

FIRST QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

**PART I INFORMATION REQUIRED FOR QUARTERLY (Q1, Q2 & Q3),
HALF-YEAR AND FULL YEAR ANNOUNCEMENTS**

**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD
FROM 1 JANUARY 2014 TO 31 MARCH 2014**

1(a)(i) Consolidated Statement of Profit or Loss and Other Comprehensive Income (for the Group), together with a comparative statement for the corresponding period of the immediately preceding financial year

	1st Qtr 2014 Rp '000	1st Qtr 2013 Rp '000	Change %
Revenue	94,089,932	66,801,991	41
Cost of sales	(59,322,152)	(53,549,019)	11
Gross profit	34,767,780	13,252,972	162
Operating expenses			
Distribution expenses	(569,804)	(309,120)	84
Administrative expenses	(7,948,073)	(7,685,488)	3
Finance costs	-	(216,549)	(100)
	(8,517,877)	(8,211,157)	4
Other items of income/(expenses)			
Interest income	1,987,743	1,375,819	44
Other income	1,646,087	1,060,269	55
Other expenses	(462,536)	(297,147)	56
Foreign exchange gain, net	6,616,022	3,060,447	116
	9,787,316	5,199,388	88
Profit before income tax	36,037,219	10,241,203	252
Income tax expense	(6,933,683)	(1,547,449)	348
Profit for the financial period	29,103,536	8,693,754	235
Other comprehensive income:			
<u>Items that may be reclassified subsequently to profit or loss:</u>			
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	(21,561,844)	(2,814,431)	666
Total comprehensive income for the financial period	7,541,692	5,879,323	28

	<u>1st Qtr 2014</u> Rp '000	<u>1st Qtr 2013</u> Rp '000	<u>Change</u> %
Profit attributable to:			
Owners of the parent	28,133,709	8,337,159	237
Non-controlling interests	969,827	356,595	172
	<u>29,103,536</u>	<u>8,693,754</u>	235
Total comprehensive income attributable to:			
Owners of the parent	6,571,865	5,522,728	19
Non-controlling interests	969,827	356,595	172
	<u>7,541,692</u>	<u>5,879,323</u>	28

1(a)(ii) Profit before income tax is arrived at after charging / (crediting) the following significant items:

	<u>1st Qtr 2014</u> Rp '000	<u>1st Qtr 2013</u> Rp '000	<u>Change</u> %
Interest income	(1,987,743)	(1,375,819)	44
Finance costs	-	216,549	(100)
Depreciation expense	2,579,237	2,486,851	4
Amortisation of operating use rights	11,040	11,040	0
Foreign exchange gain, net	(6,616,022)	(3,060,447)	116
Loss/(gain) on disposal of plant and equipment, net	1,702	(152,078)	(101)
Fair value loss from financial assets at fair value through profit or loss	39,060	25,200	55
Employment benefits expenses			
- salaries, wages and bonuses	5,579,488	4,938,657	13
Operating lease expenses			
- rental of premises	343,324	265,768	29
Representation and entertainment	145,048	148,208	(2)
Transportation, travelling and accommodation	189,812	192,737	(2)
Additional information:			
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	36,639,753	11,579,824	216

1(b)(i) Statement of Financial Position, together with a comparative statement as at the end of the immediately preceding financial year

	Group		Company	
	As at		As at	
	31/03/2014	31/12/2013	31/03/2014	31/12/2013
	Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets				
Biological assets	657,035,826	653,185,280	-	-
Property, plant and equipment	119,039,393	119,232,226	448,560	561,437
Investments in subsidiaries	-	-	522,020,337	555,375,799
Operating use rights	727,522	738,563	-	-
Club memberships	1,149,317	1,222,755	1,149,317	1,222,755
Deferred charges	3,628,500	3,628,500	-	-
	781,580,558	778,007,324	523,618,214	557,159,991
Current assets				
Inventories	32,007,114	30,587,623	-	-
Trade and other receivables	19,357,144	18,753,675	367,239,911	382,626,970
Dividend receivable	-	-	22,000,000	22,000,000
Prepayments	1,154,784	1,420,466	503,678	382,790
Financial assets at fair value through profit or loss	219,240	258,300	-	-
Cash and cash equivalents	356,973,821	354,479,648	42,778,529	45,242,076
	409,712,103	405,499,712	432,522,118	450,251,836
Less:				
Current liabilities				
Trade and other payables	51,506,779	55,576,351	860,359	1,048,300
Dividend payable	4,186,250	4,186,250	-	-
Current income tax payable	5,462,291	2,227,728	325,790	346,608
	61,155,320	61,990,329	1,186,149	1,394,908
Net current asset	348,556,783	343,509,383	431,335,969	448,856,928
Less:				
Non-current liabilities				
Provision for post-employment benefits	24,633,344	25,007,853	-	-
Deferred tax liabilities	129,464,366	128,010,915	-	-
	154,097,710	153,018,768	-	-
Net assets	976,039,631	968,497,939	954,954,183	1,006,016,919
Capital and reserves				
Share capital	681,817,047	681,817,047	681,817,047	681,817,047
Foreign currency translation reserves	73,273,713	94,835,557	250,246,629	311,098,031
Accumulated profits	188,408,515	160,274,806	22,890,507	13,101,841
Equity attributable to owners of the parent	943,499,275	936,927,410	954,954,183	1,006,016,919
Non-controlling interests	32,540,356	31,570,529	-	-
Total equity	976,039,631	968,497,939	954,954,183	1,006,016,919

1(b)(ii) Aggregate amount of the Group's borrowings and debt securities

	As at	
	31/03/2014 Rp '000	31/12/2013 Rp '000
Amount repayable in one year or less, or on demand		
Secured	-	-
Unsecured	-	-
Total	-	-
Amount repayable after one year		
Secured	-	-
Unsecured	-	-
Total	-	-

1(c) Consolidated Statement of Cash Flows, together with a comparative statement for the corresponding period of the immediately preceding financial year

	1st Qtr 2014 Rp '000	1st Qtr 2013 Rp '000
Cash flows from operating activities		
Profit before income tax	36,037,219	10,241,203
Adjustments for:		
Amortisation of operating use rights	11,040	11,040
Loss/(gain) on disposal of plant and equipment, net	1,702	(152,078)
Depreciation of property, plant and equipment	2,579,237	2,486,851
Fair value loss from financial assets at fair value through profit or loss	39,060	25,200
Finance costs	-	216,549
Interest income	(1,987,743)	(1,375,819)
Currency translation gain	(18,729,446)	(2,080,707)
Operating cash flows before working capital changes	17,951,069	9,372,239
Working capital changes:		
Inventories	(1,419,491)	3,138,527
Trade and other receivables	(606,094)	(3,896,737)
Prepayments	265,682	436,465
Trade and other payables	(4,069,572)	(23,926,876)
Utilisation of post-employment benefits	(374,509)	(51,329)
Cash generated from/(used in) operations	11,747,085	(14,927,711)
Interest paid	-	(214,515)
Interest received	1,990,368	1,370,706
Income tax paid	(2,245,669)	(1,577,058)
Net cash from/(used in) operating activities	11,491,784	(15,348,578)

	1st Qtr 2014	1st Qtr 2013
	Rp '000	Rp '000
Cash flows from investing activities		
Acquisition of biological assets	(3,850,546)	(2,340,748)
Purchase of plant and equipment	(2,442,624)	(4,292,060)
Proceeds of disposal of plant and equipment	24,442	188,636
Net cash used in investing activities	(6,268,728)	(6,444,172)
Cash flows from financing activities		
Finance lease interest	-	(2,034)
Repayments of obligations under finance leases	-	(12,909)
Net cash used in financing activities	-	(14,943)
Net change in cash and cash equivalents	5,223,056	(21,807,693)
Cash and cash equivalents as at beginning of financial period	354,479,648	292,415,847
Effects of currency translation on cash and cash equivalents	(2,728,883)	(563,965)
Cash and cash equivalents as at end of financial period	356,973,821	270,044,189



GLOBAL PALM RESOURCES HOLDINGS LIMITED

1(d)(i) A statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalization issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year.

Group	Attributable to owners of the parent					Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Equity attributable to owners of the parent Rp '000	Non-controlling interests Rp '000	
Balance as at 1 January 2014	681,817,047	94,835,557	160,274,806	936,927,410	31,570,529	968,497,939
Profit for the financial period	-	-	28,133,709	28,133,709	969,827	29,103,536
Other comprehensive income for the financial period:						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(21,561,844)	-	(21,561,844)	-	(21,561,844)
Total comprehensive income for the financial period	-	(21,561,844)	28,133,709	6,571,865	969,827	7,541,692
Balance as at 31 March 2014	681,817,047	73,273,713	188,408,515	943,499,275	32,540,356	976,039,631
Balance as at 1 January 2013	681,817,047	42,343,518	167,156,382	891,316,947	33,255,294	924,572,241
Profit for the financial period	-	-	8,337,159	8,337,159	356,595	8,693,754
Other comprehensive income for the financial period:						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(2,814,431)	-	(2,814,431)	-	(2,814,431)
Total comprehensive income for the financial period	-	(2,814,431)	8,337,159	5,522,728	356,595	5,879,323
Balance as at 31 March 2013	681,817,047	39,529,087	175,493,541	896,839,675	33,611,889	930,451,564



GLOBAL PALM RESOURCES HOLDINGS LIMITED

Company	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated (losses)/profits Rp '000	Total Rp '000
Balance as at 1 January 2014	681,817,047	311,098,031	13,101,841	1,006,016,919
Profit for the financial period	-	-	9,788,666	9,788,666
Other comprehensive income/(loss) for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(60,851,402)	-	(60,851,402)
Total comprehensive income/(loss) for the financial period	-	(60,851,402)	9,788,666	(51,062,736)
Balance as at 31 March 2014	681,817,047	250,246,629	22,890,507	954,954,183
Balance as at 1 January 2013	681,817,047	131,774,843	15,793,430	829,385,320
Profit for the financial period	-	-	1,495,543	1,495,543
Other comprehensive income/(loss) for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(9,547,448)	-	(9,547,448)
Total comprehensive income/(loss) for the financial period	-	(9,547,448)	1,495,543	(8,051,905)
Balance as at 31 March 2013	681,817,047	122,227,395	17,288,973	821,333,415

1 (d) (ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

Not applicable.

1 (d) (iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year.

Total number of issued shares (the Company has not held any treasury shares):

As at 31 March 2014	As at 31 December 2013
412,968,000	412,968,000

1 (d) (iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on.

Not applicable.

2. Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice has been followed.

These figures have not been audited, or reviewed by the auditors.

3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of a matter.

Not applicable.

4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has applied the same accounting policies and methods of computation in the financial statements for the current reporting period compared with the audited consolidation financial statements for the financial year ended 31 December 2013 except for the valuation of biological assets and the actuarial valuation of the post-employment benefits which will be undertaken at the end of the financial year. In addition, the Group also adopted various revisions to the FRS, which became effective during that period. The said adoption has no significant impact to the financial statements of the Group.

5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6. Earnings per ordinary share of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends; (a) Based on the weighted average number of ordinary shares on issue; and (b) On a fully diluted basis (detailing any adjustments made to the earnings).

	<u>1st Qtr 2014</u> Rp	<u>1st Qtr 2013</u> Rp
Earnings per share for the period (Rp)		
(a) based on weighted average number of shares	68	20
(b) based on a fully diluted basis	68	20
Number of shares outstanding		
- Weighted average number of shares	412,968,000	412,968,000
- Total number of shares	412,968,000	412,968,000

7. Net asset value (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the; (a) current financial period reported on; and (b) immediately preceding financial year.

	<u>Group</u>		<u>Company</u>	
	<u>As at</u>		<u>As at</u>	
	<u>3/31/14</u>	<u>12/31/13</u>	<u>3/31/14</u>	<u>12/31/13</u>
Net asset value per ordinary share (Rp)	2,363	2,345	2,312	2,436
Number of shares outstanding	412,968,000	412,968,000	412,968,000	412,968,000

8. A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following; (a) any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and (b) any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on.

Review of Group performance

1Q2014 versus 1Q2013

Revenue

Our revenue for 1Q2014 increased by Rp27.3 billion or 41%, from Rp66.8 billion in 1Q2013 to Rp94.1 billion in 1Q2014, mainly attributed by higher prices of sales in both crude palm oil ("CPO") and palm kernel ("PK")

Revenue from CPO sales increased by Rp20.4 billion or 31.6% from Rp64.6 billion in 1Q2013 to Rp85.0 billion in 1Q2014 mainly due to higher average selling price despite a decrease of sales volume from the previous period. Sales volume of CPO decreased by 10% from 11,105 tons in 1Q2013 to 10,004 tons in 1Q2014. The average selling price of CPO increased by 46% from Rp5,819 per kilogram in 1Q2013 to Rp8,496 per kilogram in 1Q2014.

Revenue from PK increased by 317% from Rp2.2 billion in 1Q2013 to Rp9.1 billion in 1Q2014. This was mainly due to higher sales volume and increase in average selling price of PK. Sales volume increased by 104% from 963 tons in 1Q2013 to 1,970 tons in 1Q2014. Average selling price of PK increased by 104% from Rp2,262 per kilogram in 1Q2013 to Rp4,618 per kilogram in 1Q2014.

Costs of sales

Cost of sales increased by Rp5.8 billion or 11%, from Rp53.5 billion in 1Q2013 to Rp59.3 billion in 1Q2014. This was mainly due to the increase in the sales volume of PK and the higher prices paid for purchases of fresh fruit bunch ("FFB") from Plasma and third parties. The average purchase price of FFB from Plasma and third parties increased by 68% from Rp1,117 per kilogram in 1Q2013 to Rp1,881 per kilogram in 1Q2014 in tandem with the higher CPO and PK prices.

Gross profit

As a result of the foregoing, gross profit increased by Rp21.5 billion or 162%, from Rp13.3 billion in 1Q2013 to Rp34.8 billion in 1Q2014. Gross profit margin improved from 20% in 1Q2013 to 37% in 1Q2014.

Distribution expenses

Distribution expenses increased by Rp0.3 billion or 84% from Rp0.3 billion in 1Q2013 to Rp0.6 billion in 1Q2014. This was mainly due to higher freight and stevedoring costs resulted from the higher sales volume of PK from 963 tons in 1Q2013 to 1,970 tons in 1Q2014.

Administrative expenses

Administrative expenses increased by Rp0.2 billion or 3% from Rp7.7 billion in 1Q2013 to Rp7.9 billion in 1Q2014. This was mainly due to higher salaries and wages to employees of the Group.

Finance costs

As the bank borrowing had been fully paid off as at 31 December 2013, there was no finance cost incurred in 1Q2014 as compared to Rp0.2 billion in 1Q2013.

Interest income

Interest income increased by Rp0.6 billion or 44%, from Rp1.4 billion in 1Q2013 to Rp2.0 billion in 1Q2014 due to higher interest earned from bank deposits.

Other income

Other income increased by Rp0.6 billion or 55%, from Rp1.0 billion in 1Q2013 to Rp1.6 billion in 1Q2014, which were mainly due to higher sales of scraps, sludge oil and kernel shells.

Other expenses

Other expenses increased by Rp0.2 billion or 56%, from Rp0.3 billion in 1Q2013 to Rp0.5 billion in 1Q2014, mainly due to more expenditure incurred for the survey of new potential areas for plantations.

Foreign exchange gain, net

Foreign exchange gain of Rp6.6 billion in 1Q2014 was mainly due to appreciation of IDR against USD and SGD.

Profit before income tax

As a result of the foregoing, profit before income tax increased by Rp25.8 billion or 252%, from Rp10.2 billion in 1Q2013 to Rp36.0 billion in 1Q2014.

Income tax expense

Income tax expense increased by Rp5.4 billion or 348%, from Rp1.5 billion in 1Q2013 to Rp6.9 billion in 1Q2014. The increase is in line with the higher profit achieved.

Profit after income tax

As a result of the above, profit after income tax increased by Rp20.4 billion or 235%, from Rp8.7 billion in 1Q2013 to Rp29.1 billion in 1Q2014.

Review of Financial Position as at 31 March 2014

Non-current assets

Non-current assets for the Group increased by Rp3.6 billion or 1%, from Rp778.0 billion as at 31 December 2013 to Rp781.6 billion as at 31 March 2014. This was mainly due to increase in biological assets for the plantings and maintenance of immature plantation in 1Q2014.

Current assets

Current assets for the Group increased by Rp4.2 billion or 1%, from Rp405.5 billion as at 31 December 2013 to Rp409.7 billion as at 31 March 2014. This was mainly due to the increase in cash and cash equivalents, the increase in the trade receivable and the increase in inventories in 1Q2014.

Current liabilities

Current liabilities for the Group decreased by Rp0.8 billion or 1%, from Rp62.0 billion as at 31 December 2013 to Rp61.2 billion as at 31 March 2014. This was mainly due to the decrease in the trade payables and other payables.

Non-current liabilities

Non-current liabilities for the Group increased marginally by Rp1.1 billion from Rp153.0 billion as at 31 December 2013 to Rp154.1 billion as at 31 March 2014, due to the higher deferred tax liabilities.

Review of Consolidated Cash Flows

Net cash generated from operating activities increased by Rp26.8 billion, from Rp15.3 billion outflow in 1Q2013 to Rp11.5 billion inflow in 1Q2014. Higher cash generated is mainly due to increase in sales receipts from customers.

Net cash used in investing activities of Rp6.3 billion comprised mainly additional plantings and purchase of planting equipment.

There were no net cash used in financing activities as all the borrowings and debt securities had been fully paid off during FY2013.

9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results.

Not applicable.

10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months.

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 be 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.

11. Dividend

(a) Current Financial Period Reported on

Any dividend declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared (recommended), a statement to that effect.

No dividend has been declared or recommended.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect.

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp'million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (Rp' million)
	FY2014	FY2014
PT Bumiraya Utama Lines	1,108	NIL*

*The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative confirmation pursuant to Rule 705(5)

The Directors of the Company do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the financial period from 1 January 2014 to 31 March 2014 to be false or misleading in any material aspects.

15. Update of the utilization of the Initial Public Offering (“IPO”) proceeds of S\$50.6 million

As at 31 March 2014, the use of net proceeds from the IPO are as follows:

Use of net proceeds	Amount allocated (S\$' million)	Amount utilised (S\$' million)	Balance (S\$' million)
Development of existing uncultivated land banks into oil palm plantations	15.61	11.21 ⁽¹⁾	4.40
Acquisition of other oil palm plantations and land banks	15.00	0.46 ⁽²⁾	14.54 ⁽³⁾
Repayment of the loans to PT Bank CIMB Niaga Tbk (“Bank Niaga)	5.00	5.00	-
Construction of the co-composting plant	2.00	1.49	0.51
Working capital	9.50	9.50 ⁽⁴⁾	-
Invitation expenses	3.49	3.49	-
Total	50.60	31.15	19.45

Notes:

- (1) Out of the S\$11.21 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$9.38 million were used for land clearing purposes.
- (2) The S\$0.46 million utilized for the acquisition of other oil palm plantations and land banks are expenses incurred for the location permit for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan.
- (3) The Company has the option to acquire PT Cemar, an Indonesian-incorporated company which holds *Hak Guna Usaha* approximately 6,429 ha of oil palm plantation land in the Landak Regency in West Kalimantan. The acquisition is subject to the fulfillment of conditions such as the conduct of legal and financial due diligence on PT Cemar as well as approvals required by the Indonesian authorities.
- (4) S\$8.5 million and S\$1.0 million were used for general working capital of the Indonesia’s office and Singapore’s office respectively.

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO

12 May 2014