

Press Release

Global Palm posts earnings of Rp10.3 billion in 3Q2013

- Sales grew by 25% to Rp 73.2 billion on the back of higher CPO sales volume

Financial highlights for the period ended 30 September:

Rp'bil	3Q2013	3Q2012	% Chg	9M2013	9M2012	% Chg
Revenue	73.2	58.4	25	224.1	263.7	(15)
Gross profit	27.4	25.8	6	55.9	89.3	(37)
Gross profit margin (%)	37.5	44.2	(7) % pts	24.9	33.9	(9) % pts
EBITDA	18.4	20.3	(9)	39.5	71.2	(45)
Profit before income tax	17.1	18.2	(6)	35.1	65.1	(46)
Net profit attributable to equity holders	10.3	12.7	(19)	24.7	45.8	(46)

SINGAPORE – 7 November 2013 – Mainboard-listed palm-oil producer **Global Palm Resources Holdings Limited** (环球资源控股有限公司) (“Global Palm”, together with its subsidiaries, “the Group”) today reported a net profit attributable to shareholders of Rp10.3 billion (S\$1.1 million) for the three months ended 30 September 2013 (“3Q2013”) with the support of higher Crude Palm Oil (“CPO”) sales volume.

The Group’s revenue for 3Q2013 rose 25% year-on-year to Rp73.2 billion (S\$7.9 million), on the back of higher CPO sales volume and relatively stable Palm Kernel sales volume. The strong CPO sales volume in 3Q2013 helped to pull up the Group’s gross profit to Rp27.4 billion (S\$3.0 million), an increase of 6% from Rp25.8 billion a year ago. Higher fertiliser application and labour costs resulted in a decrease of the Group’s gross profit margin to 37.5%, from 44.2% as compared to a year ago.

Average Selling Prices and Tonnage Sales

The quarter under review saw average selling prices of CPO and Palm Kernels decline by 2% and 6% to Rp7,057/kg (S\$0.76/kg) and Rp2,661/kg (S\$0.29/kg) respectively due to the supply glut and sluggish demand that has continued to dog the global palm oil industry.

CPO sales volume increased 30% year-on-year from 7,702 tons to 10,005 tons, while the volume of Palm Kernel sold during 3Q2013 remained stable at 982 tons, from 979 tons a year ago.

Mainly in view of the above, the Group's gross profit in 3Q2013 improved to Rp27.4 billion (S\$3.0 million), 6% higher compared to Rp25.8 billion (S\$3.3 million) a year ago, while gross profit margin for the current quarter slipped to 37.5% from 44.2% in 3Q2012.

Based on the 3Q2013 results, the Group's earnings per share, based on 412,968,000 shares in issue, declined to Rp25 (S\$0.003) from Rp31 (S\$0.004) as at 3Q2012 while its net asset value per ordinary share rose to Rp2,362 (S\$0.26) as at 30 September 2013 from Rp2,239 (S\$0.28) as at 31 December 2012.

Operational Performance

As of 30 September 2013m the Group's total planted area (nucleus and plasma) totalled 13,518 ha, of which 86% or 11,581 ha comprise mature oil palm trees in their peak production years. FFB yield for the quarter was 4.2 tons/ha compared to 4.5 tons/ha in 3Q2012.

Overall, the Group's efficiency levels remained stable in 3Q2013 with a CPO extraction rate of 21.4% and palm kernel extraction rate of 4.2% compared to 22.0% and 3.7% respectively in 3Q2012.

Outlook and future plans

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.

Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, "The palm oil prices have slightly rebounded from the last quarter. We are pleased to be able to keep our operating costs relatively stable from tighter costs controls and lower purchases of FFB from third parties. We continue to remain positive that the global demand for palm oil in the long run is sustainable and we will continue to work hard at improving the productivity and cost efficiency of our plantation."

Segment Review

	3Q2013	3Q2012	% Chg	9M13	9M12	% Chg
Revenue (Rp' bil)						
CPO	70.6	55.6	+27	212.4	247.8	(14)
Palm Kernels	2.6	2.8	(1)	11.8	15.9	(26)
Sales Volume (tons)						
CPO	10,005	7,702	+30	33,066	33,619	(2)
Palm Kernels	982	979	+1	4,748	4,932	(4)
Ave. Selling Price* (Rp/kg)						
CPO	7,057	7,225	(2)	6,422	7,372	(13)
Palm Kernels	2,661	2,833	(6)	2,481	3,217	(23)

* The Group's CPO selling prices are determined with reference to international prices of CPO trading on Bursa Malaysia Derivatives Berhad in Kuala Lumpur, and published CPO tender prices of other major Indonesian CPO producers.

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The conversion rate used in this press release is S\$1: Rp9,234 for 3Q2013 and S\$1: Rp7,826 for 3Q2012

About Global Palm Resources Holdings Limited

Founded by the Adijanto family, who has various business interests in this region, including coal mining, production of formalin-based chemicals and timber businesses, Global Palm's operating subsidiary PT Prakarsa Tani Sejati commenced the palm oil business in October 1991 in West Kalimantan, Indonesia where the climate and soil conditions are suitable for oil palm cultivation. Today, Global Palm is engaged in the cultivation of oil palms, harvesting of the fresh fruit bunches (FFB) and processing them, together with purchased FFB, into crude palm oil (CPO) and palm kernels.

Strong focus on Corporate Social Responsibility

The Group is also committed to improving the quality of life of the local communities in the area it operates as part of its corporate social responsibility, contributing in the areas of education, social, and cultural welfare, as well as helping to improve living conditions of the local communities. Beyond creating employment opportunities for local communities in its oil palm plantation, it also partners with approximately 1,400 surrounding small landholders in the development of small oil palm plantations, under its Plasma Programme.

Another area of focus of Global Palm is its commitment to sustainable development of its business, with the view to conserve and preserve the natural environment. It adopts a "zero burning" policy, using chain saws and machinery rather than fire to clear land for oil palm cultivation and is continuously working towards "zero waste management" on its CPO production waste. On 26 May 2010, the Group became a member of the Roundtable of Sustainable Palm Oil, a not-for-profit association which promotes the production and use of palm oil in a sustainable manner.

For more information, please visit our website at: <http://www.gprholdings.com>.