 billion or 21% from Rp1.6 billion in 9M2012 to Rp1.2 billion in 9M2013. This was mainly due to lower sales claims in 9M2013.

Administrative expenses

Administrative expenses increased by Rp0.2 billion or 1% from Rp20.6 billion in 9M2012 to Rp20.8 billion in 9M2013. This was mainly due to higher depreciation expense and repairs and maintenance costs.

Finance costs

Finance costs decreased by Rp0.5 billion or 54%, from Rp1.0 billion in 9M2012 to Rp0.5 billion in 9M2013 due to the full repayment of bank borrowings and finance leases in 9M2013.

Interest income

Interest income increased by Rp2.0 billion or 107%, from 1.9 billion in 9M2012 to Rp3.9 billion in 9M2013 due to higher interest earned from bank deposits.

Other income

Other income increased marginally by Rp0.2 billion or 13%, from Rp1.3 billion in 9M2012 to Rp1.5 billion in 9M2013 mainly due to fair value gain from financial assets at fair value through profit or loss.

Other expenses

Other expenses increased by Rp0.5 billion or 69%, from Rp0.7 billion in 9M2012 to Rp1.2 billion in 9M2013, due to higher expenses incurred for area survey.

Foreign exchange loss, net

Net foreign exchange loss of Rp2.5 billion in 9M2013 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 Rp30.0 billion or 46%, from Rp65.1 billion in 9M2012 to Rp35.1 billion in 9M2013, primarily due to the foreign exchange loss of Rp2.5 billion.

Income tax expense

Income tax expense decreased by Rp7.8 billion or 47%, from Rp16.6 billion in 9M2012 to Rp8.8 billion in 9M2013. 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 Rp22.2 billion or 46%, from Rp48.5 billion in 9M2012 to Rp26.3 billion in 9M2013.

Review of Financial Position as at 30 September 2013

Non-current assets

Non-current assets for the Group increased by Rp12.7 billion or 2%, from Rp797.2 billion as at 31 December 2012 to Rp809.9 billion as at 30 September 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 Rp7.4 billion or 2%, from Rp364.4 billion as at 31 December 2012 to Rp357.0 billion as at 30 September 2013. This was mainly due to decrease in FFB purchases in FP2013.

Current liabilities

Current liabilities for the Group decreased by Rp46.5 billion or 53%, from Rp88.0 billion as at 31 December 2012 to Rp41.5 billion as at 30 September 2013. This was mainly due to lower trade payables and the full repayment of bank borrowings and finance leases in FP2013.

Non-current liabilities

Non-current liabilities for the Group increased by Rp0.8 billion from Rp149.1 billion as at 31 December 2012 to Rp149.9 billion as at 30 September 2013, due to the higher deferred tax liabilities.

Review of Consolidated Cash Flows

Net cash generated from operating activities increased by Rp16.0 billion, from Rp48.0 billion in 9M2012 to Rp64.0 billion in 9M2013. This is mainly due to lower payments for trade and other payables and income taxes.

Net cash used in investing activities of Rp20.1 billion comprised mainly additional plantings and purchase of planting equipment.

Net cash used in financing activities of Rp47.9 billion was mainly attributable to the full repayment of bank borrowings and finance leases as well as 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.

The palm oil prices have slightly rebounded from the last quarter. The Group 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 September 2013	YTD September 2013
PT Bumiraya Utama Lines	3,428	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 September 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 September 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	10.40 ⁽¹⁾	5.21
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	30.32	20.28

Notes:

- (1) Out of the S\$10.40 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$8.66 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 Cemaru, 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 Cemaru 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

7 November 2013