

## Press Release

# Global Palm achieves strong 4Q2010 performance

- Revenue grew by 20% to Rp94.5 billion on the back of higher average selling prices
- FFB yields improves to 4.62 tons per ha in 4Q10 as palm trees recover from biological tree stress
- Recommends a first and final cash dividend of S\$0.0016 per share

Financial highlights for the period ended 31 December:

(Rp' billion)	3Q2010	4Q2010	4Q2009	Chg (%)	FY2010	FY2009	Chg (%)
Revenue	72.7	94.5	79.1	+20	287.2	301.5	(5)
Gross profit	24.4	39.9	23.3	+71	101.2	101.3	NM
<b>EBITDA</b>	<b>18.8</b>	<b>34.2</b>	<b>22.5</b>	<b>+52</b>	<b>79.2</b>	<b>106.8</b>	<b>(26)</b>
Profit before income tax	16.6	99.0	121.9	(19)	134.2	191.7	(30)
<b>Net profit attributable to equity holders</b>	<b>10.9</b>	<b>66.8</b>	<b>97.3</b>	<b>(31)</b>	<b>89.0</b>	<b>145.0</b>	<b>(39)</b>

Singapore, 23 February 2011 – Mainboard-listed palm-oil producer **Global Palm Resources Holdings Limited** (全球资源控股有限公司) (“Global Palm”, together with its subsidiaries, “the Group”) today reported a sharply improved 4<sup>th</sup> quarter performance on the back of strong average selling prices and improving production yield with the recovery of its oil palms from biological tree stress.

For the 3 months ended 31 December 2010 (4Q2010), the Group posted a robust revenue of Rp94.5 billion (S\$13.7 million), representing a 20% jump year-on-year, and a 30% improvement quarter-on-quarter.

Global Palm’s robust 4Q performance was largely underpinned by higher average selling prices (ASP) of crude palm oil (CPO), which increased by 34%, while the ASP of palm kernel sales surged 104% compared to the year-ago period.

Despite its higher revenue, the Group reported a 31% drop in net profit attributable to equity shareholders to Rp66.8 billion (S\$9.7 million) in 4Q2010. This was due to a number of factors that included the absence of a foreign exchange gain previously enjoyed in 4Q2009, lower gains from changes in fair value of biological assets and higher administrative expenses.

Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, “It has been a challenging year for oil palm plantations in Asia given the unfavourable weather conditions we have been experiencing, which has affected the FFB yields of plantations across the region, including Global Palm’s. I am glad to note that our production performance has improved significantly in recent months. In 4Q2010, despite lower volume sales, we managed to achieve 71% rise in gross profits and our margins have improved substantially to 42% as compared to 30% a year ago.”

In 4Q2010, despite a 12% dip in sales volume to 11,155 tons, revenue generated by CPO increased 18% year-on-year to Rp85.8 billion (S\$12.5 million). This was primarily due to a 34% spike in ASP of CPO to Rp7,690 per kg (S\$1.12). Similarly, a 104% surge in the ASP of Palm Kernels to Rp4,481 per kg (S\$0.65) led to a 33% jump in revenue from Palm Kernels to Rp8.8 billion (S\$1.3 million) in spite of a 35% decline in volume sales to 1,956 tons. (See Table: Segmental Review)

The Group recorded a higher FFB yield of 4.62 tons per ha in 4Q2010, as compared to 3.34 tons per ha and 4.50 tons per ha in 3Q2010 and 4Q2009 respectively. CPO and palm kernel extraction rates were stable at 20.8% and 4.1% respectively in 4Q2010.

Dr Suparno added, “One bright spark worth highlighting in 4Q is that our oil palms are recovering well from the biological tree stress phenomenon that has affected our fresh fruit bunch (FFB) yields last year. Even though we are not at peak recovery yet, our FFB output in 4Q2010 has improved markedly over 3Q2010 levels which augurs well for Global Palm. That said, average selling prices of CPO and palm kernels are expected to remain volatile in the coming months in view of the continued uncertainty in the global financial market and extreme weather’s impact on market dynamics.”

### **FY2010 Performance**

For the 12 months ended 31 December 2010, Global Palm achieved a net profit attributable to equity shareholders of Rp89.0 billion (S\$12.9 million) on Rp 287.2 billion (S\$41.7 million) in revenue. The decline in the Group’s topline in FY2010 was largely due to the biological stress on its oil palms which affected its CPO volume sales.

Global Palm added 693 ha of new plantings in FY2010, increasing its total planted area to 12,229 ha as at 31 December 2010, of which 84% comprise mature oil palm trees in their peak production years.

On a full year basis, the Group's FFB yield was 14.67 tons per ha in FY2010 as compared to 17.54 tons per ha in FY2009, while CPO and palm kernel extraction rates was maintained at 21.1% and 3.9% respectively, compared to 21.5% and 4.0 % in FY2009.

### **Outlook and future plans**

Going forward, the Group believes that demand for palm oil will continue to remain strong supported by rising food requirements from China, India and emerging markets; as well as buoyant demand from the biofuel, oleochemicals and compound feed industries.

Even though CPO prices have soared in 4Q2010 as compared to prices in first nine months of FY2010, the Group expects a measure of price volatility given the uncertainty in the global financial market and abnormal weather's impact on market dynamics.

At the same time, the Group expects further recovery of its production yield in the coming quarters as its palm trees to continue its recovery from the biological tree stress.

Added Dr Suparno, "Our strategy in the longer term remains unchanged. We remain focused on our plan to grow our cultivated land bank through new planting and acquisitions while constantly reviewing our cost structure to achieve a cost competitive model in the long run."

### **Dividends**

The Group is recommending a first and final cash dividend of S\$0.0016 per share for the FY2010. Book closure date is 11 May and the dividend will be paid on 27 May 2011 subject to approval from Shareholders.

"This dividend is a token of Global Palm's appreciation to our shareholders for their staunch support and confidence in the Group since our listing. Hopefully this will be the first of many dividends to come for our shareholders. That said, we will balance our dividend policy with the fact that Global Palm is on an expansion path," said Dr Suparno.

## Segmental Review

	3Q2010	4Q2010	4Q2009	% Chg	FY2010	FY2009	% Chg
<b>Revenue (Rp' bil)</b>							
CPO	66.0	85.8	72.5	+18	263.4	282.2	(7)
Palm Kernels	6.7	8.8	6.6	+33	23.9	19.3	+24
<b>Sales Volume (tons)</b>							
CPO	9,654	11,155	12,616	(12)	38,094	47,627	(20)
Palm Kernels	1,955	1,956	2,996	(35)	6,878	8,886	(23)
<b>Ave. Selling Price* (Rp/kg)</b>							
CPO	6,838	7,690	5,744	+34	6,913	5,925	+17
Palm Kernels	3,432	4,481	2,201	+104	3,472	2,176	+60

\* 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 : Rp6,891

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The initial public offering of Global Palm Resources Holdings Limited was sponsored by AmFraser Securities Pte. Ltd. (a member of AmInvestment Bank Group) and Oversea-Chinese Banking Corporation Limited (collectively, the "Joint Issue Managers"). The Joint Issue Managers assume no responsibility for the contents of this announcement.

### 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.*