

## Press Release

# Global Palm Resources posts earnings of Rp28 billion in 1Q2014, up 237%

·Higher average selling prices in 1Q2014

·Higher production in 1Q2014

Financial highlights for the period ended 31 March :

Rp'bil	1Q2014	1Q2013	% Chg
Revenue	94.1	66.8	+41
Gross profit	34.8	13.3	+162
Gross profit margin (%)	37.0	19.8	+17.2% pts
<b>EBITDA</b>	<b>36.6</b>	<b>11.6</b>	<b>+216</b>
Profit/(loss) before income tax	36.0	10.2	+252
<b>Net profit/(loss) attributable to equity holders</b>	<b>28.1</b>	<b>8.3</b>	<b>+237</b>

**SINGAPORE – 12 May 2014 – Mainboard-listed palm-oil producer Global Palm Resources Holding 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 Rp28.1 billion (S\$3.1 million) for the three month period ended 31 March 2014 (“1Q2014”), an increase of 237% compared to Rp8.3 billion (S\$1.1 million) a year ago in 1Q2013.

The revenue of the Group increased by 41% from Rp66.8 billion (S\$8.5 million) in 1Q2013 to Rp94.1 billion (US\$10.4 million) in 1Q2014 mainly attributed by higher average selling prices for both CPO and palm kernel during the period.

The Group’s revenue from CPO sales increased by 32% from Rp64.6 billion (S\$8.3 million) in 1Q2013 to Rp85.0 billion (S\$9.4 million) in 1Q2014 mainly due to higher average selling price. The average selling price of CPO increased by 46% from Rp5,819 per kilogram (S\$0.74) in 1Q2013 to Rp8,496 per kilogram (S\$0.94/kg) in 1Q2014.

The revenue from palm kernel increased by 317%, from Rp2.2 billion (S\$0.3 million) in 1Q2013 to Rp9.1 billion (S\$1.0 million) in 1Q2014. This was mainly due to higher sales volume and increase in average selling price. Sales volume increased by 104%, from 963 tons in 1Q2013 to 1,970 tons in 1Q2014. Average selling price increased by 104% from Rp2,262 per kilogram (S\$0.29/kg) in 1Q2013 to Rp4,618 per kilogram (S\$0.51) in 1Q2014.

Due to the higher increase in revenue (41%) compared to the increase in cost of sales (11%), the gross profit of the Group saw a 162% increase from Rp13.3 billion (S\$1.7 million) in 1Q2013 to Rp34.8 billion (S\$3.8 million) in 1Q2014. As a result of the foregoing, profit after tax attributable to equity holders increased by 237% from Rp8.3 billion (S\$1.1 million) in 1Q2013 to Rp28.1 billion (S\$3.1 million) in 1Q2014.

Based on this set of results and 412,968,000 shares in issue, the Group's earnings per share increased to Rp 68 (S\$0.008) as at 1Q2014 from Rp20 (S\$0.003) as at 1Q2013 while its net asset value per ordinary share increased to Rp2,363 (S\$0.261) as at 31 March 2014 from Rp2,345 (S\$0.244) as at 31 December 2013.

### **Operational Performance**

FFB yield for the quarter significantly improved to 3.6 tons/ha in 1Q2014 compared to 3.3 tons/ha in 1Q2013. In 1Q2014, the Group produced 10,546 tons of CPO and 2,286 tons of palm kernel, an increase of 16% and 20% respectively compared to 9,105 tons of CPO and 1,908 tons palm kernel in 1Q2013.

Overall, the Group's efficiency levels remained stable in 1Q2014 with a CPO extraction rate of 21.6% and palm kernel extraction rate of 4.7% compared to 21.9% and 4.6% respectively in 1Q2013.

### **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. According to Australia's Bureau of Meteorology, climate models surveyed indicate that 2014 will to exceptionally dry due to El Nino weather patterns. 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.

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 cost 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

	1Q2014	1Q2013	% Chg
<b>CPO :</b>			
Revenue (Rp' bil)	85.0	64.6	32
Sales volume (tons)	10,004	11,105	(10)
Average selling price * (Rp/kg)	8,496	5,819	46
<b>Palm kernel :</b>			
Revenue (Rp' bil)	9.1	2.2	317
Sales volume (tons)	1,970	963	104
Average selling price * (Rp/kg)	4,618	2,262	104

\* 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: Rp9,050 for 1Q2014, S\$1: Rp7,816 for 1Q2013 and S\$1: Rp9,628.99 for FY2013.

### **About Global Palm Resources Holdings Limited**

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. The Group was founded by the Adijanto family, whose other business interests include coal mining, distribution of consumer products, real estates and timber-related businesses.

### **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. We contribute in the areas of education, social, and cultural welfare, as well as improving living conditions of the local communities. Beyond creating employment opportunities for local communities in its oil palm plantation, the Group 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 the sustainable development of its business and to conserve and preserve the natural environment. The Group adopts a "zero burning" policy, using chain saws and machinery rather than fire to clear land for oil palm cultivation and is continuously working toward "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>.