



**Press Release**

## Global Palm 2Q net profit rises to Rp20.3 billion on strong CPO sales

- Total revenue up 23% to Rp106.4 billion in 2Q
- Palm kernel revenue falls 62% from lower sales volume and selling prices
  - Expects FFB harvest to stabilise in the coming months

*Financial highlights for the period ended 30 June:*

<b>(Rp' billion)</b>	<b>2Q12</b>	<b>2Q11</b>	<b>% Chg</b>	<b>1H12</b>	<b>1H11</b>	<b>% Chg</b>
Revenue	106.4	86.6	23	205.3	175.0	17
Gross profit	38.1	30.1	26	63.5	57.1	11
<b>EBITDA</b>	<b>30.7</b>	<b>28.5</b>	<b>8</b>	<b>51.0</b>	<b>51.0</b>	<b>n.m.</b>
Profit before income tax	28.5	26.5	8	46.8	46.9	n.m.
<b>Net profit attributable to equity holders</b>	<b>20.3</b>	<b>19.8</b>	<b>2</b>	<b>33.2</b>	<b>34.7</b>	<b>-4</b>

**SINGAPORE – 14 August 2012** – 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”) announced today that its net profit attributable to shareholders rose 2% to Rp20.3 billion (S\$2.7 million) for the second quarter ended 30 June 2012 (“2Q2012”), while revenue of the Group spiked 23% to Rp106.4 billion (S\$14.3 million).

The Group’s improved earnings in the latest quarter was achieved on the back of a 34.8% surge in CPO revenue to Rp102.3 billion (S\$ 13.8 million), from Rp75.9 billion (S\$10.9 million) a year ago, as both sales volume and average selling prices of CPO increased. In contrast, revenue from palm kernels saw a decline of 62% to Rp4.1 billion in 2Q2012 (S\$0.6 million), compared to Rp10.8 billion (S\$1.6 million) a year ago, due to lower sales volume and soft average selling prices.

Based on the latest second quarter results, the Group's earnings per share, based on 412,968,000 shares in issue, rose by a cent to Rp49 (S\$0.007) whilst its net asset value per ordinary share rose to Rp2,392 (S\$0.32) as at 30 June 2012.

In 2Q2012, the Administrative Expenses increased by 56% from Rp5.1 billion (S\$0.7 million) to Rp8.0 billion (S\$1.1 million). This was mainly due to payments made to the estate of our late Chief Operating Officer, Mr Thomas Agap Lim, in accordance with the Indonesia's laws and regulations. The decrease in Distribution Expenses by 70% to Rp0.1 billion (S\$0.02 million) was from a decrease in freight and stevedoring costs arising from lower palm kernel sales.

### **Operational Performance**

Global Palm added 93 hectares (ha) of new plantings in the second quarter, increasing its total planted area (nucleus and plasma) to 13,439 ha as at 30 June 2012. Of this, 81.5% or 10,955 ha comprise mature oil palm trees in their peak production years. The Group's CPO and palm kernel extraction rates were stable at 21.4% and 4.1% respectively in 2Q2012 compared to 22.2% and 4.3% a quarter ago in 1Q2012.

### **Outlook and future plans**

The uncertainty in the global economy, supply and demand of other vegetable oils, as well as abnormal weather's affect on market dynamics, are some of the key factors that will continue to have an affect on demand and price volatility of CPO.

The Group believes that the demand for palm oil is expected to remain strong given the resilient demand for food requirements from China, India, Indonesia and emerging markets. Supporting this, the global demand for Indonesian palm oil grew at a steady rate as shown by an 8% growth in export volume to 7.91 million metric tons in the first half of 2012, according to media report<sup>1</sup>.

In the U.S and Southeast Asia, the negative impact of El Nino is expected tighten the market supply of CPO and other vegetable oils in the coming months, providing support for CPO prices.

Moving ahead, the Group expects its fresh fruit brunch harvest to stabilise in the coming months and Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO elaborated further: "Our FFB harvest has gone up by almost 5,000 tons in the second quarter compared to the first quarter of 2012, signaling that the

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<sup>1</sup> Linda Yulisman (27 July, 2012). Global demand for palm oil intact. Retrieved from <http://www.thejakartapost.com/news/2012/07/27/global-demand-palm-oil-intact.html>

stabilisation of our palm trees. Our FFB yield in the current quarter has also improved to 3.8 tons/ha, compared to 3.2 tons/ha in 1Q2012 and 3.5 tons/ha a year ago in 2Q2011 while our extraction rates remain relatively stable.”

As part of its ongoing expansion strategy, the Group remains focused on plans to expand its operations. In April 2012, the Group obtained a land location permit, issued by the provincial government of East Kalimantan, for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village. Both villages are located in Berau Regency, East Kalimantan, Indonesia. The land location permit is valid for two years with effect from 21 March 2012. The Group is currently evaluating its next steps and will make the appropriate announcement/(s) in regard to any developments arising from the permit if necessary.

At the same time, the Group is also looking at ways to further streamline its operations to achieve a cost competitive model in the long run.

#### Segmental Highlights

	2Q12	2Q11	% Chg	1H12	1H11	% Chg
<b>Revenue (Rp' bil)</b>						
CPO	102.3	75.9	34.8	192.2	151.3	27.0
Palm Kernels	4.1	10.8	-62.0	13.1	23.7	-44.7
<b>Sales Volume (tons)</b>						
CPO	13,308	10,005	33.0	25,917	19,786	31.0
Palm Kernels	987	1,982	-50.2	3,953	3,978	-0.6
<b>Ave. Selling Price* (Rp/kg)</b>						
CPO	7,687	7,586	1.3	7,415	7,645	3.0
Palm Kernels	4,116	5,421	-24.1	3,312	5,957	-44.4

\* 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: Rp7,415 for 2Q2012, and S\$1: Rp6,936 for 2Q2011

**Issued for and on behalf of Global Palm Resources Holdings Limited:**

**August Consulting**

For more information please contact:

Silvia Heng – [silvia@august.com.sg](mailto:silvia@august.com.sg)

Jasmine Teo – [jasmine@august.com.sg](mailto:jasmine@august.com.sg)

Tel: 6733 8873

**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.*