

Press Release

Global Palm posts EBITDA of Rp66.4 billion in FY2013

- Sales grew by 3% to Rp 343.5 billion on the back of higher CPO sales volume
- Declares a first and final cash dividend of 0.4 Singapore cents per share

Financial highlights for the period ended 31 December:

Rp'bil	4Q2013	4Q2012	% Chg	FY2013	FY2012	% Chg
Revenue	119.4	69.9	71	343.5	333.6	3
Gross profit	41.6	17.6	136	97.5	106.9	(9)
Gross profit margin (%)	34.8	25.2	9.6 % pts	28.4	32.1	(3.7) % pts
EBITDA	26.9	9.9	171	66.4	81.1	(18)
(Loss)/Profit before income tax	(6.5)	(109.0)	(94)	28.6	(44.0)	n.m.
Net (loss)/profit attributable to equity holders	(13.2)	(83.4)	(84)	11.5	(37.5)	n.m.

SINGAPORE – 28 February 2014 – 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 Rp11.5 billion (S\$1.2 million) for the year ended 31 December 2013 (“FY2013”), compared to a net loss attributable to shareholders of Rp37.5 billion (S\$4.7 million) for FY2012.

The Group’s revenue for FY2013 rose 3% year-on-year to Rp343.5 billion (S\$35.7 million), on the back of higher CPO sales volume and relatively stable Palm Kernel sales volume. The strong CPO sales volume in FY2013 helped to pull up the Group’s gross profit to Rp97.5 billion (S\$10.1 million). Offset by higher fertilizer application and labour costs, the Group’s gross profit in FY2013 dipped slightly to Rp97.5 billion (S\$10.0 million), 9% lower compared to Rp106.9 billion (S\$13.5 million) a year ago. Gross profit margin decreased to 28.4%, from 32.1% as compared to a year ago.

During FY2013, the Group generated a higher net cash inflow of Rp127.3 billion (S\$13.2 million) from its operating activities as compared to Rp72.1 billion (S\$9.1 million) a year ago. The Group's remains financially strong with cash resources amounting to Rp354.5 billion (S\$36.8 million) as at 31 December 2013.

Based on its FY2013 results, the Group is proposing a first and final cash dividend of 0.4 Singapore cents per share. The book closure and payable dates will be announced at a later date.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and Palm Kernels remained stable at Rp6,900/kg (S\$0.72/kg) and Rp2,854/kg (S\$0.30/kg).

CPO sales volume increased 5% year-on-year from 44,432 tons to 46,586 tons, while the sales volume of Palm Kernel dipped slightly to 7,731 tons from 7,881 tons a year ago.

Operational Performance

As of 31 December 2013, the Group's total planted area (nucleus and plasma) totalled 13,521 ha, of which 90% or 12,218 ha comprise mature oil palm trees in their peak production years. FFB yield for the year remained stable at 15.2 tons/ha compared to 15.9 tons/ha in FY2012.

Overall, the Group's efficiency levels remained stable in FY2013 with a CPO extraction rate of 21.7% and palm kernel extraction rate of 4.4% compared to 21.9% and 4.1% respectively in FY2012.

Outlook and future plans

CPO prices are expected to remain volatile considering the uncertainty in the global economy, increasing supply of vegetable oils, and abnormal weather's affect on market dynamics. However, the demand for palm oil is expected to remain strong in view of rising food requirements from China, India, Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries.

The recent depreciation of the Indonesian rupiah against USD has resulted in an increase in margin. This is because we are receiving more Indonesian rupiah for the same selling price based in USD. At the same time, our operating costs which is based in Indonesian rupiah, remains the same.

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, “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

	4Q2013	4Q2012	% Chg	FY13	FY12	% Chg
Revenue (Rp' bil)						
CPO	109.1	63.0	+73	321.5	310.8	+3
Palm Kernels	10.3	6.9	+49	22.1	22.7	(3)
Sales Volume (tons)						
CPO	13,521	10,813	+25	46,586	44,432	+5
Palm Kernels	2,983	2,949	+1	7,731	7,881	(2)
Ave. Selling Price* (Rp/kg)						
CPO	8,070	5,825	+38	6,900	6,995	(1)
Palm Kernels	3,446	2,332	+48	2,854	2,886	(1)

* 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.

###

The conversion rate used in this press release is S\$1: Rp9,628 for FY2013 and S\$1: Rp7,907 for FY2012

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>.