



# Growing Value

Driving Sustainability

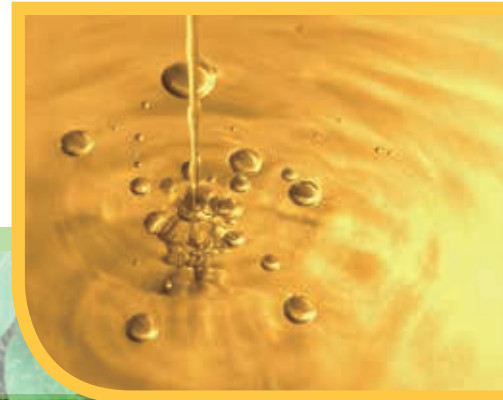
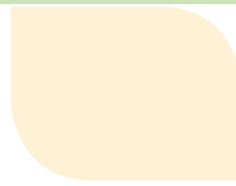


2014  
Annual Report



# Contents

01	About our logo
02	Corporate profile
03	Corporate milestones
04	Message from our chairman & CEO
06	Board of directors
08	Executive officers
10	Our sustainability philosophy
12	Operational highlights
14	Financial review
18	Corporate information
19	Corporate governance report
36	Financial Statements
96	Statistics of Shareholdings
98	Notice of Annual General Meeting







## About our logo

Our corporate logo features a circular formation of five symbols in different colours, each representing the natural resources and gifts that we depend on for the growth of our oil palms.

Starting at the top, the golden symbol represents sunshine, which is freely given to us. The sun's light, beaming down on our oil palms over time, produces the photosynthesis that allows them to grow from a small seed to a giant, fruit-bearing tree.

To the left, the blue symbol represents the natural watering of our plants that occur through the abundant rainfall our plantation receives each year.

The third symbol, in green, serves to depict the natural environment around our plantation. Lush with life and resplendent with the ability to produce healthy vegetation, it is in this environment that our oil palms thrive and bear fruit.

The red symbol represents the nutrient-rich soil that we inherit with the land. With the capacity to fertilise and serve as a catalyst for growth, this soil is yet another reminder of how strategically located our oil palm operations are in Indonesia.

Each of these natural resources, freely provided

to us, contributes to the success of our business. This success is displayed by the last golden symbol which not only represents our golden palm oil but also alludes to our core value of excellence.

To whom much is given, much is required. We aim to be responsible with all that has been entrusted to us. We see ourselves as stewards of these articles, and believe that it is our duty to act on them in an excellent, responsible and sustainable way; producing maximum fruit. This final symbol, completing the cycle with gold, represents the role that Global Palm Resources is committed to play.

Though small in comparison to the generosity given to us, the role we aspire to play is just as critical. We are firmly committed to take what we have and manage it in an efficient, environmentally and socially responsible way. In the process, we aim to deliver long-term sustainable value to our investors and stakeholders.

Inspired to humility by the external generosity of the entire process, we are committed to leave the land and its inhabitants better off than we found them.

Global Palm Resources Holdings Limited – Benefiting People and the Planet.

## Corporate profile



Listed on the Mainboard of the Singapore Exchange on 29 April 2010, Global Palm Resources Holdings Limited (“Global Palm Resources”) is an Indonesia-based oil palm producer. The Group is involved in the cultivation, harvesting and processing of oil palm fruit into crude palm oil (“CPO”) and palm kernel for sale.

Global Palm Resource’s plantation and mill is strategically located in West Kalimantan, a region where the climatic conditions are highly suitable for oil palm cultivation. Since its founding in 1991, it has a land bank of 16,079 hectare (“ha”) of which about 85.0% is under cultivation. As at 31 December 2014, approximately 96.5% of the Group’s oil palms are in mature production stage.


Sustainable development is an integral part of our business and it is embedded in the way we operate. We are dedicated to improving the living conditions as well as quality of life of the local communities around us, and also actively contributing in the areas of education, social, and cultural welfare.


With the view to conserve and preserve the natural environment, we adopt a “zero burning” policy for oil palm cultivation, using chainsaws and machinery, rather than fire, to clear land for cultivation which causes air pollution and risks forest fires.


The Group also has a ‘zero waste management’ for our CPO production with our co-composting plant generating organic fertilisers by co-composting empty palm fruit bunches (“EFB”) and palm oil mill effluent (“POME”). This is a major step towards the further greening of our operations as this co-composting process significantly reduces the amount of methane gases released into the environment compared with traditional methods of disposal. In addition, it also reduces our reliance and expenditures on commercial fertilisers, which is in line with our direction of positioning as a low cost producer.


Since 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.


## Corporate milestones


 **1991**  
Commenced palm oil business in West Kalimantan

 **1992**  
Set up our first plantation nursery


 **1993**  
Received Hak Guna Usaha (land right) for 5,477 ha for palm oil cultivation in October; and cultivated our first batch of oil palms over an area of 1,600 ha in September


 **1994**  
Received Hak Guna Usaha for another 10,602 ha of land


 **1996**  
Entered Cooperation Agreements under the Plasma Programme; and achieved bulk of planting by 1996 which amounted to approximately 7,000 ha collectively


 **1997**  
Completed mill with FFB processing capacity of 40 tons per hour in September and subsequently recorded our first CPO sale in October


 **2000**  
Entered Cooperation Agreements under the Plasma Programme


 **2007**  
Between 1997 and 2007, an additional 3,296 ha of land was cultivated


 **2008**  
Increased FFB processing capacity to 60 tons per hour in February

 **2010**  
Successfully listed on the Main Board of the Singapore Exchange in April; and became a member of the Roundtable of Sustainable Palm Oil in May

 **2011**  
Added 951 ha of new plantings in 2011; increasing its total planted area to 13,180 ha as at 31 December

 **2012**  
Obtained a land location permit for 7,170 ha of land in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan, Indonesia. The permit was issued by the provincial government of East Kalimantan and is valid for two years with effect from 21 March 2012

 **2013**  
Obtained Environmental Impact Assessment (Amdal) approval for the 7,170 ha of land in Muara Lesan Village and Lesan Dayak Village both located in Berau Regency, East Kalimantan, Indonesia

 **2014**  
Obtained a land location permit for 6,546 ha of land in sub-districts of Ngabang and Jelimpo, both located in Landak Regency, West Kalimantan, Indonesia. The permit was issued by the Regency Government of West Kalimantan and is valid for three years with effect from 16 December 2014



## Message from our chairman & CEO



### DEAR SHAREHOLDERS,

I am pleased at GPR's performance in 2014. Thanks to the efforts of our staff and stakeholders, we rode a 13% CPO price increase in the first quarter of the year with solid production despite weather conditions. Although prices have slipped steadily since then to RM2,266 at the end of 2014, we have maintained our production growth and continue to provide strong returns coming into 2015.

CPO prices have recovered to RM2,364 as of writing in March 2015. Our company will remain vigilant and maintain our commitment to cost efficiency in the face of volatile and uncertain commodity prices. Without the burden of debt we remain in a strong position to weather unexpected changes in the commodities arena.

### A Better Operating Performance

The Group's net profit attributable to shareholders was Rp72.0 billion (S\$7.6 million) for the year ended 31 December 2014 ("FY2014"), compared to a net profit attributable to shareholders of Rp12.0 billion (S\$1.2 million) for the previous year.

The Group's revenue for FY2014 rose 25.0% year-on-year to Rp428.3 billion (S\$45.5 million), on the back of higher CPO sales volume and palm kernel sales volume. The strong CPO and PK sales volume in FY2014 pulled the Group's gross profit to Rp147.3 billion (S\$15.6 million). Gross profit margin improved from 28.4% in FY2013 to 34.4% in FY2014.

During FY2014, the Group generated a higher net cash inflow of Rp112.8 billion (S\$12.0 million) from its operating activities as compared to Rp77.4 billion (S\$8.0 million) in the previous year. The Group's remains financially strong with cash resources amounting to Rp412.7 billion (S\$43.8 million) as at 31 December 2014.



### Outlook and Strategy

The beginning of 2015 arrived during a tumultuous period for global commodity prices. On the 5th of February, the Indonesian government increased their biodiesel subsidy, causing CPO prices to shoot up by 3.5%. During Bursa Malaysia's POC 2015, Datuk Carl Bek-Nielsen of United Plantations noted bio-fuel accounted for 44% of the demand growth for oils and fats in 2014.

On the supply side, Mr. Dorab Mistry, director of Godrej International Ltd., has predicted Malaysian output will remain static in 2015 due to the coinciding of seasonal and biological low cycles.<sup>1</sup>

Simultaneously, there have been concern over deflated demand due to a global economic slump. Statistics Indonesia (BPS) has indicated Indonesia's GDP grew by 5.02% year on year in 2014 – the lowest rate for the past five years. China's economy is continuing to cool. During the National People's Congress in the first week of March, China has set their 2015 growth target at around 7%. Despite this downwards trend in growth, the fact remains that consumption of vegetable oils per capita in China, Indonesia, and India, major palm oil markets, remains almost four times lower than that of the developed West.<sup>2</sup>

Based on the above, we remain cautiously optimistic regarding palm oil prices in the long term. In the beginning of this year, to weather the uncertainty in price outlook, it is as important as ever for us to uphold our commitment to excellence in cost management and yield optimization. We also continue, as is our practice, to monitor all developments in the palm oil industry closely while renewing our exploration for the most suitable expansion opportunities.

### Appreciation

For FY2014, our Board is pleased to propose a first and final cash dividend of 0.7 Singapore cents per share. The book closure and payable dates will be announced at a later date.

I would like to express my gratitude to our shareholders and their continued optimism – thank you for your confidence in us!

To our Board of Directors, management team and employees – we have made big strides last year, thank you for your commitment and dedication. Let us continue to improve by leaps and bounds.

To our customers and business partners – thank you for your support and trust in us. We look forward to many more years of partnership with you.

To all other stakeholders who have made our success a possibility – we greatly appreciate your confidence and support over the years.

Dr Tan Hong Kiat @ Suparno Adijanto  
Executive Chairman and CEO

<sup>1</sup> Bloomberg, "Palm oil output 'the Story' in 2015 as Mistry sees harvest risks." March 4, 2015.

<sup>2</sup> Newswire Europe, "Frost & Sullivan: Growth Opportunity for Indonesia's Palm Oil Market and Downstream Activities." September 6, 2014.



## Board of directors



YEE KIT HONG

GUOK CHIN HUAT SAMUEL

DR SUPARNO ADIJANTO

M. RAJARAM



**DR TAN HONG KIAT @ SUPARNO ADIJANTO**

Executive Chairman and CEO

Appointed to our Board on 13 November 2009, Dr Suparno Adijanto is responsible for the overall operations of the Global Palm Resources Group. Since 1992, he is one of the managing directors of the Bumi Raya Group and is in charge of the plantation division. Prior to this appointment, Dr Suparno Adijanto held several positions in the Bumi Raya Group, as a Manager in charge of finance and business development from 1990 to 1992, and as a management trainee from 1989 to 1990. From 1987 to 1989, Dr Suparno Adijanto was the President of Westpont International Trading Company, a US trading company that deals in commodities between S.E.A and the USA. From 1994 to 2006, he was the non-executive director of Australia-listed Energy World Corporation Limited. From 1993 to 2010, Dr Suparno Adijanto was also a Commissioner for Indonesia listed company, PT Resource Alam Indonesia Tbk, where his responsibilities relate mainly to the supervision of its directors in ensuring that the company's mission, vision and objectives are met. Dr Suparno Adijanto graduated with a Bachelor of Science, Economics (Honours) from the University College London, University of London. He holds a Masters in Business Administration from the Bradford Management Centre, University of Bradford, England and a Doctor of Philosophy from the College of Business Administration, Georgia State University, USA.

**YEE KIT HONG**

Lead Independent Director

Mr Yee was appointed to our Board on 16 March 2010. He is an auditor by profession and has been an audit partner with Kit Yee & Co, a firm of certified public accountants providing audit, accountancy and taxation services since 1989.

From 1982 to 1989, Mr Yee was an audit/tax manager with Ernst & Young in Singapore, where he was responsible for the audit and taxation for small and medium size enterprises. In 2003, Mr Yee was awarded the Public Service Medal by the President of the Republic of Singapore. Mr Yee graduated with a Bachelor in Accountancy from the National University of Singapore and is a member of the Institute of Chartered Accountants, England & Wales and a fellow member of the Institute of Singapore Chartered Accountants. He is also currently a full member of the Singapore Institute of Directors. Mr Yee also sits on the Board of two other listed companies in Singapore.

**M. RAJARAM**

Independent Director

Mr Rajaram was appointed to our Board on 16 March 2010. He is a lawyer by profession and is currently the Senior Director of Straits Law Practice LLC, where he heads the banking and corporate finance department and the India practice group. Mr Rajaram is an Advocate and Solicitor of the Supreme Court of Singapore, a Solicitor of England and Wales and a Fellow in the Singapore Institute of Arbitrators and the Chartered Institute of Arbitrators. From 2004 to 2008, he was the Chairman of the Singapore Indian Chamber of Commerce and Industry. In 2009, Mr Rajaram was awarded the Public Service Medal by the President of the Republic of Singapore. He has been the Honorary Consul of the Republic of Mali in Singapore since 1999, and is currently the vice-chairman of International Relations in the Singapore Business Federation. Mr Rajaram graduated with a Bachelor of Laws (LLB) (Honours) from the National University of Singapore in 1978 and obtained a Masters in Business Administration from the Maastricht School of Management in 1998. He also sits on the Board of another listed company in Singapore.

**GUOK CHIN HUAT SAMUEL**

Independent Director

Mr Guok was appointed to our Board on 16 March 2010. He has been a director of Starhealth Pte. Ltd – a Singapore based importer and distributor of health and medical products – since 1995 and currently sits on the board of three other public-listed companies, Bukit Sembawang Estates Limited, Datapulse Technology Limited and Redwood Group Ltd. He has over 20 years of experience in investment banking, venture capital and private equity businesses.

Mr Guok holds a Bachelor of Science degree in Business Administration from Boston University with Majors in Finance and International Economics, Minor in Chemistry.

## Executive officers

### IVAN SWANDONO

Chief Operating Officer

Mr Swandono joined our Group in September 2011 and was officially promoted to Director of PT Prakarsa Tani Sejati, our subsidiary in Indonesia, in December 2012. In February 2013, he was appointed as our Group's Acting Chief Operating Officer and promoted to our Group's Chief Operating Officer with effect from 10 November 2014. His duties involve overseeing the cultivation of our palm oil plantation and the daily operations of our palm oil mill. He graduated from Purdue University in Indiana, USA with a Bachelor's degree in Mechanical Engineering.

### GE LUIYANTO YAMIN

Chief Financial Officer

Mr Luyanto joined our Group as CFO in January 2008. With over 30 years of experience in finance and accounting work, he oversees the internal control, project management, human resources, strategic planning and advisory-related matters of our Group's Indonesian operations. Mr Luyanto was the Group Finance Manager of the Bumi Raya Group from 2000 to 2010 and the Finance Director and Corporate Secretary of PT Resource Alam Indonesia Tbk from 2007 to 2010. He also has accumulated extensive experience in finance and accounting from his past appointments, as director of operation in PT Nusadana Investama from 1997 to 1998, as director of finance in PT Jakartabarbaru Cosmopolitan in 1997, and as director of finance and administration in PT Asia Perintis Contindo from 1993 to 1997. From 1984 to 1993, he held several appointments within the Dharmala Group and subsequently took on the position of assistant financial controller of Dharmala's listed subsidiary PT Dharmala Sakti Sejahtera Tbk. Mr Luyanto graduated from the Faculty of Economics, University of Indonesia with a Bachelor's degree (Sarjana Ekonomi) in Accounting. He also holds a Master of Science (Administrative Science) from the Faculty of Social and Political Science, University of Indonesia.



### LIM ARDI DHARMA

Head of Project Development

Mr Lim joined our Group in 2008 and is in charge of the identification, planning and execution of the effective development and implementation of projects relating to our Group's growth and expansion. Prior to his current role, Mr Lim joined the Bumi Raya Group in 1991 as a general manager in PT Bumiraya Utama Wood Industries and was responsible for its operations which included liaising with Indonesian governmental authorities for application for various licenses necessary for its business. From 1989 to 1991, Mr Lim was the vice-president of Thai Cane Paper Co Bangkok, where his responsibilities included overseeing the papermill's finance and administrative-related matters. From 1977 to 1989, Mr Lim worked as a branch manager of PT Bir Banjarmasin, a company which held logging concessions. From 1975 to 1976, he had worked as a rice distributor with PT Daya Kapuas Pontianak. Mr Lim graduated from the Secondary Economic School in 1975 where he specialised in book keeping. From 1982 to 1984, Mr Lim studied economics at the Lambung Mangkurat University.





### **BERLINO MAHENDRA**

Head of General Affairs

Mr Mahendra joined our Group in 1991 and is in charge of human resources, coordination of our plasma programme, administration and licensing issues in PT Prakarsa Tani Sejati as well as liaising and maintaining good relations with Indonesian governmental authorities. Prior to joining our Group, Mr Mahendra worked in the industrial timber estate of PT Sinar Kalbar Raya as a coordinator from 1989 to 1991, where he was responsible for licensing matters. Mr Mahendra studied Forestry at the Bogor Agricultural University from 1984 to 1988, and graduated with a Bachelor's degree in Forest Management. Mr Mahendra was officially promoted to Director of PT Prakarsa Tani Sejati, our subsidiary in Indonesia, with effect from 25 February 2015.

### **HENDRIK VIRGILIUS**

Head of Plantation Estate

Mr Virgilius was appointed in September 2011 as the Group's Head of Plantation Estate. As part of his duties, he is in charge of overseeing the cultivation of the Group's oil palm plantation, palm field maintenance and maintenance of FFB yields. Prior to his appointment as the Group's Head of Plantation Estate, Mr Virgilius was the Field General Manager of PT Prakarsa Tani Sejati. He has over 30 years of experience in the Indonesian palm oil industry and has held managerial roles at PT Inti Salim Corpora (Salim Group) in Singkawang, West Kalimantan, Indonesia from 1994 to 2008 and at PT Bumi Raya Utama Group in Palembang, Sumatera, Indonesia from 1988 to 1993. Mr Virgilius holds a Bachelor Degree in Agronomy from University of Sriwijaya, Palembang, Indonesia and a Master Degree in Agronomy from Bogor Agricultural University, Bogor, Indonesia.

## Our Sustainability Philosophy

We at Global Palm Resources believe in the long view. The patient view. In our business, where an oil palm only enters peak production eight years after planting, it is the next generation who benefits from every young sapling we plant. Sustainability is therefore of utmost importance to us. It is only possible to consider the long view when our business does right by the environment and the communities impacted by our operations.

Last year, Global Palm began a comprehensive strategic planning process. Our drive for sustainability is reflected in our strategic processes, aligning all aspects of operations with our purpose, which is:

*To achieve maximum profitability without compromising our commitment to grow with our stakeholders, while leaving the planet better off than we found it.*

By our commitment to low footprint operations and uplifting the community, Global Palm Resources lives out its four core values of Stewardship, Partnership, Community, and Commitment. We only consider ourselves successful when we achieve excellent financial performance without sacrificing our values. Our commitment in following the spirit and regulations of the RSPO and ISPO is a testament to our vision and purpose.

### ENVIRONMENTAL POLICY

At Global Palm Resources, we recognise the importance of being a responsible steward of the land we manage. With this in mind, it is our privilege to leave the land and its inhabitants better off than we found them.

### SUSTAINABLE DEVELOPMENT IS OUR ONLY OPTION

Our ongoing Environmental Policy commits us to the following:

1) **“Zero Burning” for cultivating and planting of new oil palms:**

We strictly adhere to our policy to never use burning to clear land being prepared for oil palm cultivation. We clear trees and vegetation using chain saws and machinery instead of the traditional “slash-and-burn” methods that cause air pollution and risk forest fires.

2) **“Zero waste management” on CPO production waste:**

The production of crude palm oil (CPO) naturally leaves behind empty fruit bunches (EFB) and palm oil mill effluent (POME). EFB left to decompose in landfills can produce environmentally damaging methane gases. POME is typically treated, then released into local rivers and streams. Neither of the above is ideal for an environmentally conscious company like Global Palm Resources. With our co-composting plant, Global Palm Resources is moving towards “Zero Waste Management” by turning wastes into natural organic fertilizers. Apart from cost savings, we are also doing our part for the environment by reducing emissions.

### ROUNDTABLE OF SUSTAINABLE PALM OIL (RSPO) MEMBERSHIP

The RSPO is a not-for-profit association whose main purpose is to promote the production and use of palm oil in a sustainable manner. As a member of the RSPO, our land will eventually be certified to produce CSPO (certified sustainable palm oil) and that will also garner a premium for our product (CPO). Public and industry awareness of our commitment to sustainable palm oil development also serve as a positive reinforcement, pushing us further towards sustainable development.







## INDONESIAN SUSTAINABLE PALM OIL (ISPO) COMPLIANCE

The ISPO is an Indonesian government initiative to raise the competitiveness and sustainability of palm plantations in Indonesia. Global Palm is on track to obtaining ISPO certification.

## COMMUNITY CARE POLICIES AND INITIATIVES

Though caring for the planet is critical, we would be remiss to not demonstrate the same care and concern for the people surrounding our plantation. We believe all who live under our influence should emerge better off from their interactions with us. Be they our employees, neighbours, our small landholders, we believe that they too should benefit from our presence.

It is this philosophy that fuels our commitment to the improvement of the social and economic welfare of local communities. In furtherance of such commitment, we have participated in the Indonesian government-initiated Plasma Programme while simultaneously providing employment opportunities, education, and general welfare (social and cultural) for local communities.

We also subscribe to the idea of responsible giving and community development. Giving support irresponsibly can foster aid dependence and other negative outcomes for our community members. Whenever we can, Global Palm seeks opportunities to improve the living conditions, skills, and capabilities of our neighbours in the local community.

**1. Plasma Programme:** Out of a desire to encourage partnerships between big plantation companies and their surrounding communities, the Indonesian government initiated the Plasma Programme. This involves the development of new plantations by oil palm plantation companies that will then be operated by local small landholders.

As of 31 December 2014, 3,292 ha of Global Palm Resources' plantation land is cultivated under Plasma Programme. As of writing, the program benefits 1,600 small landholders and is set to benefit

more in the future. They have been transferred the management of plantation land we developed, have received our training on plantation management practices and oil palm cultivation. Small landholders, through participation in our Plasma Programme, will benefit economically from this partnership.

**2. Employment:** Local residents greatly benefit from the employment opportunities we create. Locals typically receive priority during staff recruitment. The standard of living for our employees in our palm oil plantation and palm oil mill has also improved.

**3. Education, social and cultural welfare:** Our contributions in the areas of education and social and cultural welfare have also made positive waves.

Global Palm Resources is currently providing kindergarten and primary school education to over 380 children of our workers. By extending scholarships to local children, we are investing in the next generation. We have also provided clean water, electricity, proper sanitation, medical treatment, housing, community halls, infrastructure for education and religious places of worship as part of our staff benefits. On top of it all, we are thrilled to sponsor and participate in various local cultural and religious celebrations. In 2014, we expanded our contribution to the community with a free ambulance service.

## PROFESSIONAL PLANNING AND ALIGNMENT

The best laid plans are foiled for lack of execution. Because we believe a company's sustainability policies are only as good as their abilities to implement them.

This year, we continue to improve our strategic planning processes. By incorporating sustainability as a key part of our strategy, we show our commitment to the triple bottom line and long-term sustainable growth.

## Operational highlights

### PLANTATION STATISTICS (ha)

Financial Year Ended 31 December	FY2012	FY2013	FY2014
<b>Total Planted Area</b>	<b>13,512</b>	<b>13,521</b>	<b>13,667</b>
Mature	11,581	12,218	<b>13,186</b>
Immature	1,931	1,303	<b>481</b>
<b>Nucleus Planted Area</b>	<b>10,424</b>	<b>10,403</b>	<b>10,375</b>
Mature	8,493	9,100	<b>9,894</b>
Immature	1,931	1,303	<b>481</b>
<b>Plasma Planted Area</b>	<b>3,088</b>	<b>3,118</b>	<b>3,292</b>
Mature	3,043	3,118	<b>3,292</b>
Immature	45	0	<b>0</b>

### PRODUCTION OUTPUT (tons)

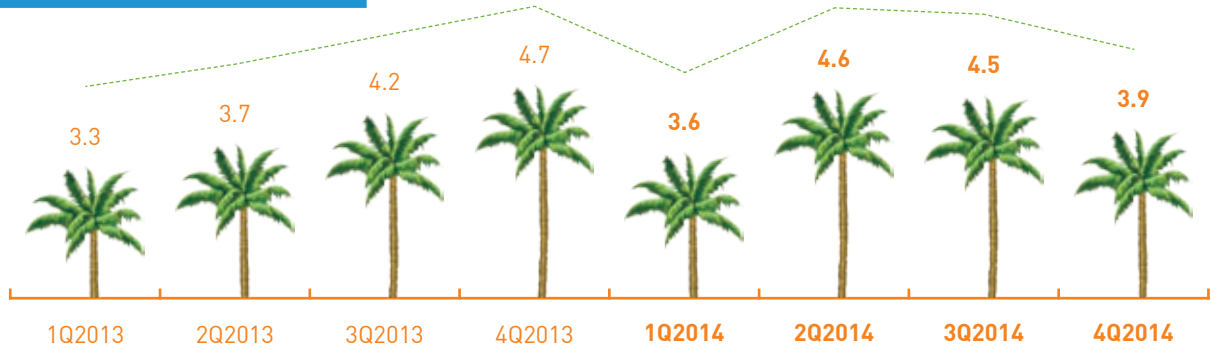
	FY2012	FY2013	FY2014
FFB Harvested from Nucleus	135,316	138,580	<b>154,201</b>
FFB Harvested from Plasma	50,723	52,216	<b>62,335</b>
FFB Processed	198,467	196,366	<b>220,965</b>
CPO Production	43,414	42,602	<b>47,835</b>
PK Production	8,180	8,699	<b>9,595</b>



### FFB YIELD (tons/ha) – Nucleus

FY2013 YIELD – 15.2

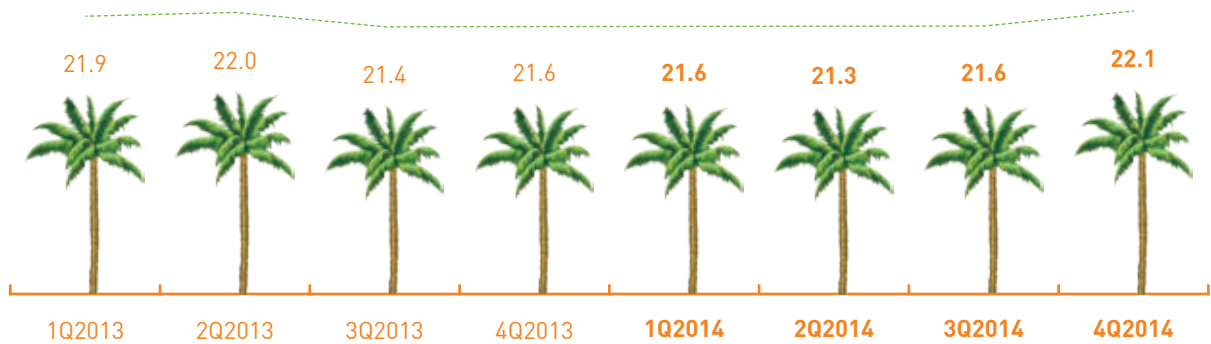
FY2014 YIELD – 15.6



### CPO EXTRACTION RATE (%)

FY2013 – 21.7

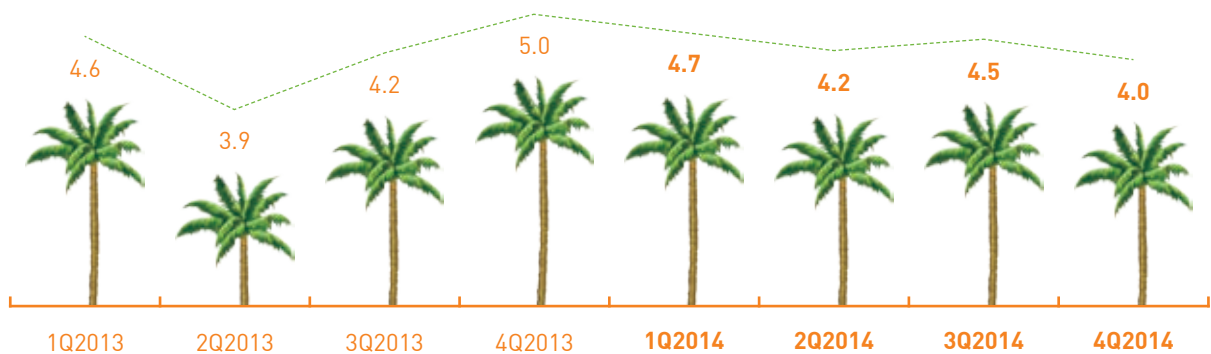
FY2014 – 21.7



### PK EXTRACTION RATE (%)

FY2013 – 4.4

FY2014 – 4.3



## Financial review

### FY2014 FINANCIAL REVIEW

The conversion rates used in this annual report are S\$1:Rp9,422 for FY2014 and S\$1:Rp9,628 for FY2013.

### STATEMENT OF COMPREHENSIVE INCOME

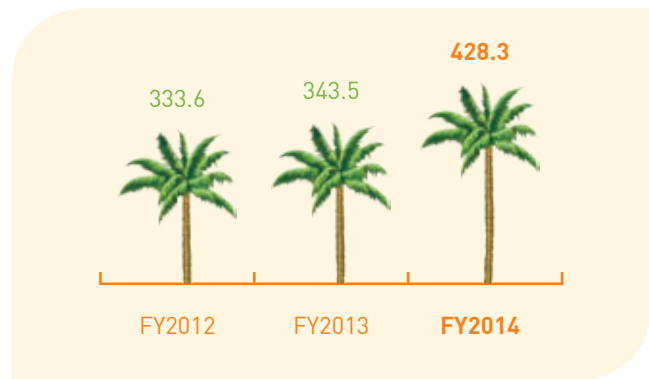
For the 12 months ended 31 December 2014 ("FY2014"), Global Palm Resources reported a 25% increase in revenue to Rp428.3 billion (S\$45.5 million) on the back of higher Crude Palm Oil ("CPO") sales volume and Palm Kernels ("PK") sales volume.

Gross profit increased to Rp147.3 billion (S\$15.6 million) or 51% from Rp97.5 billion (S\$10.1 million) in FY2013. Gross profit margin improved to 34.4% in FY2014 from 28.4% in FY2013.

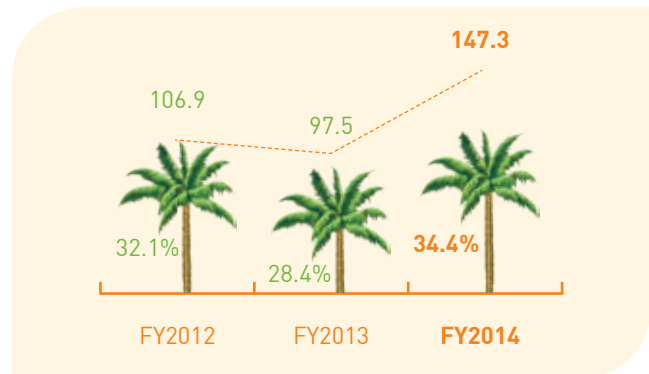
The Group posted a net profit attributable to shareholders of Rp72.0 billion (S\$7.6 million) for FY2014, compared to a net profit attributable to shareholders of Rp12.0 billion (S\$1.2 million) a year ago.

The Group's EBITDA was at Rp130.7 billion (S\$13.9 million) in FY2014, 97% higher than a year ago.

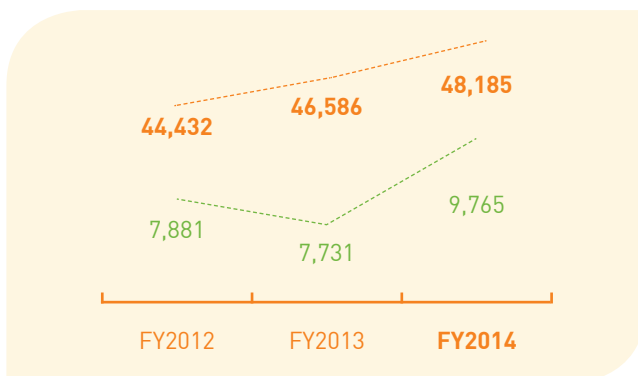
### REVENUE (Rp' billion)



### GROSS PROFIT (Rp' billion) and GROSS PROFIT MARGIN (%)

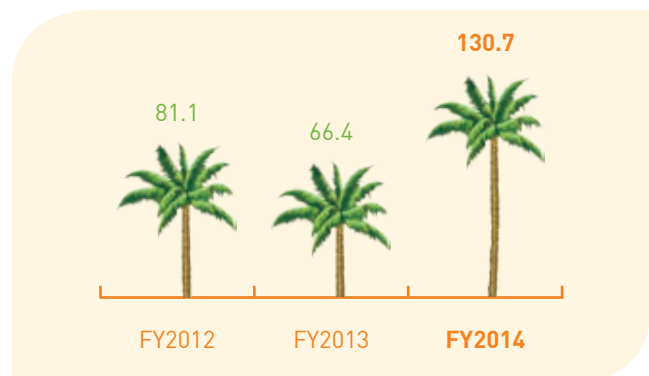


### ANNUAL VOLUME SALES BY PRODUCT (tons)

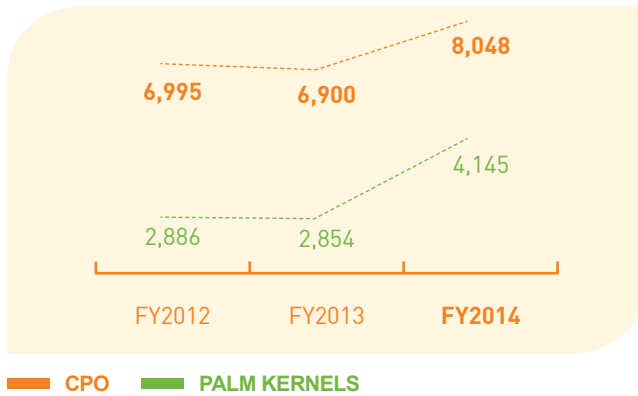


— CPO — PALM KERNELS

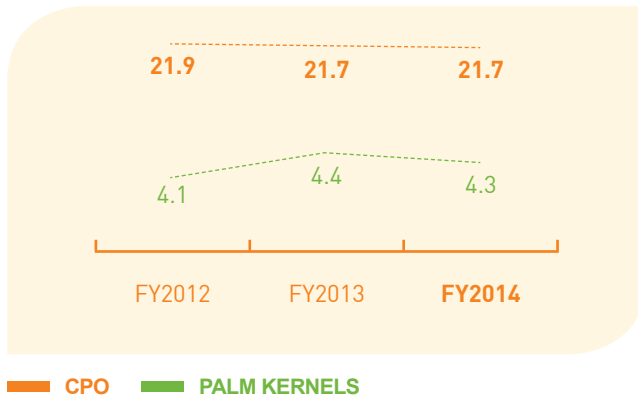
### EBITDA (Rp' billion)



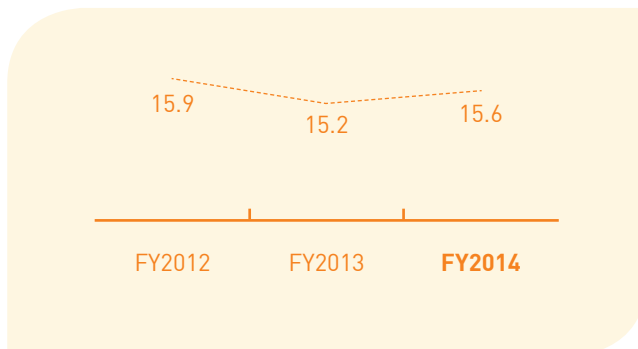
### ANNUAL AVERAGE SELLING PRICES BY PRODUCTS (Rp/kg)



### ANNUAL EXTRACTION RATE (%)



### ANNUAL FFB YIELD (tons/ha)



### SEGMENT ANALYSIS

#### Revenue

In FY2014, the Group's revenue from CPO rose by 21% from Rp321.4 billion (S\$33.4 million) in FY2013 to Rp387.8 billion (S\$41.2 million). The Group's revenue from PK rose by 84% from Rp22.1 billion (S\$2.3 million) in FY2013 to Rp40.5 billion (S\$4.3 million).

#### Sales Volume

The Group sold 48,185 tons of CPO and 9,765 tons of PK in FY2014 compared to 46,586 tons of CPO and 7,731 tons of PK a year ago. This represented a 3% rise in sales volume for CPO and a 26% increase in sales volume for PK.

#### Average Selling Price

The average selling price ("ASP") of CPO rose by 17% to Rp8,048/kg (S\$0.85/kg) while the ASP for PK rose 45% to Rp4,145/kg (S\$0.44/kg) in FY2014.

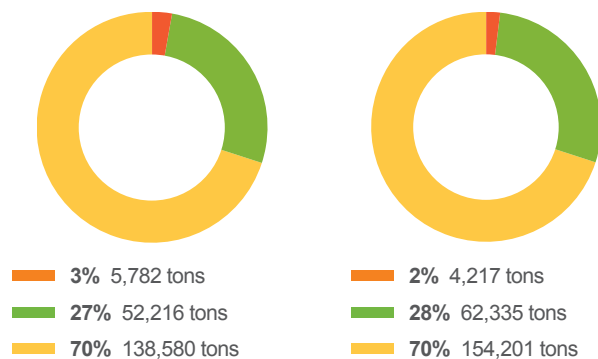
#### Production Statistics

In FY2014, the Group's total FFB processed was 220,965 tons versus 196,366 tons in FY2013, representing a 13% or 24,599 tons increase in the FFB processed.

### BREAKDOWN OF FFB OUTPUT (tons and %)

FY 2013: 196,578 tons

FY 2014: 220,753 tons



3% 5,782 tons

27% 52,216 tons

70% 138,580 tons

2% 4,217 tons

28% 62,335 tons

70% 154,201 tons

TOTAL FFB PURCHASED FROM 3RD PARTY

TOTAL FFB PURCHASED FROM PLASMA

TOTAL FFB PRODUCED (NUCLEUS)



## Financial review

Total tonnage of FFB processed increased by 24,599 tons or 13%, from 196,366 tons in FY2013 to 220,965 tons in FY2014. Total FFB produced from Nucleus has also improved by 15,622 tons or 11% to 154,201 tons in FY2014 as compared to 138,580 tons in FY2013. Total FFB purchased from 3rd Party has decreased by 1,566 tons or 27% from 5,782 tons in FY2013 to 4,216 tons in FY2014. The annual FFB yield has improved by 3% to 15.6 tons/ha in FY2014 compared to 15.2 tons/ha in FY2013.

### Productivity

The CPO extraction rate remained stable at 21.7% in FY2014 (FY2013: 21.7%) while PK extraction rate has dropped slightly to 4.3% in FY2014 from 4.4% in FY2013.

### STATEMENT OF FINANCIAL POSITION

Key Highlights (Rp' billion)	FY2013	FY2014	Change (%)
<b>Total Assets</b>	1,183.5	<b>1,235.4</b>	4.4
– Biological assets	653.2	637.9	(2.3)
– Property, plant and equipment	119.2	121.1	1.6
– Inventories	30.6	26.0	(15.0)
<b>Total liabilities</b>	215.0	<b>225.1</b>	4.7
– Trade and other payables	55.6	45.9	(17.5)
– Deferred tax liabilities	128.0	127.1	(0.7)
<b>Total shareholders' fund</b>	968.5	<b>1,010.3</b>	4.3

### Total Assets

As at 31 December 2014, the total assets of the Group increased by 4.4% to Rp1,235.4 billion (S\$131.1 million). The Group's non-current assets decreased by 1.2% to Rp768.9 billion (S\$81.6 million) in FY2014 mainly due to the decrease in biological assets, resulting from recognition of net loss arising from changes in fair value of biological assets of Rp22.0 billion (S\$2.3 million). Cash and cash equivalents increased by Rp58.2 billion (S\$6.2 million) and this contributed to the increase in the current assets for the Group, from Rp405.5 billion (S\$42.1 million) in FY2013 to Rp466.5 billion (S\$49.5 million) in FY2014.

### Total Liabilities

As at 31 December 2014, the total liabilities of the Group increased by 4.7% to Rp225.1 billion (S\$23.9 million). Non-current liabilities for the Group increased by 4.2% to Rp159.4 billion (S\$16.9 million) in FY2014, mainly due to the increase in the provision for post-employment benefits of Rp7.3 billion (S\$0.8 million). Current liabilities for the Group increased by 6% to Rp65.7 billion (S\$7.0 million) in FY2014 mainly due to the increase in current income tax payable.

### Financial Position

The net asset value ("NAV") of the Group was Rp1,010.3 billion (S\$107.2 million) as at 31 December 2014. NAV/share improved marginally to Rp2,467/share (S\$0.26/share) in FY2014 from Rp2,345/share (S\$0.24/share).

CASH FLOW

Key Highlights (Rp' billion)	FY2013 (Restated)	FY2014
Net cash from operating activities	77.4	<b>112.8</b>
Net cash (used in) investing activities	(24.3)	<b>(27.6)</b>
Net cash (used in) financing activities	(43.3)	<b>(26.6)</b>
Cash and cash equivalents at the end of the year	354.5	<b>412.7</b>

Net cash flow from operating activities in FY2014 increased Rp35.4 billion due to increase in sales receipts from customers. Overall, the Group's cash position remained healthy with an accumulation of cash resources of Rp412.7 billion (S\$43.8 million) as at 31 December 2014.



# Corporate information

## COMPANY REGISTRATION NUMBER 200921345M

### BOARD OF DIRECTORS

Dr Tan Hong Kiat @ Suparno Adjanto  
*(Executive Chairman and CEO)*

Yee Kit Hong *(Lead Independent Director)*

M. Rajaram *(Independent Director)*

Guok Chin Huat Samuel  
*(Independent Director)*

### COMPANY SECRETARY

Yoong Nim Chor

### REGISTERED OFFICE

105 Cecil Street

#24-01 The Octagon

Singapore 069534

Tel: (65) 6220 0170

Fax: (65) 6220 4642

Website: [www.gprholdings.com](http://www.gprholdings.com)

### SHARE REGISTRAR

Boardroom Corporate & Advisory  
Services Pte. Ltd.

50 Raffles Place

#32-01 Singapore Land Tower

Singapore 048623

### INDEPENDENT AUDITORS

BDO LLP

Public Accountants and

Certified Public Accountants

21 Merchant Road

#05-01

Singapore 058267

Partner-in-charge: Chay Yiow Min

*(Appointed since financial year ended  
31 December 2014)*

### PRINCIPAL BANKERS

PT Bank CIMB Niaga Tbk

Oversea-Chinese Banking Corporation Limited



# Corporate Governance Report

The Board of Directors (the "Board") recognises the importance of corporate transparency and is committed to high standards of corporate governance to protect shareholders' interests, and enhance shareholders' value. This report describes the Company's corporate governance policies and practices with specific reference made to each of the principles of the Code of Corporate Governance which was revised in May 2012 (the "Code"). Unless otherwise stated, these practices were in place for the entire year.

This Report describes the practices the Company has undertaken with respect to each of the principles and guidelines and the extent of its compliance with the Code.

## BOARD MATTERS

### The Board's Conduct of its Affairs

Principle 1: Every company should be headed by an effective Board to lead and control the company. The Board is collectively responsible for the long-term success of the company. The Board works with Management to achieve this and the Management remains accountable to the Board.

The Board's primary role is to protect and enhance long-term shareholders' value and returns. The Board meets quarterly and as warranted by particular circumstances, as deemed appropriate by the members of the Board.

The principal functions of the Board are, amongst other things, the following:

- providing entrepreneurial leadership, setting strategic directions, overseeing management effectiveness and ensuring proper conduct and sustainable development of the Group's business;
- providing the overall strategy of the Group;
- ensuring that policies and processes are in place for evaluating the adequacy of internal controls, financial reporting, financial performance, risk management and compliance; and
- assuming responsibility for the corporate governance framework of the Group.

To assist the Board in the execution of its responsibilities, the Board is supported by 3 Board Committees, namely the Nominating Committee ("NC"), the Remuneration Committee ("RC") and the Audit Committee ("AC"). Each Board Committee has its own terms of reference.

The Company has taken steps to ensure participation of all Directors when selecting Directors to the 3 committees so as to maximise their effectiveness. All Board Committees are headed by Independent Directors.

# Corporate Governance Report

The number of Board and Board Committee meetings held and attended by each Board member for the financial year ended 31 December 2014 is set out as follows:

Meetings	Board		Audit Committee		Nominating Committee		Remuneration Committee	
	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended	Meetings Held	Meetings Attended
<b>Directors</b>								
Dr Tan Hong Kiat @ Suparno Adijanto	4	4	*4	*4	2	2	*1	*1
Yee Kit Hong	4	4	4	4	2	2	1	1
M. Rajaram	4	3	4	3	2	2	1	1
Guok Chin Huat Samuel	4	4	4	4	2	2	1	1

\* By invitation.

The Company's Articles of Association provide for the Directors to participate in Board and Board Committee meetings by means of telephone conference, video conference or in such manner as the Board may determine.

The Board has received relevant training to familiarise themselves with the roles and responsibilities of a Director of a public listed company in Singapore. In addition, the Directors may also attend other appropriate or relevant courses, conferences and seminars. Management would conduct briefings and orientation programmes to familiarise newly appointed Directors with the various businesses and operations of the Group, including site visits to the Group's plants in Indonesia.

The Board has identified the following areas for which the Board has direct responsibility for decision making within the Group:–

- Approval of corporate strategies;
- Approval of material acquisitions and disposals of assets\*;
- Approval of any major borrowing and corporate guarantees in relation to borrowings\*;
- Approval of issuance of shares and declaration of dividends\*;
- Approval of the annual report and audited financial statements;
- Convening of general meetings;
- Approval of the Group's quarterly and full year financial result announcements for release to the Singapore Exchange Securities Trading Limited ("SGX-ST");
- Approval of announcements and press releases concerning the Group to the SGX-ST; and
- Approval of any agreement that is not in the ordinary course of business\*.

\* Where appropriate and subject to shareholders' approval.

# Corporate Governance Report

## Board Composition and Balance

Principle 2: There should be a strong and independent element on the Board, which is able to exercise objective judgement on corporate affairs independently, in particular, from Management and 10% shareholders. No individual or small group of individuals should be allowed to dominate the Board's decision making.

The Board comprises 4 members, the majority of whom are Independent Directors.

### Executive Director

Dr Tan Hong Kiat @ Suparno Adijanto (Chairman and Chief Executive Officer)

### Independent Directors

Yee Kit Hong

M. Rajaram

Guok Chin Huat Samuel

The Board considers a Director "independent" if he has no relationship with the Company, its related corporations, its 10% shareholders (as defined in the Code) or its officers that could interfere, or be reasonably perceived to interfere, with the exercise of the Director's independent business judgment with a view to the best interests of the Company.

The independence of each Director will be reviewed annually by the Nominating Committee in accordance with the Code's definition of independence. Each Independent Director is required to complete a 'Confirmation of Independence' to confirm his independence. The said confirmation, which was drawn up based on the definitions and guidelines set forth in Guideline 2.3 in the Code and the Guidebook for Audit Committees in Singapore issued by Audit Committee Guidance Committee ("Guidebook") in October 2008, requires each Director to assess whether he considers himself independent despite not having any of the relationships identified in the Code.

The NC noted that pursuant to Guideline 2.2 of the Code, the Independent Directors should make up at least half of the Board where the Chairman of the Board and the Chief Executive Officer ("CEO") is the same person. Accordingly, the NC has reviewed the forms completed by each Director and is satisfied that at least half of the Board comprises of Independent Directors.

None of the directors have served the Company for a period exceeding nine years. As and when directors serve beyond nine years, the Nominating Committee performs a particularly rigorous review to assess the independence of the relevant directors.

The Board regularly examines its size and take into account the scope and nature of the Group's operations, the diversified background, knowledge and experience of the Directors who collectively possess the necessary core competencies to function effectively and make informed decisions in overseeing the Company's business. The Board is satisfied that it is on an appropriate size to facilitate effective deliberations and decision making.



# Corporate Governance Report

## Role of Chairman and Chief Executive Officer

Principle 3: There should be a clear division of responsibilities between the leadership of the Board and the executives responsible for managing the company's business. No one individual should represent a considerable concentration of power.

The Board is of the view that it is in the best interests of the Group to adopt a single leadership structure, whereby the Chairman and CEO are the same person. The Board is of the view that there are sufficient safeguards in place to ensure that the Management is accountable to the Board as a whole.

The Chairman and CEO of the Group is Dr Tan Hong Kiat @ Suparno Adjianto. As the Chairman, he is responsible for leading the Board to ensure its effectiveness on all aspects of its role. He sets the agenda for Board meetings, ensures that adequate time is available for discussion of all agenda items, in particular, strategic issues, and that complete, adequate and timely information is made available to the Board. He promotes a culture of openness and debate at the Board and encourages constructive relations within the Board and between the Board and Management, facilitates the effective contribution of Non-Executive Directors, and ensures effective communication with shareholders. He takes a lead role in promoting high standards of corporate governance.

Although the roles and responsibilities of the Chairman and CEO are vested in Dr Tan Hong Kiat @ Suparno Adjianto, major decisions are made in consultation with the Board, the majority of whom are Independent Directors. The Board is of the opinion that the process of decision making by the Board was independent and based on collective decisions without any individual or small group of individuals dominating the Board's decision making.

In line with Guideline 3.3 of the Code, the Company appointed Mr Yee Kit Hong as its Lead Independent Director with effect from 16 March 2010. The Lead Independent Director will lead and coordinate the activities of the Independent Directors and serve as a principal liaison on Board issues between the Independent Directors and the Chairman of the Board. The Lead Independent Director is available to shareholders who have concerns which contact through the normal channels of the Chairman, CEO, Executive Directors or Chief Financial Officer ("CFO") have failed to resolve or for which such contact is inappropriate.

## Board Membership

Principle 4: There should be a formal and transparent process for the appointment and re-appointment of directors to the Board.

The NC comprises 3 Independent Directors and an Executive Director. The members of the NC are:

M. Rajaram (Chairman)  
Yee Kit Hong  
Guok Chin Huat Samuel  
Dr Tan Hong Kiat @ Suparno Adjianto

The NC is governed by its terms of reference. In accordance with the requirement of the Code, the Chairman of the NC is an Independent Director and the Lead Independent Director is also a member of the NC.

## Corporate Governance Report

The NC makes recommendation to the Board on relevant matters relating to the review of board succession plans for Directors, in particular, the Chairman and for the CEO; the development of the process for evaluation of the performance of the Board, its Board Committees and Directors, the review of training and professional development programs for the Board; and the appointment and re-appointment of Directors.

It ascertains the independence of Directors and evaluates the Board's performance as a whole. The NC assesses the independence of Directors, based on the guidelines set out in the Code, the Guidebook and any other salient factors.

Following its annual review, the NC has affirmed the independence of Mr M. Rajaram, Mr Yee Kit Hong and Mr Guok Chin Huat Samuel. The NC, in recommending the nomination of any Director for a re-election, considers the contribution of the Director, which includes his attendance record, overall participation, expertise, strategic vision, business judgment and sense of accountability.

The NC ensures that the Board and the Board Committee members are best suited for their respective appointments and able to discharge their responsibilities as such members of the Board and/or Board Committees. In addition, the selection of Directors requires careful assessment to ensure there is an equitable distribution of responsibilities amongst the Directors.

In the nomination and selection process, the NC reviews the composition of the Board by taking into consideration the mix of expertise, skills and attributes of existing Board members, to identify desirable competencies for a particular appointment. In doing so, it strives to source for candidates who possess the skills and experience that will further strengthen the Board, and are able to contribute to the Company in relevant strategic business areas, in line with the growth and development of the Group.

The NC is satisfied that sufficient time and attention are being given by the Directors to the affairs of the Group, notwithstanding that some of the Directors have multiple board representations. Nevertheless, in line with the Code, the Board has adopted the general rule that each Director should hold no more than 4 Board appointments.

Pursuant to the Company's Articles of Association, every Director (other than a Director holding office as Managing Director) must retire from office at least once every 3 years by rotation. Directors who retire are eligible to offer themselves for re-election. The CEO, as a Director, is subject to the same retirement-by-rotation provisions as the other Directors and such provisions will not be subject to any contractual terms that he may have entered into with the Company. Each member of the NC shall abstain from voting on any resolutions in respect of the assessment of his performance, independence or re-appointment as a Director.

Dr Tan Hong Kiat @ Suparno Adijanto and Mr Guok Chin Huat Samuel will be retiring at the forthcoming annual general meeting to be held on 23 April 2015 ("AGM"). The NC has reviewed and recommended the re-election of the abovementioned Directors at the forthcoming AGM. The Board has accepted the recommendation and Dr Tan Hong Kiat @ Suparno Adijanto and Mr Guok Chin Huat Samuel will be offering themselves for re-election.

## Corporate Governance Report

Key information regarding the Directors is set out below:

<b>Director</b>	<b>Date of First Appointment</b>	<b>Date of Last Re-election</b>	<b>Present Directorships and Chairmanships in Other Listed Companies and Major Appointments/other principal commitments</b>	<b>Past 3 Years Directorships and Chairmanships in Other Listed Companies and Major Appointments</b>
Dr Tan Hong Kiat @ Suparno Adijanto	13 November 2009	23 April 2013	Nil	Nil
Yee Kit Hong	16 March 2010	23 April 2014	Listed Companies 1. Scorpio East Holdings Ltd as Independent Director 2. Nam Cheong Limited as Independent Director	Nil
M. Rajaram	16 March 2010	23 April 2014	Listed Companies 1. Hiap Seng Engineering Ltd as Independent Director	Listed Companies 1. United Fiber System Limited as Non-Executive Chairman
Guok Chin Huat Samuel	16 March 2010	23 April 2013	Listed Companies 1. Bukit Sembawang Estates Limited as Chairman and Independent Director 2. Datapulse Technology Limited as Independent Non-Executive Director 3. Redwood Group Ltd as Independent Director	Nil



# Corporate Governance Report

## Board Performance

Principle 5: There should be a formal assessment of the effectiveness of the Board as a whole and its Board Committees and the contribution by each director to the effectiveness of the Board.

With the approval of the Board, the NC had implemented and continued with an annual performance evaluation process to assess the effectiveness of the Board as a whole. The purpose of the evaluation is to increase the overall effectiveness of the Board. The NC has decided unanimously, that the Directors will not be evaluated individually but factors taken into consideration for their re-appointment are amongst other things, the attendance record at meetings, the intensity of participation in the proceedings at meetings and quality of contribution in the proceedings of the meetings.

Each Director is requested to complete evaluation forms to assess the overall effectiveness of the Board as a whole. The appraisal process focused on the evaluation of factors such as the size and composition of the Board, the Board's access to information, Board processes and accountability, communication with Management and Directors' standards of conduct. The results of the evaluation are used constructively by the NC to identify areas of improvements and to recommend to the Board the appropriate action.

Individual Director's performance is evaluated annually and informally on a continual basis by the NC and the Chairman. The criteria taken into consideration by the NC and the Chairman include whether each Director continues to contribute effectively and demonstrate commitment to the role (including commitment of time for meetings of the Board and Board Committees, and any other duties).

## Access to Information

Principle 6: In order to fulfil their responsibilities, Directors should be provided with complete, adequate and timely information prior to Board meetings and on an on-going basis so as to enable them to make informed decisions to discharge their duties and responsibilities.

To enable the Board to fulfil its responsibilities, the Board is provided with management reports containing complete, adequate and timely information prior to Board meetings and on an on-going basis. The Directors are given separate and independent access to the Group's Management and the Company Secretary to address any enquiries at all times.

The Company Secretary and/or his representatives attends Board and Board Committees meetings and is responsible for ensuring that proper Board procedures at such meetings are followed. He, together with the Company's legal advisors, auditors and other professionals, are responsible for advising the Company on the requirements of the Singapore Companies Act, the Listing Manual of the SGX-ST and other rules and regulations that are applicable to the Company; and the Management is responsible for ensuring that the Company complies with the same. The Directors may seek professional advice in the furtherance of their duties and the costs will be borne by the Company.

# Corporate Governance Report

## REMUNERATION MATTERS

### Procedures for Developing Remuneration Policies

Principle 7: There should be a formal and transparent procedure for developing policy on executive remuneration and for fixing the remuneration packages of individual directors. No director should be involved in deciding his own remuneration.

The Remuneration Committee ("RC") comprises 3 Independent Directors, namely:

Guok Chin Huat Samuel (Chairman)  
Yee Kit Hong  
M. Rajaram

The RC is governed by its terms of reference. In accordance with the requirement of the Code, all members of the RC are Non-Executive Directors. The RC will review the framework of remuneration for the Directors and key management personnel, and determine specific remuneration packages for the CEO and Executive Directors. The recommendations of the RC are submitted for endorsement by the entire Board.

All aspects of remuneration, including but not limited to Directors' fees, salaries, allowances, bonuses, options and benefits-in-kind shall be covered by the RC. Each member of the RC shall abstain from voting on any resolutions and making any recommendations and/or participating in any deliberations of the RC in respect of his remuneration package. The RC is also empowered to review human resource management policies and the policies governing the compensation of key management personnel.

The total remuneration of the employees who are related to our Directors will be reviewed annually by the RC to ensure that their remuneration packages are in line with our staff remuneration guidelines and commensurate with their respective job scopes and level of responsibilities. In the event that a member of the RC is related to the employee under review, he will abstain from voting on the matter.

In structuring and reviewing the Directors' remuneration packages, a significant and appropriate proportion of Executive Director's and key management personnel's remuneration is structured so as to link rewards to corporate and individual performance. The RC seeks to align such performance related remuneration with the interest of shareholders and promote the long-term success of the Company.

The RC has full authority to engage any external professional advice on matters relating to remuneration as and when the need arises. The objective is to ensure competitive compensation is in place to build and retain capable and committed Management. The RC did not engage any external professional advice on matters relating to remuneration for the financial year ended 2014. The RC will ensure that existing relationships, if any, between the Company and such professional advisers, should they be appointed, will not affect the independence and objectivity of the professional advisers.

### Level and Mix of Remuneration

Principle 8: The level of remuneration should be align with the long-term interest and risk policies of the Company, and should be appropriate to attract, retain and motivate (a) the directors to provide good stewardship of the Company, and (b) key management personnel to successfully manage the Company. However, companies should avoid paying more than is necessary for this purpose.

In setting remuneration packages, the RC will take into consideration pay and employment conditions within the industry and in comparable companies. The remuneration packages would take into account the Group's relative performance and the performance of individual Director.

# Corporate Governance Report

An Executive Director does not receive Directors' fees. The remuneration for an Executive Director comprises a basic salary component and a variable component, namely the annual incentive bonus. The latter is based on the performance of the Group as a whole and his individual performance.

The Company entered into service agreement with Dr Tan Hong Kiat @ Suparno Adijanto as Executive Director. The service agreement is for an initial period of 3 years commencing from the date of the listing of the Company on the SGX-ST, subject to an automatic renewal for a 3-year term on the same terms and conditions upon the expiry thereof. During the initial period of 3 years, the parties may terminate the service agreement by either party giving not less than 6 months' notice in writing to the other. The agreement currently provide for performance-related elements of remuneration.

Non-Executive Directors are paid Directors' fees, appropriate to the level of contribution, taking into account factors such as effort and time spent, and responsibilities of the Directors, subject to shareholders' approval at AGM.

## Disclosure on Remuneration

Principle 9: Each company should provide clear disclosure of its remuneration policies, level and mix of remuneration, and the procedure for setting remuneration, in the company's annual report. It should provide disclosure in relation to its remuneration policies to enable investors to understand the link between remuneration paid to directors and key management personnel, and performance.

## Remuneration of Directors

A breakdown of each Director's remuneration for the financial year ended 31 December 2014 is set out below:

Remuneration Band	Number of Directors 2014	Number of Directors 2013
S\$250,000 to below S\$500,000	1	1
Below S\$150,000	3	3

Directors	Fees S\$'000	Salary/ Allowance S\$'000	Bonus/ Benefit S\$'000	Total S\$'000
Dr Tan Hong Kiat @ Suparno Adijanto	–	217	144	361
Yee Kit Hong	65	–	–	65
M. Rajaram	60	–	–	60
Guok Chin Huat Samuel	60	–	–	60

Directors	Fees %	Salary/ Allowance %	Bonus/ Benefit %	Total %
Dr Tan Hong Kiat @ Suparno Adijanto	–	60	40	100
Yee Kit Hong	100	–	–	100
M. Rajaram	100	–	–	100
Guok Chin Huat Samuel	100	–	–	100



# Corporate Governance Report

## Remuneration of Top Five Key Executives

The remuneration of the top five key management personnel for the financial year ended 31 December 2014 are as follows:–

Remuneration Band	Number of Executives FY2014	Number of Executives FY2013
Below S\$250,000	5	5

Name of Executives	Fees %	Salary/ Allowance %	Bonus/ Benefit %	Total %
<b>Below S\$250,000</b>				
Ivan Swandono	–	90	10	100
Ge Luyanto Yamin	–	88	12	100
Lim Ardi Dharma	–	85	15	100
Berlino Mahendra	–	83	17	100
Hendrik Virgilius	–	94	6	100

The aggregate total remuneration paid to the top five key management personnel (who are not Directors or the CEO) for the financial year ended 31 December 2014 is S\$323,043.

## Remuneration of Immediate Family Members of CEO and Executive Directors

Information on the remuneration of employees who are immediate family of the CEO and Executive Directors is as follows:–

Remuneration Band/Name of employees	Fees %	Salary/ Allowance %	Bonus/Benefit %	Total %
<b>Below S\$50,000</b>				
Pintarso Adijanto*	–	88	12	100
Swandono Adijanto*	–	87	13	100
<b>S\$50,001 to S\$100,000</b>				
Ivan Swandono**	–	90	10	100

\* Mr Pintarso Adijanto and Mr Swandono Adijanto are the brothers of Dr Tan Hong Kiat @ Suparno Adijanto, the Executive Chairman and CEO.

\*\* Mr Ivan Swandono is the nephew of Dr Tan Hong Kiat @ Suparno Adijanto, the Executive Chairman and CEO, and the son of Dr Tan Hong Kiat @ Suparno Adijanto's brother, Tan Hong Whan @ Swandono Adijanto.

The RC has reviewed and approved the remuneration packages of the Executive Director and key management personnel, having regard to their contributions as well as the financial performance and commercial needs of the Group and has ensured that the remuneration packages are adequate but not excessive.

# Corporate Governance Report

## ACCOUNTABILITY AND AUDIT

### Accountability

Principle 10: The Board should present a balanced and understandable assessment of the company's performance, position and prospects.

The Board understands its accountability to the shareholders on the Group's financial position and performance. In this respect, in the discharge of its duties to the shareholders, the Board, when presenting the annual audited financial statements and quarterly results announcements, seeks to provide the shareholders with a detailed analysis, explanation and assessment of the Group's financial position and prospects. Management currently provides the Board with relevant information on the Group's performance, financial position and prospects on a regular basis.

### Risk Management and Internal Controls

Principle 11: The Board is responsible for the governance of risk. The Board should ensure that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the company's assets, and should determine the nature and extend of the significant risks which the Board is willing to take in achieving its strategic objectives.

The Board recognises that all internal control systems contain inherent limitations and no system of internal controls could provide absolute assurance against the occurrence of material errors, human error, fraud or other irregularities. In order to control, manage and mitigate these risks, the Company has formed the Risk Committee (the "Risk Committee") on 8 May 2013.

The Risk Committee comprises 2 Independent Directors and an Executive Director, namely:

Guok Chin Huat Samuel (Chairman)

M. Rajaram

Dr Tan Hong Kiat @ Suparno Adjianto

The Risk Committee is governed by its terms of reference. The primary role of the Risk Committee is to assist the Board in carrying out its responsibility of overseeing the Company's risk management framework and policies.

The Risk Committee determines the Company's levels of risk tolerance and risk policies, and oversees the Management in the design and implementation of a framework for the monitoring of risk management. It regularly reviews the risks and controls of the Group's business and operational activities to identify areas of significant business risks as well as respond appropriately to control and mitigate these risks. The Management reviews all significant control policies and procedures and highlights all significant matters to the Risk Committee. The Risk Committee reviews, at least annually, the adequacy and effectiveness of the Company's risk management and internal control systems, of which includes the financial, operational, compliance and information technology controls.

Based on the framework of risk management control and the internal controls established and maintained by the Company, work performed by the internal and external auditors, reviews performed by the Management and various Board Committees, the Board, with the concurrence of the AC, is of the opinion that, the system of internal controls that has been maintained by the Management was adequate to address the financial, operational and compliance risks of the Company.

# Corporate Governance Report

## Audit Committee

Principle 12: The Board should establish an Audit Committee with written terms of reference which clearly set out its authority and duties.

The Audit Committee ("AC") comprises 3 Independent Directors, namely:

Yee Kit Hong (Chairman)  
M. Rajaram  
Guok Chin Huat Samuel

In accordance with the requirement of the Code, all members of the AC are Non-Executive Directors. The members of the AC are appropriately qualified, having the necessary experience in business management, finance, audit and law to discharge their responsibilities. The Board is of the view that the members of the AC have sufficient financial management expertise and experience to discharge the AC's functions.

The AC is governed by its terms of reference. The terms of reference of the AC, where appropriate, adopts relevant best practices set out in the Guidebook, which will be used as a reference to assist the AC in discharging its responsibilities and duties.

The AC performs the functions set out in the Code and, amongst other things, assists the Board in discharging its responsibility to safeguard the Group's assets, maintains adequate accounting records, and develop and maintain effective systems of internal control, with the overall objective of ensuring that the Management creates and maintains an effective control environment in the Group. The AC will provide a channel of communication between the Board, the Management and the external auditors on matters relating to audit.

The AC has explicit authority to investigate any matter within its terms of reference, full access to and co-operation by Management and full discretion to invite any Director or key management personnel to attend its meetings, and reasonable resources to enable it to discharge its functions properly. The AC has, within its terms of reference, the authority to obtain independent professional advice at the Company's expense as and when the need arises.

The AC will meet at least 4 times a year and its principal duties include:

- (a) review the audit plans of the external auditors and internal auditors, including the results of the external and internal auditors' review and evaluation of the system of internal accounting controls;
- (b) review the annual consolidated financial statements and the external auditors' report on such financial statements, and discuss any significant adjustments, major risk areas, changes in accounting policies, compliance with Singapore Financial Reporting Standards, concerns and issues arising from their audits including any matters which the auditors may wish to discuss in the absence of the Management, where necessary, before submission to the Board for approval;
- (c) review the scope and results of the internal audit procedures;
- (d) consider the appointment or re-appointment of the external and internal auditors and matters relating to resignation or dismissal of the auditors;
- (e) review the cooperation given by the officers to external and internal auditors;
- (f) review and approve any Interested Person Transactions, Related Person Transactions and/or potential conflicts of interest;



## Corporate Governance Report

- (g) monitor the undertakings described in the section entitled “Interested Person Transactions and Conflicts of Interest”, if any;
- (h) undertake such other reviews and projects as may be requested by the Board, and will report to the Board its findings from time to time on matters arising and requiring the attention of the AC; and
- (i) generally undertake such other functions and duties as may be required by law or the Listing Manual, or by such amendments as may be made thereto from time to time.

In July 2010, the Singapore Exchange Limited and Accounting and Corporate Regulatory Authority had launched the Guidance to Audit Committees on Evaluation of Quality of Work performed by External Auditors (“Guidance”) which aims to facilitate the AC in evaluating the external auditors. Accordingly, the AC has evaluated the performance of the external auditors based on the key indicators of audit quality set out in the Guidance.

The AC has undertaken a review of the independence and objectivity of the external auditors. The AC has also undertaken a review of non-audit services provided by the auditor and they would not, in the opinion of the AC’s opinion, affect their independence. The Company has paid the following aggregate amount of fees to Messrs BDO LLP, the external auditors, for the financial year ended 31 December 2014:–

Services	Amount (Rp’000)
Audit Fees	741,474
Non-audit Fees	Nil
Total	741,474

Save for professional fees and miscellaneous expenses incurred for audit services, the Company have not paid any non-audit fees, to the external auditors for the financial year ended 31 December 2014.

The AC is satisfied that the external auditors are independent and the external auditors had also provided a confirmation of their independence to the AC. Having assessed the external auditors based on factors such as performance and quality of their audit and their independence, the AC has recommended to the Board, the nomination of the external auditors for re-appointment at the forthcoming AGM. The Group has complied with Rule 712 and Rule 715 of the Listing Manual issued by the SGX-ST.

The AC has direct access to the internal and external auditors and met with them without the presence of Management for the financial year ended 31 December 2014.

The Group has implemented a whistle blowing policy whereby accessible channels are provided for employees to raise concerns about possible improprieties in matters of financial reporting or other matters which they become aware and to ensure that:

- (i) independent investigations are carried out in an appropriate and timely manner;
- (ii) appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
- (iii) administrative, disciplinary, civil and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced and fair, while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

To-date, no report has been received through the whistle-blowing mechanism.

# Corporate Governance Report

The AC has reviewed all Interested Person Transactions during the financial year ended 31 December 2014 and is of the opinion that Chapter 9 of the Listing Manual of the SGX-ST has been complied with.

In the event that a member of the AC is interested in any matter being considered by the AC, he will abstain from participating in the proceedings in relation to that particular transaction and voting on that particular resolution.

## Internal Audit

Principle 13: The company should establish an internal audit function that is adequately resourced and independent of the activities it audits.

The AC approves the hiring, removal, evaluation and compensation of the internal auditors. The Company has outsourced the internal audit functions of the Group to Baker Tilly Consultancy (Singapore) Pte Ltd. The internal auditors will report directly to the AC. The internal auditors have unfettered access to all the Company's documents, records, properties and personnel, including access to the AC. To ensure the adequacy and effectiveness of the internal audit function, the AC will review and approve the internal audit plan and assess the effectiveness of the internal audit by examining the scope of the internal auditor's work and its independence, the internal auditor's reports and its relationship with the external auditors on an annual basis. The AC will ensure that the internal auditors meet or exceed the standards set by nationally or internationally recognised professional bodies including the Standards for the Professional Practice of Internal Auditing set by the Institute of Internal Auditors. The internal auditors provide adequate staffing with relevant qualifications and experience to conduct the internal audits

## SHAREHOLDER RIGHTS AND RESPONSIBILITIES

### Shareholder Rights

Principle 14: Companies should treat all shareholders fairly and equitably, and should recognise, protect and facilitate the exercise of shareholders' rights, and continually review and update such governance arrangements.

In line with the continuous disclosure obligations of the Company pursuant to the Listing Manual of SGX-ST, the Company is committed to ensure that all shareholders should be equally informed of all major developments of the Company which would be likely to materially affect the price or value of the Company's shares.

The Board of Directors of the Company, including the Chairpersons of the AC, RC and NC will be present at the general meetings to address any questions or concerns that the shareholders may have. The external auditors are usually present at the AGM to address shareholders' queries about the conduct of audit and the preparation and content of the auditors' report.

# Corporate Governance Report

## Communication with Shareholders

Principle 15: Companies should actively engage their shareholders and put in place an investor relations policy to promote regular, effective and fair communication with shareholders.

The Company does not practice selective disclosure and strives to engage in regular and effective communication with shareholders. It is the Board's policy that shareholders be informed of all major developments that may have an impact on the Group. Information is communicated to shareholders on a timely basis and is made through:

- (i) annual reports that are prepared and issued to all shareholders;
- (ii) quarterly results announcements;
- (iii) media meetings;
- (iv) press releases;
- (v) corporate website at <http://www.gprholdings.com/>; and
- (vi) disclosures via SGXNET.

The Group understands the increasing global attention towards issues of environmental protection and social responsibility. In this respect, the Group continues its commitment towards sustainable development of palm oil as part of the Group's corporate social responsibility. The Company is also a member of Roundtable of Sustainable Palm Oil ("RSPO"), a not-for-profit association which main purpose is to promote the production and use of palm oil in a sustainable manner. Further, the Company voluntarily practices sustainability reporting on an annual basis as contained in its Annual Report so as to provide stakeholders with an additional dimension beyond financial performance of the Group.

The Company does not have a policy on payment of dividends. The issue of payment of dividend is deliberated by the Board annually having regards to various factors.

## Greater Shareholders Participation

Principle 16: Companies should encourage greater shareholder participation at AGMs, and allow shareholders the opportunity to communicate their views on various matters affecting the company.

The shareholders are encouraged to attend the general meetings of the Company to ensure a high level of accountability by the Board and Management and to stay informed of the Group's strategies and growth plans. All shareholders are given the opportunity to participate, voice their views or opinions and to raise questions regarding the Company. The chairpersons and/or members of the Board, AC, NC and RC will be available at the AGM to address any relevant queries from the shareholders. The external auditors will also be present at the AGM to address shareholders' queries about the conduct of the audit and the preparation and content of the auditors' report.

Separate resolutions are proposed for substantially separate issues at general meetings. In addition, each item of special business included in the notice of the general meetings will be accompanied by an explanation of the effects of a proposed resolution. The Company's Articles of Association allow each shareholder to appoint up to 2 proxies to vote on his/her behalf at the general meeting.

# Corporate Governance Report

## DEALING IN SECURITIES

The Company is guided by Rule 1207(19) of the Listing Manual of the SGX-ST in relation to the dealings in the securities of the Company. The Company and its officers are not allowed to deal in the Company's shares (i) during the period commencing 2 weeks before the announcement of the Company's financial results for each of the first 3 quarters of its financial year and 1 month before the Company's full financial year results, and (ii) if they are in possession of unpublished price-sensitive information of the Group.

In addition, Directors and employees are expected to observe insider trading laws at all times even when dealing in securities within the permitted trading period. They are also discouraged from dealing in the Company's shares on short-term considerations.

## MATERIAL CONTRACTS

There is no material contract entered into by the Company or any of its subsidiaries involving the interest of any Director or controlling shareholder during the year under review.

## INTERESTED PERSON TRANSACTIONS ("IPT'S")

The Company has, in its Prospectus dated 21 April 2010, set out procedures for review and approval of the Group's IPTs. To ensure compliance with the relevant rules under Chapter 9 of the Listing Manual, the Board and AC regularly reviews if the Group will be entering into any IPT and if it does, to ensure that the Group complies with the requisite rules under Chapter 9 in that all the IPTs are conducted at arm's length and on normal commercial terms and ensuring that it will not be prejudicial to the interest of the Company and its minority shareholders.

The aggregate values of IPTs for the financial year ended 31 December 2014 is:

Name of interested person	Aggregate value of all interested person transactions during the financial year 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)
PT Bumiraya Utama Lines	4,560	NIL



# Corporate Governance Report

## UPDATE ON THE USE OF IPO PROCEEDS

As at 31 January 2015, the use of net proceeds from the IPO is as follows:

Use of net proceeds	Amount allocated (\$\$'million)	Amount utilised (\$\$'million)	Balance (\$\$'million)
Development of existing uncultivated land banks into oil palm plantations	15.61	11.89 <sup>(1)</sup>	3.72
Acquisition of other oil palm plantations and land banks	15.00	0.92 <sup>(2)</sup>	14.08 <sup>(3)</sup>
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 <sup>(4)</sup>	–
Invitation expenses	3.49	3.49	–
<b>Total</b>	<b>50.60</b>	<b>32.29</b>	<b>18.31</b>

Notes:–

- (1) Out of the S\$11.89 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$10.13 million were used for land clearing and new planting purposes.
- (2) The S\$0.92 million utilized for the acquisition of other oil palm plantations and land banks are expenses of S\$0.46 million incurred for the land location permit for 7,170 hectares of land in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan and expenses of S\$0.46 million incurred for the land location permit for 6,546 hectares of land in sub-districts of Ngabang and Jelimpo, both located in Landak Regency, West Kalimantan.
- (3) The Company has the option to acquire PT Cemar, an Indonesian-incorporated company which holds Hak Guna Usaha to 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.

The Board is of the view that the above utilisation is in accordance with the disclosure in page 35 of the Prospectus dated 21 April 2010.

The Company will make further announcements via SGXNET as and when the balance of the IPO proceeds are materially disbursed in accordance with Rule 704(30) of the Listing Manual of the SGX-ST.

# Report of the directors

The Directors of the Company present their report to the members together with the audited financial statements of the Group for the financial year ended 31 December 2014 and the statement of financial position of the Company as at 31 December 2014 and the statement of changes in equity of the Company for the financial year then ended.

## 1. DIRECTORS

The Directors of the Company in office at the date of this report are as follows:

Tan Hong Kiat @ Suparno Adjianto  
Yee Kit Hong  
M. Rajaram  
Guok Chin Huat Samuel

## 2. ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES OR DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object was to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in, or debentures of, the Company or any other body corporate.

## 3. DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

The Directors of the Company holding office at the end of the financial year had no interests in the shares or debentures of the Company and its related corporations as recorded in the Register of Directors' Shareholdings kept by the Company under Section 164 of the Singapore Companies Act, Cap. 50 (the "Act"), except as follows:

	<b>Shareholdings registered in name of Director</b>	
	<b>Balance as at 1.1.2014</b>	<b>Balance as at 31.12.2014</b>
<b>Ultimate holding company</b>		
GPR Investment Holdings Limited		
Tan Hong Kiat @ Suparno Adjianto	2,856	2,856

In accordance with the continuing listing requirements of the Singapore Exchange Securities Trading Limited, the Directors of the Company state that, according to the Register of Directors' Shareholdings, the Directors' interests as at 21 January 2015 in the shares of the Company have not changed from those disclosed as at 31 December 2014.

## Report of the directors

### 4. DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no Director of the Company has received or become entitled to receive a benefit which is required to be disclosed under Section 201(8) of the Act, by reason of a contract made by the Company or a related corporation with the Director or with a firm of which he is a member, or with a company in which he has substantial financial interest, except as disclosed in the financial statements. One Director received remuneration from a related corporation in his capacity as an executive of the related corporation.

### 5. SHARE OPTIONS

There were no share options granted by the Company or its subsidiaries during the financial year.

There were no shares issued during the financial year by virtue of the exercise of options to take up unissued shares of the Company or its subsidiaries.

There were no unissued shares of the Company or its subsidiaries under option as at the end of the financial year.

### 6. AUDIT COMMITTEE

The audit committee ("AC") of the Company is chaired by Yee Kit Hong, a Lead Independent Director, and includes M. Rajaram and Guok Chin Huat Samuel, who are both Independent Directors. The audit committee has met four times since the last Annual General Meeting ("AGM") and has carried out its functions in accordance with Section 201B(5), including reviewing the following, where relevant, with the Executive Directors and external and internal auditors of the Company:

- (a) the external auditor's proposed audit scope and approach and ensure no restrictions or limitations have been placed on the scope;
- (b) the independence of the external auditor, including reviewing the range of services provided in the context of all non-audit services provided to the Company, seeking to balance maintenance of objectivity and value for money;
- (c) the audit plans and results of the internal auditors examination and evaluation of the Group's systems of internal accounting controls;
- (d) the Group's financial and operating results and accounting policies;
- (e) the statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group before their submission to the Directors of the Company and external auditor's report on those financial statements;
- (f) the quarterly, half yearly and annual announcements as well as the related press releases on the statements of financial position of the Company and the Group, and the results, changes in equity and cash flows of the Group and changes in equity of the Company;

## Report of the directors

### 6. AUDIT COMMITTEE (CONTINUED)

- (g) the co-operation and assistance given by the management to the Company's external auditor; and
- (h) the re-appointment of the external auditor of the Company.

The AC has full access to and has the co-operation of the management and has been given the resources required for it to discharge its function properly. It also has full discretion to invite any Director and executive officer to attend its meetings. The external and internal auditors have unrestricted access to the AC.

The AC has recommended to the Directors the nomination of BDO LLP for re-appointment as external auditor of the Company at the forthcoming AGM of the Company.

### 7. INDEPENDENT AUDITOR

The independent auditor, BDO LLP, has expressed its willingness to accept re-appointment.

On behalf of the Board of Directors,

---

**Tan Hong Kiat @ Suparno Adijanto**

Director

---

**Yee Kit Hong**

Director

Singapore  
26 March 2015



## Statement by directors

In the opinion of the Board of Directors,

- (a) the accompanying consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company together with the notes thereon are properly drawn up in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the Board of Directors,

---

**Tan Hong Kiat @ Suparno Adijanto**  
Director

---

**Yee Kit Hong**  
Director

Singapore  
26 March 2015

# Independent auditor's report

To the Members of Global Palm Resources Holdings Limited

## REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Global Palm Resources Holdings Limited (the "Company") and its subsidiaries (the "Group"), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 31 December 2014, and the consolidated statement of comprehensive income, statement of changes in equity and statement of cash flows of the Group and the statement of changes in equity of the Company for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act, Cap. 50 (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

### *Auditor's Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### *Opinion*

In our opinion, the consolidated financial statements of the Group and the statement of financial position and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 31 December 2014, and of the results, changes in equity and cash flows of the Group and changes in equity of the Company for the financial year ended on that date.

# Independent auditor's report

To the Members of Global Palm Resources Holdings Limited

## REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In our opinion, the accounting and other records required by the Act to be kept by the Company and by the subsidiary incorporated in Singapore of which we are the auditors, have been properly kept in accordance with the provisions of the Act.

### **BDO LLP**

Public Accountants and  
Chartered Accountants

Singapore  
26 March 2015

# Consolidated statement of comprehensive income

For the financial year ended 31 December 2014

	Note	Group	
		2014 Rp'000	2013 Rp'000
Revenue	4	<b>428,255,788</b>	343,523,824
Cost of sales	5	<b>(280,996,228)</b>	(246,035,434)
Gross profit		<b>147,259,560</b>	97,488,390
<i>Other items of income</i>			
Interest income		<b>8,796,292</b>	5,674,186
Changes in fair value less estimated point-of-sales costs of biological assets	11	<b>(22,014,331)</b>	(32,594,502)
Other income	6	<b>16,944,635</b>	2,676,560
<i>Other items of expense</i>			
Distribution expenses		<b>(3,118,245)</b>	(1,966,483)
Administrative expenses		<b>(37,500,910)</b>	(32,551,397)
Finance costs	7	-	(458,474)
Other expenses		<b>(3,446,176)</b>	(9,661,537)
<b>Profit before income tax</b>	8	<b>106,920,825</b>	28,606,743
Income tax expense	9	<b>(31,254,687)</b>	(15,085,416)
<b>Profit for the financial year</b>		<b>75,666,138</b>	13,521,327
<b>Other comprehensive income:</b>			
<i>Items that will not be reclassified subsequently to profit or loss:</i>			
Remeasurement of post-employment benefits		<b>(2,707,993)</b>	2,021,435
Income tax relating to components of other comprehensive income that will not be reclassified subsequently to profit or loss		<b>676,998</b>	(505,359)
<i>Items that may be reclassified subsequently to profit or loss:</i>			
Currency translation differences		<b>(7,755,942)</b>	52,492,039
<b>Other comprehensive income for the financial year, net of tax</b>		<b>(9,786,937)</b>	54,008,115
<b>Total comprehensive income for the financial year</b>		<b>65,879,201</b>	67,529,442
<b>Profit attributable to:</b>			
Owners of the parent		<b>71,973,904</b>	11,975,631
Non-controlling interest		<b>3,692,234</b>	1,545,696
		<b>75,666,138</b>	13,521,327
<b>Total comprehensive income attributable to:</b>			
Owners of the parent		<b>62,288,517</b>	65,907,942
Non-controlling interest		<b>3,590,684</b>	1,621,500
		<b>65,879,201</b>	67,529,442
		<b>Rp</b>	<b>Rp</b>
<b>Earnings per share</b>			
- Basic and diluted	10	<b>175</b>	29

The accompanying notes form an integral part of these financial statements.



# Statements of financial position

As at 31 December 2014

	Note	Group		Company	
		2014 Rp'000	2013 Rp'000	2014 Rp'000	2013 Rp'000
<b>Non-current assets</b>					
Biological assets	11	637,944,601	653,185,280	-	-
Property, plant and equipment	12	121,082,835	119,232,226	359,092	561,437
Investments in subsidiaries	13	-	-	543,499,928	555,375,799
Operating use rights	14	694,403	738,563	-	-
Club memberships	15	1,196,608	1,222,755	1,196,608	1,222,755
Deferred charges	16	7,967,977	3,628,500	-	-
		<b>768,886,424</b>	778,007,324	<b>545,055,628</b>	557,159,991
<b>Current assets</b>					
Inventories	17	25,970,734	30,587,623	-	-
Trade and other receivables	18	26,360,904	18,753,675	362,026,237	382,626,970
Dividend receivable		-	-	46,232,750	22,000,000
Prepayments		1,345,150	1,420,466	347,457	382,790
Financial assets at fair value through profit or loss	19	126,630	258,300	-	-
Cash and cash equivalents	20	412,722,129	354,479,648	43,900,846	45,242,076
		<b>466,525,547</b>	405,499,712	<b>452,507,290</b>	450,251,836
Less:					
<b>Current liabilities</b>					
Trade and other payables	21	45,891,123	55,576,351	1,056,774	1,048,300
Dividend payable to non-controlling interest		1,405,688	4,186,250	-	-
Current income tax payable		18,416,620	2,227,728	695,234	346,608
		<b>65,713,431</b>	61,990,329	<b>1,752,008</b>	1,394,908
<b>Net current assets</b>		<b>400,812,116</b>	343,509,383	<b>450,755,282</b>	448,856,928
Less:					
<b>Non-current liabilities</b>					
Provision for post-employment benefits	22	32,306,575	25,007,853	-	-
Deferred tax liabilities	23	127,077,489	128,010,915	-	-
		<b>159,384,064</b>	153,018,768	-	-
<b>Net assets</b>		<b>1,010,314,476</b>	968,497,939	<b>995,810,910</b>	1,006,016,919
<b>Capital and reserves</b>					
Share capital	24	674,562,922	681,817,047	674,562,922	681,817,047
Foreign currency translation reserve	25	87,079,615	94,835,557	289,353,443	311,098,031
Accumulated profits		215,164,476	160,274,806	31,894,545	13,101,841
<b>Equity attributable to owners of the parent</b>		<b>976,807,013</b>	936,927,410	<b>995,810,910</b>	1,006,016,919
Non-controlling interest		33,507,463	31,570,529	-	-
<b>Total equity</b>		<b>1,010,314,476</b>	968,497,939	<b>995,810,910</b>	1,006,016,919

The accompanying notes form an integral part of these financial statements.

# Statements of changes in equity

For the financial year ended 31 December 2014

	Note	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 interest Rp'000	Total equity Rp'000
<b>Group</b>							
Balance as at 1.1.2014		681,817,047	94,835,557	160,274,806	936,927,410	31,570,529	968,497,939
<b>Profit for the financial year</b>		-	-	71,973,904	71,973,904	3,692,234	75,666,138
<b>Other comprehensive income for the financial year:</b>							
Remeasurement of post-employment benefits		-	-	(2,572,593)	(2,572,593)	(135,400)	(2,707,993)
Currency translation differences	25	-	(7,755,942)	-	(7,755,942)	-	(7,755,942)
Income tax relating to components of other comprehensive income that will not be reclassified subsequently to profit or loss		-	-	643,148	643,148	33,850	676,998
<b>Total comprehensive income for the financial year</b>		-	(7,755,942)	70,044,459	62,288,517	3,590,684	65,879,201
<b>Contribution by and distribution to owners of the parent:</b>							
Shares buy back held in treasury		(7,254,125)	-	-	(7,254,125)	-	(7,254,125)
Dividend to owners of the parent	26	-	-	(15,154,789)	(15,154,789)	-	(15,154,789)
<b>Total transactions with owners of the parent, recognised directly in equity</b>		(7,254,125)	-	(15,154,789)	(22,408,914)	-	(22,408,914)
<b>Dividend to non-controlling interest</b>		-	-	-	-	(1,653,750)	(1,653,750)
<b>Balance as at 31.12.2014</b>		<b>674,562,922</b>	<b>87,079,615</b>	<b>215,164,476</b>	<b>976,807,013</b>	<b>33,507,463</b>	<b>1,010,314,476</b>
Balance as at 1.1.2013		681,817,047	42,343,518	167,156,382	891,316,947	33,255,294	924,572,241
Adoption of revised FRS 19		-	-	(7,244,023)	(7,244,023)	(381,265)	(7,625,288)
Balance as at 1.1.2013 (restated)		681,817,047	42,343,518	159,912,359	884,072,924	32,874,029	916,946,953
<b>Profit for the financial year</b>		-	-	11,975,631	11,975,631	1,545,696	13,521,327
<b>Other comprehensive income for the financial year:</b>							
Remeasurement of post-employment benefits		-	-	1,920,363	1,920,363	101,072	2,021,435
Currency translation differences	25	-	52,492,039	-	52,492,039	-	52,492,039
Income tax relating to components of other comprehensive income that will not be reclassified subsequently to profit or loss		-	-	(480,091)	(480,091)	(25,268)	(505,359)
<b>Total comprehensive income for the financial year</b>		-	52,492,039	13,415,903	65,907,942	1,621,500	67,529,442
<b>Distribution to owners of the parent</b>							
Dividend to owners of the parent	26	-	-	(13,053,456)	(13,053,456)	-	(13,053,456)
<b>Dividend to non-controlling interest</b>		-	-	-	-	(2,925,000)	(2,925,000)
<b>Balance as at 31.12.2013</b>		<b>681,817,047</b>	<b>94,835,557</b>	<b>160,274,806</b>	<b>936,927,410</b>	<b>31,570,529</b>	<b>968,497,939</b>

The accompanying notes form an integral part of these financial statements.

# Statements of changes in equity

For the financial year ended 31 December 2014

	Note	Share capital Rp'000	Foreign currency translation reserve Rp'000	Accumulated profits Rp'000	Total equity Rp'000
<b>Company</b>					
Balance as at 1.1.2014		681,817,047	311,098,031	13,101,841	1,006,016,919
<b>Profit for the financial year</b>		-	-	33,947,493	33,947,493
<b>Other comprehensive income for the financial year:</b>					
Currency translation differences	25	-	(21,744,588)	-	(21,744,588)
<b>Total comprehensive income for the financial year</b>		-	(21,744,588)	33,947,493	12,202,905
<b>Contribution by and distribution to owners of the parent:</b>					
Shares buy back held in treasury		(7,254,125)	-	-	(7,254,125)
Dividend to owners of the parent	26	-	-	(15,154,789)	(15,154,789)
<b>Total transactions with owners of the parent, recognised directly in equity</b>		(7,254,125)	-	(15,154,789)	(22,408,914)
<b>Balance as at 31.12.2014</b>		<b>674,562,922</b>	<b>289,353,443</b>	<b>31,894,545</b>	<b>995,810,910</b>
Balance as at 1.1.2013		681,817,047	131,774,843	15,793,430	829,385,320
<b>Profit for the financial year</b>		-	-	10,361,867	10,361,867
<b>Other comprehensive income for the financial year:</b>					
Currency translation differences	25	-	179,323,188	-	179,323,188
<b>Total comprehensive income for the financial year</b>		-	179,323,188	10,361,867	189,685,055
<b>Distribution to owners of the parent</b>					
Dividend to owners of the parent	26	-	-	(13,053,456)	(13,053,456)
<b>Balance as at 31.12.2013</b>		<b>681,817,047</b>	<b>311,098,031</b>	<b>13,101,841</b>	<b>1,006,016,919</b>

The accompanying notes form an integral part of these financial statements.

## Consolidated statement of cash flows

For the financial year ended 31 December 2014

	Group	
	2014	2013
	Rp'000	(Restated) Rp'000
<b>Cash flows from operating activities</b>		
<b>Profit before income tax</b>	<b>106,920,825</b>	28,606,743
Adjustments for:		
Amortisation of operating use rights	44,160	44,160
Changes in fair value less estimated point-of-sale costs of biological assets	22,014,331	32,594,502
Changes in fair value of financial assets at fair value through profit or loss	131,670	53,550
Depreciation of property, plant and equipment	10,522,078	10,348,085
Gain on disposal of biological assets, net	(4,049,600)	(698,207)
(Gain)/Loss on disposal of property, plant and equipment	(122,462)	126,518
Interest expense	-	458,474
Interest income	(8,796,292)	(5,674,186)
Provision for post-employment benefits	5,453,666	3,472,190
Unrealised currency translation gain	(7,631,084)	(2,126,776)
Operating cash flows before working capital changes	<b>124,487,292</b>	67,205,053
Working capital changes:		
Inventories	4,616,889	21,378,033
Trade and other receivables	18,088,280	(17,365,456)
Prepayments	66,966	113,576
Trade and other payables	(27,099,903)	23,007,965
Utilisation of post-employment benefits	(862,937)	(195,105)
Cash generated from operations	<b>119,296,587</b>	94,144,066
Interest paid	-	(453,728)
Interest received	8,791,224	5,669,427
Income tax paid	(15,272,727)	(21,991,522)
Net cash from operating activities	<b>112,815,084</b>	77,368,243
<b>Cash flows from investing activities</b>		
Additions to biological assets	(10,995,315)	(9,363,285)
Purchases of property, plant and equipment	(12,523,551)	(15,494,909)
Proceeds from disposal of property, plant and equipment	260,172	604,769
Payments for deferred charges arising from acquisition of land location permit	(4,339,477)	-
Net cash used in investing activities	<b>(27,598,171)</b>	(24,253,425)
<b>Cash flows from financing activities</b>		
Dividend paid to owners of the parent	(15,154,789)	(13,053,456)
Dividend paid to non-controlling interest	(4,186,250)	(438,750)
Shares buy back held in treasury	(7,254,125)	-
Finance leases' interest paid	-	(4,746)
Repayments of bank borrowings	-	(29,787,000)
Repayments of obligations under finance leases	-	(30,121)
Net cash used in financing activities	<b>(26,595,164)</b>	(43,314,073)
Net change in cash and cash equivalents	<b>58,621,749</b>	9,800,745
Cash and cash equivalents at the beginning of the financial year	<b>354,479,648</b>	292,415,847
Effects of currency translation on cash and cash equivalents	(379,268)	52,263,056
Cash and cash equivalents at the end of the financial year (Note 20)	<b>412,722,129</b>	354,479,648

The accompanying notes form an integral part of these financial statements.

# Notes to the financial statements

For the financial year ended 31 December 2014

These notes form an integral part and should be read in conjunction with the financial statements.

## 1. GENERAL CORPORATE INFORMATION

Global Palm Resources Holdings Limited (the “Company”) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore. The Company’s registered office and principal place of business is at 105 Cecil Street, #24-01 The Octagon, Singapore 069534. The Company’s registration number is 200921345M.

The Company is a subsidiary of GPR Investment Holdings Limited, a Seychelles-domiciled company, which is also its ultimate holding company.

The principal activity of the Company is that of an investment holding company and provision of management services. The principal activities of the subsidiaries are set out in Note 13 to the financial statements.

The financial statements for the financial year ended 31 December 2014 were authorised for issue in accordance with a Directors’ resolution dated 26 March 2015.

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation of financial statements

The financial statements have been prepared in accordance with the provisions of the Singapore Companies Act, Cap. 50 and Singapore Financial Reporting Standards (“FRS”) including related Interpretations of FRS (“INT FRS”) and are prepared under the historical cost convention, except as disclosed in the accounting policies below.

The individual financial statements of each Group entity are measured and presented in the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements of the Company are measured in Singapore dollar, the functional currency of the Company. The consolidated financial statements of the Group, the statement of financial position and statement of changes in equity of the Company are presented in Indonesian rupiah which is the presentation currency for the consolidated financial statements as the Group mainly operates in Indonesia. All values presented are rounded to the nearest thousand (“Rp’000”), unless otherwise stated.

The preparation of financial statements in compliance with FRS requires management to make judgements, estimates and assumptions that affect the Group’s application of accounting policies and reported amounts of assets, liabilities, revenue and expenses. Although these estimates are based on management’s best knowledge of current events and actions, actual results may differ from those estimates. The areas where such judgements or estimates have the most significant effect on the financial statements are disclosed in Note 3 to the financial statements.

In the current financial year, the Group has adopted all the new and revised FRS and INT FRS that are relevant to their operations and effective for the current financial year. The adoption of these new/revised FRS and INT FRS did not result in any substantial changes to the Group’s accounting policies and has no material effect on the amounts reported for the current or prior financial years, except as detailed below.



# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation of financial statements (Continued)

#### **FRS 110 Consolidated Financial Statements and FRS 27 (Revised) Separate Financial Statements**

FRS 110 introduces a single new control model, as the basis for determining which entities are consolidated in the Group's financial statements. Under FRS 110, control exists when the Group has:

- power over an investee;
- exposure, or rights, to variable returns from the investee; and
- the ability to use its power over an investee to affect the Group's returns from the investee.

The Group has applied FRS 110 retrospectively, in accordance with the transitional provisions of FRS 110 and changed its accounting policy for determining whether it has control over an entity and whether it is required to consolidate that interest. The adoption of FRS 110 did not result in any changes to the control conclusions reached by the Group in respect of its involvement with other entities as at the date of initial adoption on 1 January 2014. The adoption of FRS 27 (Revised) did not result in any material changes to the Group's or the Company's financial statements.

#### **FRS 112 Disclosure of Interests in Other Entities**

FRS 112 prescribes comprehensive disclosure requirements for all types of interests in other entities. It requires the Group to disclose information that helps users to assess the nature and financial effects of its relationships with the subsidiaries. As the new standard affects only disclosure, there is no effect on the Group's financial position or performance. Certain new disclosures are included in these financial statements following adoption of FRS 112 on 1 January 2014.

#### FRS issued but not yet effective

At the date of authorisation of these financial statements, the following FRS that are relevant to the Group were issued but not yet effective, and have not been adopted early in these financial statements:

		Effective date (annual periods beginning on or after)
FRS 1 (Amendments)	: Disclosure Initiative	1 January 2016
FRS 16 and FRS 38 (Amendments)	: Clarification of Acceptable Methods of Depreciation and Amortisation	1 January 2016
FRS 16 and FRS 41 (Amendments)	: Agriculture: Bearer Plants	1 January 2016
FRS 19 (Amendments)	: Defined Benefit Plans: Employee Contributions	1 July 2014
FRS 109	: Financial Instruments	1 January 2018
FRS 115	: Revenue from Contracts with Customers	1 January 2017

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

	Effective date (annual periods beginning on or after)
Improvements to FRSs (January 2014)	
– FRS 16 (Amendments)	: Property, Plant and Equipment 1 July 2014
– FRS 24 (Amendments)	: Related Party Disclosures 1 July 2014
– FRS 38 (Amendments)	: Intangible Assets 1 July 2014
– FRS 103 (Amendments)	: Business Combinations 1 July 2014
– FRS 108 (Amendments)	: Operating Segments 1 July 2014
Improvements to FRSs (November 2014)	
– FRS 19 (Amendments)	: Employee Benefits 1 January 2016
– FRS 107 (Amendments)	: Financial Instruments: Disclosures 1 January 2016

Consequential amendments were also made to various standards as a result of these new/revised standards.

Except as disclosed below, management anticipates that the adoption of the above FRS, where relevant, in future periods will not have a material impact on the financial statements of the Group in the period of their initial adoption.

#### **FRS 109 *Financial Instruments***

FRS 109 supersedes FRS 39 *Financial Instruments: Recognition and Measurement* with new requirements for the classification and measurement of financial assets and liabilities, impairment of financial assets and hedge accounting.

Under FRS 109, financial assets are classified into financial assets measured at fair value or at amortised cost depending on the Group's business model for managing the financial assets and the contractual cash flow characteristics of the financial assets. Fair value gains or losses will be recognised in profit or loss except for certain equity investments, for which the Group will have a choice to recognise the gains and losses in other comprehensive income. A third measurement category has been added for debt instruments – fair value through other comprehensive income. This measurement category applies to debt instruments that meet the Solely Payments of Principal and Interest contractual cash flow characteristics test and where the Group is holding the debt instrument to both collect the contractual cash flows and to sell the financial assets.

FRS 109 carries forward the recognition, classification and measurement requirements for financial liabilities from FRS 39, except for financial liabilities that are designated at fair value through profit or loss, where the amount of change in fair value attributable to change in credit risk of that liability is recognised in other comprehensive income unless that would create or enlarge an accounting mismatch. In addition, FRS 109 retains the requirements in FRS 39 for de-recognition of financial assets and financial liabilities.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation of financial statements (Continued)

FRS issued but not yet effective (Continued)

#### **FRS 109 *Financial Instruments*** (Continued)

FRS 109 introduces a new forward-looking impairment model based on expected credit losses to replace the incurred loss model in FRS 39. This determines the recognition of impairment provisions as well as interest revenue. For financial assets at amortised cost or fair value through other comprehensive income, the Group will now always recognise (at a minimum) 12 months of expected losses in profit or loss. Lifetime expected losses will be recognised on these assets when there is a significant increase in credit risk after initial recognition.

FRS 109 also introduces a new hedge accounting model designed to allow entities to better reflect their risk management activities in their financial statements.

The Group plans to adopt FRS 109 in the financial year beginning on 1 January 2018 with retrospective effect in accordance with the transitional provisions. There may be a potentially significant impact on the accounting for financial instruments on initial adoption. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard, however the Group will be required to reassess the classification and measurement of financial assets, and the new impairment requirements are expected to result in changes for impairment provisions on trade receivables and other financial assets not measured at fair value through profit or loss.

#### **FRS 115 *Revenue from Contracts with Customers***

FRS 115 introduces a comprehensive model that applies to revenue from contracts with customers and supersedes all existing revenue recognition requirements under FRS. The model features a five-step analysis to determine whether, how much and when revenue is recognised, and two approaches for recognising revenue: at a point in time or over time. The core principle is that an entity recognises revenue when control over promised goods or services is transferred to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. FRS 115 also introduces extensive qualitative and quantitative disclosure requirements which aim to enable users of the financial statements to understand the nature, amount, timing and uncertainty of revenue and cash flows arising from contracts with customers.

On initial adoption of this standard, there may be a potentially significant impact on the timing and profile of revenue recognition of the Group. Due to the recent release of this standard, the Group has not yet made a detailed assessment of the impact of this standard. The Group plans to adopt the standard in the financial year beginning on 1 January 2017 with either full or modified retrospective effect in accordance with the transitional provisions, and will include the required additional disclosures in its financial statements for that financial year.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Basis of consolidation

The consolidated financial statements incorporate the financial statements of the Company and its subsidiaries. Subsidiaries are entities over which the Group has control. The Group controls an investee if the Group has power over the investee, exposure to variable returns from the investee, and the ability to use its power to affect those variable returns. Control is reassessed whenever facts and circumstances indicate that there may be a change in any of these elements of control.

Subsidiaries are consolidated from the date on which control is obtained by the Group up to the effective date on which control is lost, as appropriate.

Intra-group balances and transactions and any unrealised income and expenses arising from intra-group transactions are eliminated on consolidation. Unrealised losses may be an impairment indicator of the asset concerned.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. Where necessary, accounting policies of subsidiaries are changed to ensure consistency with the policies adopted by other members of the Group.

#### *Acquisition under common control*

Business combination arising from transfers of interest in entities that are under common control are accounted for as if the acquisition had occurred at the beginning of the earliest comparative period presented or, if later, at the date that common control was established. For this purpose, comparatives are restated. The assets and liabilities acquired are recognised at the carrying amounts recognised previously in the Group's controlling shareholders' financial statements. The components of equity of the acquired entities are added to the same components within the Group equity. Any difference between the cash paid for the acquisition and net assets acquired is recognised directly to equity.

#### *Non-controlling interests*

Non-controlling interests in subsidiaries relate to the equity in subsidiaries which is not attributable directly or indirectly to the owners of the parent. They are shown separately in the consolidated statements of comprehensive income, financial position and changes in equity.

Non-controlling interests in the acquiree that are a present ownership interest and entitle its holders to a proportionate share of the entity's net assets in the event of liquidation may be initially measured either at fair value or at the non-controlling interests' proportionate share of the fair value, of the acquiree's identifiable net assets. The choice of measurement basis is made on an acquisition-by-acquisition basis. Subsequent to acquisition, the carrying amount of non-controlling interests is the amount of those interests at initial recognition plus the non-controlling interests' share of subsequent changes in equity. Total comprehensive income is attributed to non-controlling interests even if this results in the non-controlling interests having a deficit balance.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.2 Basis of consolidation (Continued)

Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiary. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, it derecognises the assets and liabilities of the subsidiary and any non-controlling interest. The profit or loss on disposal is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. Amounts previously recognised in other comprehensive income in relation to the subsidiary are accounted for (i.e. reclassified to profit or loss or transferred directly to accumulated profits) in the same manner as would be required if the relevant assets or liabilities were disposed of. The fair value of any investments retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under FRS 39 Financial Instruments: Recognition and Measurement or, when applicable, the cost on initial recognition of an investment in an associate or jointly controlled entity.

In the separate financial statements of the Company, investments in subsidiaries are carried at cost, less any impairment loss that has been recognised in profit or loss.

### 2.3 Revenue recognition

Revenue is measured at the fair value of the consideration received or receivable. Revenue is presented net of estimated customer returns, rebates, other similar allowances and sales related taxes.

#### Sale of goods

Revenue from the sale of goods is recognised when the Group has transferred to the buyer the significant risks and rewards of ownership of the goods and retains neither continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold, the amount of revenue can be measured reliably, it is probable that the economic benefits associated with the transaction will flow to the entity and the costs incurred or to be incurred in respect of the transaction can be measured reliably. Normally these criteria are met when the goods are delivered to and accepted by the buyer.

#### Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.



# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.4 Employee benefits

#### (i) *Defined contribution plans*

The Group participates in the national pension schemes as defined by the laws of the countries in which it has operations. Contributions to defined contribution plans are recognised in profit or loss in the same financial year as the employment that gives rise to such contributions.

#### (ii) *Defined benefit plans*

The Group also provides additional provisions for employee service entitlements in order to meet the minimum benefits required to be paid to qualified employees, as required under the Indonesian Labour Law No. 13/2003 (the "Labour Law"). The said additional provisions, which are unfunded, are estimated using actuarial calculations based on the report prepared by an independent firm of actuaries.

Actuarial gains or losses are charged or credited to equity in other comprehensive income in the period in which they arise.

All past service costs, including unvested past service costs previously recognised over the average vesting period, are recognised immediately in profit or loss when incurred.

Current service costs and interest costs are recognised immediately in profit or loss when incurred.

The related estimated liability for employee benefit represents the aggregate of the present value of the defined benefit obligation at the end of the financial year.

#### (iii) *Employee leave entitlements*

Employee entitlements to annual leave are recognised when they accrue to employees. An accrual is made for the estimated undiscounted liability for annual leave expected to be settled wholly within 12 months from the reporting date as a result of services rendered by employees up to the end of the financial year.

### 2.5 Borrowing costs

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised as an expense in profit or loss in the financial year in which they are incurred. Borrowing costs are recognised on a time-proportion basis in profit or loss using the effective interest method.

### 2.6 Taxes

Income tax expense represents the sum of the tax currently payable and deferred tax.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Taxes (Continued)

#### Current income tax

The tax currently payable is based on taxable profit for the financial year. Taxable profit differs from profit as reported in profit or loss because it excludes items of income or expense that are taxable or deductible in other financial years and it further excludes items that are not taxable or tax deductible. The Group's liability for current tax is recognised at the amount expected to be paid or recovered from the tax authorities and is calculated using tax rates (and tax laws) that have been enacted or substantively enacted in countries where the Company and its subsidiaries operate by the end of the financial year.

Current income taxes are recognised in profit or loss, except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

#### Deferred tax

Deferred tax is recognised on all temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised on taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each financial year and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset realised based on the tax rates (and tax laws) that have been enacted or substantively enacted by the end of the financial year.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the group expects to recover or settle its assets and liabilities.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Deferred tax is recognised in profit or loss, except when it relates to items recognised outside profit or loss, in which case the tax is also recognised either in other comprehensive income or directly in equity.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.6 Taxes (Continued)

#### Sales tax

Revenue, expenses and assets are recognised net of the amount of sales tax except:

- when the sales tax that is incurred on purchase of assets or services is not recoverable from the tax authorities, in which case the sales tax is recognised as part of cost of acquisition of the asset or as part of the expense item as applicable; and
- receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 2.7 Biological assets

Biological assets, which include mature and immature oil palm plantations, are stated at fair value less estimated point-of-sale costs. Oil palm trees have an average life that ranges from 23 to 25 years, with the first 3 years as immature and the remaining years as mature. As market determined prices or values are not readily available for plantations in its present condition, the Group uses the present value of expected net future cash flows (excluding any future cash flows for financing the assets, taxation, or re-establishing plantations after harvest) from the asset, discounted at a current market determined pre-tax rate in determining fair values.

Gains or losses arising on initial recognition of plantations at fair value less estimated point-of-sale costs and from the change in fair value less estimated point-of-sale costs of plantations at the end of each financial year are included in profit or loss in the financial year in which they arise.

Oil palm plantation is classified as mature plantation if 70% of total plants per block are ready to be harvested with the average fresh fruit bunch weight of at least 3.5 kg or with the plant age of minimum of 36 months.

Biological assets also include land preparation costs which is the cost incurred to clear the land and to ensure that the plantations are in a state ready for the planting of seedlings.

### 2.8 Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and any accumulated impairment losses. The cost of property, plant and equipment includes its purchase price and any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is incurred as a consequence of acquiring or using the property, plant and equipment.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.8 Property, plant and equipment (Continued)

Subsequent expenditure relating to the property, plant and equipment that has already been recognised is added to the carrying amount of the property, plant and equipment when it is probable that the future economic benefits, in excess of the standard of performance of the asset before the expenditure was made, will flow to the Group, and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

Depreciation is calculated using the straight-line method to allocate the depreciable amounts of the property, plant and equipment over their estimated useful lives as follows:

	Years
Buildings and infrastructure	25
Machinery and equipment	10 to 25
Transportation equipment and motor vehicles	5 to 10
Office equipment	3 to 10

No depreciation is charged on construction-in-progress as they are not yet in use as at the end of the financial year.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The estimated useful lives, residual values and depreciation methods are reviewed, and adjusted as appropriate, at the end of each financial year.

Assets held under finance leases are depreciated over their expected useful lives on the same basis as owned assets or, if there is no certainty that the lessee will obtain ownership by the end of the lease term, the asset shall be fully depreciated over the shorter of the lease term and its useful life.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal.

The gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in profit or loss.

### 2.9 Operating use rights

Operating use rights represent deferred expenses incurred related to the legal arrangement of land rights and are stated at cost less accumulated amortisation and accumulated impairment losses. The right is amortised on a straight-line basis over the estimated useful life, being the legal age of land rights, and amortisation method are reviewed at each financial year-end, with the effect of any changes in estimates being accounted for on a prospective basis.

### 2.10 Club memberships

Club memberships are stated at cost less any impairment loss.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.11 Deferred charges

Deferred charges represent legal and professional fees and other incidental costs incurred in the process of completing the legal arrangement of obtaining land rights. Deferred charges are stated at cost and will be subsequently reclassified to operating use rights (Note 2.9) once the land rights are legally and successfully obtained.

### 2.12 Impairment of non-financial assets

At the end of each financial year, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

### 2.13 Inventories

Inventories are stated at the lower of cost and net realisable value. Costs comprise direct materials and, where applicable, direct labour costs and those overheads that have been incurred in bringing the inventories to their present location and condition. Cost is calculated using the weighted average method. Net realisable value represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

### 2.14 Financial instruments

Financial assets and financial liabilities are recognised on the statements of financial position when the Group becomes a party to the contractual provisions of the instrument.



# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Financial instruments (Continued)

#### Effective interest method

The effective interest method is a method of calculating the amortised cost of a financial instrument and allocating the interest income or expense over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts or payments (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial instrument, or where appropriate, a shorter period, to the net carrying amount of the financial instrument. Income and expense are recognised on an effective interest basis for debt instruments other than those financial instruments at fair value through profit or loss.

#### Financial assets

All financial assets are recognised on a trade date where the purchase of a financial asset is under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned, and are initially measured at fair value, plus transaction costs, except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value.

The Group classifies its financial assets as financial assets at fair value through profit or loss and loans and receivables. The classification depends on the nature and purpose for which these financial assets were acquired and is determined at the time of initial recognition.

#### (i) *Financial assets at fair value through profit or loss ("FVTPL")*

Financial assets are classified as FVTPL if the financial asset is either held for trading or is designated as such upon initial recognition.

A financial asset is classified as held-for-trading if it has been acquired principally for the purpose of selling in the short term; or if it is part of an identified portfolio of financial instruments with a recent actual pattern of short-term profit-taking and which is managed by the Group; or if it is a derivative that is not designated and effective as a hedging instrument.

A financial asset which is not classified as held-for-trading may be designated as FVTPL upon initial recognition if the financial asset is managed as part of a group of financial instruments, with its performance being evaluated on a fair value basis, in accordance with the Group's documented risk management or investment strategy, and information about the grouping is provided internally on that basis.

Financial assets at FVTPL are stated at fair value, with any resultant gain or loss recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Financial instruments (Continued)

#### Financial assets (Continued)

##### (ii) *Loans and receivables*

Non derivative financial assets which have fixed or determinable payments that are not quoted in an active market are classified as loans and receivables. Loans and receivables are measured at amortised cost, using the effective interest method, less impairment. Interest is recognised by applying the effective interest rate, except for short-term receivables when the recognition of interest would be immaterial.

The Group's loans and receivables in the statements of financial position comprise trade and other receivables, dividend receivable and cash and cash equivalents.

#### Impairment of financial assets

Financial assets, other than FVTPL, are assessed for indicators of impairment at the end of each financial year. Financial assets are impaired where there is objective evidence that the estimated future cash flows of the assets have been impacted.

For financial assets carried at amortised cost, the amount of the impairment is the difference between the financial asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate.

The carrying amounts of all financial assets are reduced by the impairment losses directly with the exception of trade and other receivables where the carrying amounts are reduced through the use of an allowance account. Changes in the carrying amount of the allowance account are recognised in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment loss was recognised, the previously recognised impairment loss is reversed through profit or loss to the extent the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortised cost would have been had the impairment not been recognised.

#### Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the financial asset expire, or it transfers the financial asset and substantially all the risks and rewards of ownership of the financial asset to another entity.

On derecognition, any difference between the carrying amount and the sum of proceeds received and amounts previously recognised in other comprehensive income is recognised in profit or loss.

#### Financial liabilities and equity instruments

##### Classification as debt or equity

Financial liabilities and equity instruments issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.14 Financial instruments (Continued)

#### Financial liabilities and equity instruments (Continued)

##### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. Equity instruments are recorded at the proceeds received, net of direct issue costs. The Group classifies ordinary shares as equity instruments.

When shares recognised as equity are reacquired, the amount of consideration paid is recognised directly in equity. Reacquired shares are classified as treasury shares and presented as a deduction from total equity. No gain or loss is recognised in profit or loss on the purchase, sale issue or cancellation of treasury shares.

When treasury shares are subsequently cancelled, the cost of treasury shares are deducted against the share capital account if the shares are purchased out of capital of the Company, or against the retained earnings of the Company if the shares are purchased out of earnings of the Company.

When treasury shares are subsequently sold or reissued the cost of treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is recognised in the capital reserve of the Company.

##### Financial liabilities

The Group classifies its financial liabilities as other financial liabilities.

##### *Other financial liabilities*

(i) Trade and other payables and dividend payable to non-controlling interest

Trade and other payables and dividend payable to non-controlling interest are initially measured at fair value, net of transaction costs, and are subsequently measured at amortised cost, where applicable, using the effective interest method, with interest expense recognised on an effective yield basis.

(ii) Borrowings

Bank borrowings are initially measured at fair value, and are subsequently measured at amortised cost, using the effective interest method. Any difference between the proceeds (net of transaction costs) and the settlement or redemption of borrowings is recognised over the term of the borrowings in accordance with the Group's accounting policy for borrowing costs (Note 2.5).

##### Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount and the consideration paid is recognised in profit or loss.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.15 Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, cash and deposits with banks and financial institutions. Cash and cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subjected to an insignificant risk of changes in value.

### 2.16 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the financial year, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The increase in the provision due to the passage of time is recognised in the statement of comprehensive income as finance expense.

Changes in the estimated timing or amount of the expenditure or discount rate are recognised in profit or loss when the changes arise.

### 2.17 Leases

#### Finance leases

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards incidental to ownership of the leased assets to the lessee. All other leases are classified as operating leases.

Assets held under finance leases are capitalised as property, plant and equipment of the Group at their fair value at the inception of the lease or, if lower, at the present value of the minimum lease payments. The corresponding liability to the lessor is included in the statement of financial position as finance lease payables. Lease payments are apportioned between finance charges and reduction of the lease obligation so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are charged directly to profit or loss, unless they are directly attributable to the acquisition, construction or production of qualifying assets, in which case they are capitalised in accordance with the Group's general policy on borrowing costs (Note 2.5).

#### Operating Leases

Rentals payable under operating leases (net of any incentives received from lessors) are charged to profit or loss on a straight-line basis over the term of the relevant lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased asset are consumed.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### 2.18 Foreign currency transactions and translation

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency ("foreign currencies") are recorded at the rates of exchange prevailing on the date of the transactions. At the end of each financial year, monetary items denominated in foreign currencies are retranslated at the rates prevailing as at the end of the financial year. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items and on retranslation of monetary items are included in profit or loss for the financial year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the financial year except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognised directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognised directly in equity.

For the purpose of presenting consolidated financial statements, the assets and liabilities of the Group's foreign operations (including comparatives) are expressed in Indonesian rupiah using exchange rates prevailing at the end of the financial year. Income and expense items (including comparatives) are translated at the average exchange rates for the period, unless exchange rates fluctuated significantly during that period, in which case the exchange rates at the dates of the transactions are used. Exchange differences arising, are recognised initially in other comprehensive income and accumulated in the Group's foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of the net investment in foreign entities (including monetary items that, in substance, form part of the net investment in foreign entities), and of borrowings and other currency instruments designated as hedges of such investments, are taken to the foreign currency translation reserve.

### 2.19 Dividends

Equity dividends are recognised when they become legally payable. Interim dividends are recorded in the financial year in which they are declared payable. Final dividends are recorded in the financial year in which dividends are approved by shareholders.

### 2.20 Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision-maker. The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Chief Executive Officer who makes strategic decisions.



# Notes to the financial statements

For the financial year ended 31 December 2014

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Group's accounting policies, which are described in Note 2 to the financial statements, management made judgements, estimates and assumptions about the carrying amounts of assets and liabilities that were not readily apparent from other sources. The estimates and associated assumptions were based on historical experience and other factors that were considered to be reasonable under the circumstances. Actual results may differ from these estimates.

These estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

### 3.1 Critical judgements made in applying the entity's accounting policies

The following are the critical judgements, apart from those involving estimations (see below), that management has made in the process of applying the Group's and the Company's accounting policies and that have a significant effect on the amounts recognised in the financial statements.

(i) Impairment of investments in subsidiaries or financial assets

The Group and the Company follow the guidance of FRS 36 and FRS 39 in determining when an investment in a subsidiary or a financial asset is impaired. This determination requires significant judgement. The Group and the Company evaluate, among other factors, the duration and extent to which the fair value of investment in a subsidiary or a financial asset is less than its cost and the financial health of and near-term business outlook for the investment or financial asset, including factors such as industry and sector performance, changes in technology and operational and financing cash flow.

(ii) Determination of functional currency

The Group measures foreign currency transactions in the respective functional currencies of the Company and its subsidiaries. In determining the functional currencies of the respective entities in the Group, judgement is required to determine the currency that mainly influences sales prices of goods and services and of the country whose competitive forces and regulations mainly determines the sales prices of its goods and services. The functional currencies of the entities in the Group are determined based on the local management's assessment of the economic environment in which the entities operate and the respective entities' process of determining sales prices.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### 3.1 Critical judgements made in applying the entity's accounting policies (Continued)

#### (iii) Allowance for impairment of trade and other receivables

The policy for impairment of receivables of the Group is based on the ageing analysis and management's ongoing evaluation of the recoverability of the outstanding receivables. A considerable amount of judgement is required in assessing the ultimate realisation of these receivables including the assessment of the creditworthiness and the past collection history of each customer. If the financial conditions of these customers were to deteriorate, resulting in an impairment of their ability to make payments, allowances may be required.

#### (iv) Inventory valuation method

Inventories, except fresh fruit bunch, are valued at the lower of actual cost and net realisable value. Cost is determined primarily using the weighted average method. Market price is generally the merchandise's selling price quoted from the market of similar items. Management reviews the Group's inventory levels in order to identify slow-moving and obsolete merchandise and identifies items of inventory which have a market price that is lower than its carrying amount. Management then estimates the amount of inventory loss as an allowance on inventory. Changes in demand levels, technological developments and pricing competition could affect the salability and values of the inventory which could then consequentially impact the Group's results, cash flows and financial position.

### 3.2 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the financial year, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

#### (i) Biological assets

The Group's biological assets are stated at fair value less estimated point-of-sale costs. This requires independent valuer's assessment of the fair value of the biological assets. The fair value of the Group's biological assets are determined using the discounted cash flow method. The key inputs to the discounted cash flow model are derived from observable market data, the details of the significant assumptions made are disclosed in Note 11 to the financial statements. While the Group believes that its assumptions are reasonable and appropriate, significant differences between the actual and projected FFB selling price or significant changes in the Group's assumptions may materially affect the fair value of its biological assets. Changes in conditions of the biological assets could also impact the fair value of the biological assets. The carrying amount of the Group's biological assets as at 31 December 2014 was Rp637,944,601,000 (2013: Rp653,185,280,000).

# Notes to the financial statements

For the financial year ended 31 December 2014

## 3. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY (CONTINUED)

### 3.2 Key sources of estimation uncertainty (Continued)

#### (ii) Depreciation of property, plant and equipment

The Group depreciates the property, plant and equipment, using the straight-line method, over their estimated useful lives after taking into account of their estimated residual values. The estimated useful life reflects management's estimate of the period that the Group intends to derive future economic benefits from the use of the Group's property, plant and equipment. Changes in the expected level of usage and technological developments could affect the economics, useful lives and the residual values of these assets which could then consequentially impact future depreciation charges. The carrying amounts of the Group's and the Company's property, plant and equipment as at 31 December 2014 were Rp121,082,835,000 (2013: Rp119,232,226,000) and Rp359,092,000 (2013: Rp561,437,000) respectively.

#### (iii) Pension and employee benefits

The determination of the Group's obligations and cost for pension and employee benefits liability is dependent on its selection of certain assumptions used by the independent actuaries in calculating such amounts. Those assumptions include among others, discount rates, wages and salary increase, retirement age and mortality rate. Actual results that differ from the Group's assumptions are recognised immediately in profit or loss as and when they occur. While the Group believes that its assumptions are reasonable and appropriate, significant differences in the Group's actual experience or significant changes in the Group's assumptions may materially affect its estimated liabilities for pension and employee benefits and net employee benefits expense. The carrying amount of the Group's estimated liabilities for employee benefits as at 31 December 2014 was Rp32,306,575,000 (2013: Rp25,007,853,000).

#### (iv) Provision for income taxes

The Group has exposure to income taxes in several jurisdictions of which a portion of these taxes arose from certain transactions and computations for which ultimate tax determination is uncertain during the ordinary course of business. The Group recognises liabilities of expected tax issues based on their best estimates of the likely taxes due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax positions in the period in which such determination is made. The carrying amounts of the Group's and the Company's current income tax payable as at 31 December 2014 was Rp18,416,620,000 (2013: Rp2,227,728,000) and Rp695,234,000 (2013: Rp346,608,000) respectively. The carrying amounts of the Group's deferred tax liabilities as at 31 December 2014 was Rp127,077,489,000 (2013: Rp128,010,915,000).

## 4. REVENUE

	Group	
	2014	2013
	Rp'000	Rp'000
Crude palm oil	387,776,795	321,462,517
Palm kernels	40,478,993	22,061,307
	<b>428,255,788</b>	<b>343,523,824</b>

## Notes to the financial statements

For the financial year ended 31 December 2014

### 5. COST OF SALES

	Group	
	2014	2013
	Rp'000	Rp'000
Cost of inventories recognised as expense	121,048,033	97,874,293
Employee benefits expense – Direct labour	34,694,460	31,423,917
Depreciation of property, plant and equipment	9,207,244	8,777,350
Amortisation of operating use rights	44,160	44,160
Field upkeep and harvesting	23,321,550	17,984,476
Freight and stevedoring	17,496,119	16,041,042
Fuel and lubricant	16,779,678	16,008,628
Indirect materials used	28,125,948	32,501,848
Repair and maintenance	24,171,319	20,260,980
Other overheads	6,107,717	5,118,740
	<b>280,996,228</b>	<b>246,035,434</b>

### 6. OTHER INCOME

	Group	
	2014	2013
	Rp'000	Rp'000
Changes in fair value of financial assets at fair value through profit or loss	(131,670)	(53,550)
Gain on disposal of property, plant and equipment	122,462	–
Gain on disposal of biological assets	4,049,600	698,207
Foreign exchange gain, net	9,898,351	–
Sundry income from sale of sludge and kernel shells	3,005,892	2,031,903
	<b>16,944,635</b>	<b>2,676,560</b>

### 7. FINANCE COSTS

	Group	
	2014	2013
	Rp'000	Rp'000
Interest expenses		
– bank borrowings	–	453,728
– finance leases	–	4,746
	<b>–</b>	<b>458,474</b>

During the previous financial year, the bank borrowings consist of working capital loans which bore interest at 2.95% per annum. The bank borrowings were fully repaid as at the end of the previous financial year.

During the previous financial year, the effective interest rate charged on the finance lease payables was 5.25%. The finance lease payables were fully repaid as at the end of the previous financial year.

## Notes to the financial statements

For the financial year ended 31 December 2014

### 8. PROFIT BEFORE INCOME TAX

The above is arrived at after charging:

	Group	
	2014 Rp'000	2013 Rp'000
<i>Distribution expenses</i>		
Claims for sales	946,662	19,969
Freight and stevedoring expenses	1,775,206	1,612,679
<i>Administrative expenses</i>		
Bank charges	49,341	51,066
Depreciation of property, plant and equipment	1,314,834	1,570,735
Employee benefits expense <sup>(1)</sup>		
– Salaries, wages and bonuses	20,688,969	18,210,124
– Post-employment benefits	5,453,666	3,472,190
Audit fees:		
– Auditors of the Company	741,474	471,858
– Other auditors <sup>(2)</sup>	286,000	273,000
Non-audit fees:		
– Auditors of the Company	–	–
– Other auditors <sup>(2)</sup>	–	–
Operating lease expense – office premises	1,382,187	1,146,953
Professional fees	2,342,921	2,383,527
Entertainment expenses	568,676	913,589
Transportation, travelling and accommodation expenses	1,134,170	816,197
<i>Other expenses</i>		
Loss on disposal of property, plant and equipment	–	126,518
Foreign exchange loss, net	–	7,796,986

(1) Employee benefits expense includes key management personnel remuneration as disclosed in Note 28 to the financial statements.

(2) Other auditors refer to a member firm of BDO International Limited.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 9. INCOME TAX EXPENSE

	Group	
	2014	2013
	Rp'000	Rp'000
<u>Income tax recognised in profit or loss</u>		
Current income tax		
– current financial year	(28,154,297)	(14,966,432)
– over provision in prior financial years	77,604	159,991
– withholding tax on interest and dividend income	(3,434,422)	(5,752,150)
	(31,511,115)	(20,558,591)
Deferred income tax		
– current financial year	256,428	5,473,175
Total income tax expense recognised in profit or loss	(31,254,687)	(15,085,416)

### Reconciliation of effective tax rate

Domestic income tax is calculated at 25% (2013: 25%) of the estimated assessable profit for the financial year. Taxation for other jurisdictions is calculated at the rates prevailing in the relevant jurisdictions.

The income tax expense varied from the amount of income tax expense determined by applying the domestic income tax rate of 25% (2013: 25%) to profit before income tax as a result of the following differences:

	Group	
	2014	2013
	Rp'000	Rp'000
Profit before income tax	106,920,825	28,606,743
Income tax calculated at statutory income tax rate of 25% (2013: 25%)	26,730,206	7,151,686
Tax effect of income not subject to tax	(3,031,171)	(4,318,547)
Tax effect of expenses not deductible	10,131,466	6,300,828
Tax effect of tax-exempt income	(242,793)	(214,956)
Over provision in prior financial years	(77,604)	(159,991)
Withholding tax on interest and dividend income	3,434,422	5,752,150
Effect of different income tax rate of entities operating in other jurisdiction	(5,442,440)	915,879
Tax rebate	(276,507)	(305,665)
Others	29,108	(35,968)
	31,254,687	15,085,416



## Notes to the financial statements

For the financial year ended 31 December 2014

### 9. INCOME TAX EXPENSE (CONTINUED)

Income tax recognised in other comprehensive income

	Group					
	2014			2013		
	Rp'000	Rp'000	Rp'000	Rp'000	Rp'000	Rp'000
	Before tax	Tax credit	Net of tax	Before tax	Tax expense	Net of tax
Remeasurement of post-employment benefits	(2,707,993)	676,998	(2,030,995)	2,021,435	(505,359)	1,516,076

### 10. EARNINGS PER SHARE

The calculation for basic earnings per share is based on the profit attributable to owners of the parent for the financial year by the weighted average (2013: actual) number of ordinary shares in issue during the financial year. As the Group has no dilutive potential ordinary shares, the diluted earnings per share are equivalent to basic earnings per share.

	Group	
	2014	2013
The calculation of basic and diluted earnings per share is based on:		
Profit for the financial year attributable to owners of the parent (Rp'000)	71,973,904	11,975,631
Weighted average (2013: actual) number of ordinary shares ('000)	411,278	412,968

### 11. BIOLOGICAL ASSETS

	Group	
	2014	2013
	Rp'000	Rp'000
<b>At fair value</b>		
Balance as at the beginning of the financial year	653,185,280	677,144,369
Additions	10,995,315	9,363,285
Disposal	(4,221,663)	(727,872)
Changes in fair value less estimated point-of-sale costs	(22,014,331)	(32,594,502)
Balance as at the end of the financial year	637,944,601	653,185,280

# Notes to the financial statements

For the financial year ended 31 December 2014

## 11. BIOLOGICAL ASSETS (CONTINUED)

### (a) Analysis of biological assets

At the end of the financial year, the Group's biological assets comprised oil palm trees, which range from newly established plantations to plantations that are 25 years old.

	Group			
	2014		2013	
	Hectares	Rp'000	Hectares	Rp'000
Planted area:				
– Mature	9,894	619,300,000	9,100	606,500,000
– Immature	481	17,853,297	1,303	45,763,768
Nurseries	–	791,304	–	921,512
	<b>10,375</b>	<b>637,944,601</b>	10,403	653,185,280

### (b) Analysis of palm oil produces

During the financial year, the Group harvested approximately 154,201 (2013: 138,580) tonnes of fresh palm fruit bunches, which had a fair value less estimated point-of-sale costs of approximately Rp253,669,897,000 (2013: Rp207,731,420,000). The fair value of fresh palm fruit bunches was determined with reference to their market prices.

Mature oil palm trees produce fresh fruit bunch ("FFB"), which are used to produce crude palm oil ("CPO") and palm kernels ("PK"). The fair value of mature oil palm plantations was determined by an independent valuer having appropriate recognised professional qualification using the discounted cash flows of the underlying plantations. The expected future cash flows of mature oil palm plantations were determined using the projected selling prices of crude palm oil and palm kernels in the market.

Significant assumptions made in determining the fair values of the mature oil palm plantations are as follows:

- (i) no new planting or re-planting activities are assumed;
- (ii) oil palm trees have an average life that ranges from 23 to 25 years, with the first 3 years as immature and the remaining years as mature;
- (iii) the discount rate used for the Group's plantation operations which is applied in the discounted cash flows calculation is 13.88% (2013: 13.36%); and
- (iv) the projected selling prices of FFB for the financial years ended 31 December 2014 and 31 December 2013 are calculated based on CPO and PK prices issued by Loco Province of Kalimantan Barat, multiplied by their respective extraction rate issued by Loco Province of Kalimantan Barat.

The resulting fair values of biological assets are considered level 2 recurring fair value measurements.

## Notes to the financial statements

For the financial year ended 31 December 2014

### 12. PROPERTY, PLANT AND EQUIPMENT

	Buildings and infrastructure Rp'000	Machinery and equipment Rp'000	Transportation equipment and motor vehicles Rp'000	Office equipment Rp'000	Construction- in-progress Rp'000	Total Rp'000
<b>Group</b>						
<b>Cost</b>						
Balance as at 1.1.2014	62,430,912	67,436,133	57,849,356	2,735,636	293,827	190,745,864
Additions	643,367	3,152,420	2,709,652	192,786	5,826,242	12,524,467
Disposals	-	-	(1,311,568)	(1,000)	-	(1,312,568)
Write off	-	-	-	(32,978)	-	(32,978)
Reclassification	2,699,924	-	-	-	(2,699,924)	-
Currency translation differences	-	-	(36,016)	(31,398)	-	(67,414)
Balance as at 31.12.2014	65,774,203	70,588,553	59,211,424	2,863,046	3,420,145	201,857,371
<b>Accumulated depreciation</b>						
Balance as at 1.1.2014	16,787,417	24,343,696	28,323,558	2,058,967	-	71,513,638
Depreciation for the financial year	2,595,607	2,777,660	5,035,311	113,500	-	10,522,078
Disposals	-	-	(1,174,659)	(199)	-	(1,174,858)
Write off	-	-	-	(32,978)	-	(32,978)
Currency translation differences	-	-	(22,020)	(31,324)	-	(53,344)
Balance as at 31.12.2014	19,383,024	27,121,356	32,162,190	2,107,966	-	80,774,536
<b>Carrying amount</b>						
Balance as at 31.12.2014	46,391,179	43,467,197	27,049,234	755,080	3,420,145	121,082,835

## Notes to the financial statements

For the financial year ended 31 December 2014

### 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Buildings and infrastructure Rp'000	Machinery and equipment Rp'000	Transportation equipment and motor vehicles Rp'000	Office equipment Rp'000	Construction- in-progress Rp'000	Total Rp'000
<b>Group</b>						
<b>Cost</b>						
Balance as at 1.1.2013	51,890,573	67,820,718	51,523,760	3,012,290	3,126,961	177,374,302
Additions	1,023,411	427,806	7,262,738	97,160	6,683,794	15,494,909
Disposals	–	(812,391)	(1,238,189)	(636,262)	–	(2,686,842)
Reclassification	9,516,928	–	–	–	(9,516,928)	–
Currency translation differences	–	–	301,047	262,448	–	563,495
Balance as at 31.12.2013	62,430,912	67,436,133	57,849,356	2,735,636	293,827	190,745,864
<b>Accumulated depreciation</b>						
Balance as at 1.1.2013	14,422,855	21,982,535	24,254,225	2,026,394	–	62,686,009
Depreciation for the financial year	2,364,562	2,715,905	4,846,632	420,986	–	10,348,085
Disposals	–	(354,744)	(964,549)	(636,262)	–	(1,955,555)
Currency translation differences	–	–	187,250	247,849	–	435,099
Balance as at 31.12.2013	16,787,417	24,343,696	28,323,558	2,058,967	–	71,513,638
<b>Carrying amount</b>						
Balance as at 31.12.2013	45,643,495	43,092,437	29,525,798	676,669	293,827	119,232,226

## Notes to the financial statements

For the financial year ended 31 December 2014

### 12. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	Office equipment Rp'000	Motor vehicles Rp'000	Total Rp'000
<b>Company</b>			
<b>Cost</b>			
Balance as at 1.1.2014	1,468,353	1,684,311	3,152,664
Additions	151,697	–	151,697
Write off	(32,978)	–	(32,978)
Currency translation differences	(31,398)	(36,017)	(67,415)
Balance as at 31.12.2014	1,555,674	1,648,294	3,203,968
<b>Accumulated depreciation</b>			
Balance as at 1.1.2014	1,468,353	1,122,874	2,591,227
Depreciation for the financial year	12,303	327,667	339,970
Write off	(32,978)	–	(32,978)
Currency translation differences	(31,323)	(22,020)	(53,343)
Balance as at 31.12.2014	1,416,355	1,428,521	2,844,876
<b>Carrying amount</b>			
Balance as at 31.12.2014	139,319	219,773	359,092
<b>Cost</b>			
Balance as at 1.1.2013	1,205,905	1,383,264	2,589,169
Currency translation differences	262,448	301,047	563,495
Balance as at 31.12.2013	1,468,353	1,684,311	3,152,664
<b>Accumulated depreciation</b>			
Balance as at 1.1.2013	905,564	645,523	1,551,087
Depreciation for the financial year	314,940	290,100	605,040
Currency translation differences	247,849	187,251	435,100
Balance as at 31.12.2013	1,468,353	1,122,874	2,591,227
<b>Carrying amount</b>			
Balance as at 31.12.2013	–	561,437	561,437

# Notes to the financial statements

For the financial year ended 31 December 2014

## 13. INVESTMENTS IN SUBSIDIARIES

	Company	
	2014 Rp'000	2013 Rp'000
<i>Unquoted equity shares in corporations, at cost</i>		
Balance as at the beginning of the financial year	<b>555,375,799</b>	456,110,059
Currency translation differences	<b>(11,875,871)</b>	99,265,740
Balance as at the end of the financial year	<b>543,499,928</b>	555,375,799

Details of the subsidiaries are as follows:

Name of subsidiaries (Country of incorporation and principal place of business)	Principal activities	Proportion of ownership			
		interest held by the Group		interest held by non-controlling interest	
		2014 %	2013 %	2014 %	2013 %
<b><i>Held by the Company</i></b>					
Global Palm Resources Private Limited <sup>(1)</sup> (Singapore)	Investment holding company	<b>100</b>	100	–	–
Ecogreen Resources Investments Limited <sup>(2)</sup> (Cayman Islands)	Dormant	<b>100</b>	100	–	–
<b><i>Held by Global Palm Resources Private Limited</i></b>					
PT Prakarsa Tani Sejati <sup>(3)</sup> (Indonesia)	Oil palm plantations and manufacturing of plantation products (Crude Palm Oil and Palm Kernels)	<b>95</b>	95	<b>5</b>	5

(1) Audited by BDO LLP, Singapore, a member firm of BDO International Limited

(2) Not required to be audited

(3) Audited by KAP Tanubrata Sutanto Fahmi & Rekan, Indonesia, a member firm of BDO International Limited



## Notes to the financial statements

For the financial year ended 31 December 2014

### 13. INVESTMENTS IN SUBSIDIARIES (CONTINUED)

#### Non-controlling interest

Summarised financial information in relation to the subsidiary that has non-controlling interest ("NCI") that is material to the Group, before intra-group eliminations and together with amounts attributed to NCI, is presented below:

	PT Prakarsa Tani Sejati	
	2014 Rp'000	2013 Rp'000
Revenue	428,255,788	343,523,824
Profit before income tax	101,068,272	40,161,066
Income tax expense	(27,223,575)	(9,247,149)
Profit for the financial year	73,844,697	30,913,917
Profit allocated to NCI	3,692,234	1,545,696
Other comprehensive income allocated to NCI	(101,550)	75,804
Total comprehensive income allocated to NCI	3,590,684	1,621,500
Dividend to NCI	1,653,750	2,925,200
Cash flows from operating activities	94,291,412	154,174,745
Cash flows used in investing activities	(27,447,392)	(24,253,425)
Cash flows used in financing activities	(10,720,750)	(106,771,867)
Net cash inflows	56,123,270	23,149,453
Assets:		
Current assets	416,825,864	359,457,696
Non-current assets	767,330,723	776,223,131
Liabilities:		
Current liabilities	354,623,254	351,251,493
Non-current liabilities	159,384,064	153,018,767
Net assets	670,149,269	631,410,567
Accumulated non-controlling interests	33,507,463	31,570,529

## Notes to the financial statements

For the financial year ended 31 December 2014

### 14. OPERATING USE RIGHTS

	Group	
	2014 Rp'000	2013 Rp'000
<b>Cost</b>		
Balance as at the beginning and the end of the financial year	1,400,873	1,400,873
<b>Accumulated amortisation</b>		
Balance as at the beginning of the financial year	662,310	618,150
Amortisation for the financial year	44,160	44,160
Balance as at the end of the financial year	706,470	662,310
<b>Carrying amount</b>		
Balance as at the end of the financial year	694,403	738,563

The remaining amortisation period for operating use rights is as follows:

	Group	
	2014 Years	2013 Years
<b>Remaining amortisation period</b>	15	16

### 15. CLUB MEMBERSHIPS

	Group and Company	
	2014 Rp'000	2013 Rp'000
Club memberships, at cost	888,112	888,112
Currency translation differences	308,496	334,643
	1,196,608	1,222,755

Club memberships comprise memberships for golf clubs in Singapore. As the club memberships do not have quoted market prices in an active market and there are no other available methods to reliably estimate the fair values, it is not practicable to determine the fair values of the club memberships with sufficient reliability. However, the Directors of the Company anticipate that the carrying amounts of club memberships approximate their fair values.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 16. DEFERRED CHARGES

Deferred charges represent legal and professional fees and other incidental costs incurred in the process of completing the legal arrangement of obtaining land rights. Deferred charges are stated at cost and will be subsequently reclassified to operating use rights once the land rights are legally and successfully obtained.

## 17. INVENTORIES

	Group	
	2014 Rp'000	2013 Rp'000
Finished goods	12,223,647	15,552,120
Production supplies	13,747,087	15,035,503
	<b>25,970,734</b>	30,587,623

## 18. TRADE AND OTHER RECEIVABLES

	Group		Company	
	2014 Rp'000	2013 Rp'000	2014 Rp'000	2013 Rp'000
Trade receivables – third parties	3,532,505	3,701,324	–	–
Other receivables				
– subsidiaries	–	–	3,007,779	4,429,018
– related parties	84,768	–	–	–
– third parties	20,201,277	14,646,747	33,285	28,801
– loans to subsidiary	–	–	356,609,106	377,929,841
	<b>20,286,045</b>	14,646,747	<b>359,650,170</b>	382,387,660
Refundable deposits	2,542,354	405,604	2,376,067	239,310
	<b>26,360,904</b>	18,753,675	<b>362,026,237</b>	382,626,970

Trade receivables are unsecured, non-interest bearing and generally on 30 (2013: 30) days' credit terms.

The non-trade amounts due from subsidiaries and related parties are unsecured, non-interest bearing and repayable on demand.

The Group's other receivables as at 31 December 2014 and 31 December 2013 comprise mainly receivable from a third party for the Group's transfer of certain portion of matured plantation in accordance to the Plasma programme and such receivable will be offset against future purchases from this third party.

The Company's loans to a subsidiary are unsecured, repayable on demand and earns interest at 0.5% (2013: 0.5%) above SIBOR per annum.

## Notes to the financial statements

For the financial year ended 31 December 2014

### 18. TRADE AND OTHER RECEIVABLES (CONTINUED)

Trade and other receivables are denominated in the following currencies:

	Group		Company	
	2014	2013	2014	2013
	Rp'000	Rp'000	Rp'000	Rp'000
Indonesian rupiah	23,951,265	18,485,270	100,161,627	115,559,665
Singapore dollar	2,409,639	268,405	261,864,610	267,067,305
	<b>26,360,904</b>	18,753,675	<b>362,026,237</b>	382,626,970

### 19. FINANCIAL ASSETS AT FAIR VALUE THROUGH PROFIT OR LOSS

	Group	
	2014	2013
	Rp'000	Rp'000
Balance as at the beginning of the financial year	258,300	311,850
Changes in fair value during the financial year (Note 6)	(131,670)	(53,550)
Balance as at the end of the financial year	<b>126,630</b>	258,300
Comprising:		
<b>Held for trading</b>		
Listed securities:		
Equity securities – Indonesia	<b>126,630</b>	258,300

The fair values of these securities are based on closing quoted market prices on the last market day of the financial year.

The resulting fair values of financial assets at fair value through profit or loss are considered level 1 recurring fair value measurements.

The quoted equity securities are denominated in Indonesian rupiah.

### 20. CASH AND CASH EQUIVALENTS

	Group		Company	
	2014	2013	2014	2013
	Rp'000	Rp'000	Rp'000	Rp'000
Cash and bank balances	52,302,494	200,380,411	2,027,365	2,709,839
Fixed deposits with banks	360,419,635	154,099,237	41,873,481	42,532,237
	<b>412,722,129</b>	354,479,648	<b>43,900,846</b>	45,242,076

Fixed deposits mature on varying dates ranging between 5 days to 82 days (2013: 6 days to 27 days) from the end of the financial year. The effective interest rates on the fixed deposits range from 0.57% to 10.5% (2013: 0.57% to 9.5%) per annum.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 20. CASH AND CASH EQUIVALENTS (CONTINUED)

Cash and cash equivalents are denominated in the following currencies:

	Group		Company	
	2014	2013	2014	2013
	Rp'000	Rp'000	Rp'000	Rp'000
Indonesian rupiah	160,000,859	107,003,452	–	–
Singapore dollar	46,979,125	209,221,605	43,900,846	45,242,076
United States dollar	205,742,145	38,254,591	–	–
	412,722,129	354,479,648	43,900,846	45,242,076

## 21. TRADE AND OTHER PAYABLES

	Group		Company	
	2014	2013	2014	2013
	Rp'000	Rp'000	Rp'000	Rp'000
Trade payables				
– related parties	261,462	478,828	–	–
– third parties	15,493,116	18,112,818	–	–
	15,754,578	18,591,646	–	–
Other payables				
– third parties	2,628,285	2,238,731	–	–
Value added taxes	1,966,609	3,840,650	–	–
Other taxes payable	4,261,833	7,002,897	–	–
Accrued operating expenses	8,107,091	8,132,791	1,056,774	1,048,300
Advances from customers	13,172,727	15,769,636	–	–
	45,891,123	55,576,351	1,056,774	1,048,300

Trade payables are unsecured, non-interest bearing and are normally settled within 30 (2013: 30) days.

Trade and other payables are denominated in the following currencies:

	Group		Company	
	2014	2013	2014	2013
	Rp'000	Rp'000	Rp'000	Rp'000
Indonesian rupiah	44,721,282	54,423,587	–	–
Singapore dollar	1,169,841	1,152,764	1,056,774	1,048,300
	45,891,123	55,576,351	1,056,774	1,048,300

# Notes to the financial statements

For the financial year ended 31 December 2014

## 22. PROVISION FOR POST-EMPLOYMENT BENEFITS

The Group recognises provision for post-employment benefits for all its permanent employees in accordance with Indonesian Labour Law No. 13/2003 dated 25 March 2003. The provision is based on an actuarial calculation by an independent actuary using the "Projected Unit Credit Method".

The provision for post-employment benefit recognised by the Group as at 31 December 2014 amounted to approximately Rp32,306,575,000 (2013: Rp25,007,853,000). The related expense recognised in the current financial year was approximately Rp5,453,666,000 (2013: Rp3,472,190,000).

The estimated liabilities for post-employment benefits based on the actuary report has been determined using the following assumptions:

	2014	2013
Discount rate	8.30% per annum	9.00% per annum
Wages and salary growth rate	8% per annum	8% per annum
Mortality rate	TMI 2011	TMI 2011
Retirement age	55 years of age	55 years of age
Method	Projected unit credit	Projected unit credit

### Reconciliation of post-employment benefits

	Group	
	2014	2013
	Rp'000	Rp'000
Balance, representing present value of obligation, as at the beginning of the financial year	25,007,853	23,752,203
<u>Included in profit or loss</u>		
Current service costs	2,043,888	1,626,752
Interest costs	2,287,520	1,490,976
Past service cost	1,122,258	354,462
	5,453,666	3,472,190
Provision utilised during the financial year	(862,937)	(195,105)
<u>Included in other comprehensive income</u>		
Remeasurement of post-employment benefits from:		
– Demographic assumptions	(508,074)	(912,673)
– Financial assumptions	1,745,873	(1,108,762)
– Experience losses	1,470,194	–
	2,707,993	(2,021,435)
Balance, representing present value of obligation, as at the end of the financial year	32,306,575	25,007,853



## Notes to the financial statements

For the financial year ended 31 December 2014

### 22. PROVISION FOR POST-EMPLOYMENT BENEFITS (CONTINUED)

#### *Sensitivity analysis*

The impact to the value of the defined benefit obligation of a reasonably possible change to one actuarial assumption, holding all other assumptions constant, is presented in the table below:

Actuarial assumption	Change in actuarial assumption	Defined benefit obligation	
		Increase Rp'000	Decrease Rp'000
<b>2014</b>			
Discount rate	1%	30,022,790	34,947,643
Wages and salary growth rate	1%	35,237,674	29,752,675
Mortality rate	1%	32,308,127	32,305,023
<b>2013</b>			
Discount rate	1%	23,920,166	28,082,134
Wages and salary growth rate	1%	28,350,370	23,667,654
Mortality rate	1%	25,850,075	25,846,644

The average duration of the post-employment benefits at the end of the financial year is 15.54 years (2013: 16.66 years).

### 23. DEFERRED TAX LIABILITIES

	Group		Company	
	2014 Rp'000	2013 Rp'000	2014 Rp'000	2013 Rp'000
Balance as at the beginning of the financial year	128,010,915	132,976,302	–	49,957
Credited to profit or loss	(256,428)	(5,473,175)	–	(52,386)
(Credited)/Charged to other comprehensive income	(676,998)	505,359	–	–
Currency translation differences	–	2,429	–	2,429
Balance as at the end of the financial year	127,077,489	128,010,915	–	–

## Notes to the financial statements

For the financial year ended 31 December 2014

### 23. DEFERRED TAX LIABILITIES (CONTINUED)

Deferred tax liabilities arise as a result of temporary differences between the tax written down values and carrying amounts of the following computed at statutory income tax rate:

	Biological assets Rp'000	Property, plant and equipment Rp'000	Operating use rights Rp'000	Provision for post- employment benefits Rp'000	Total Rp'000
<b>Group</b>					
Balance as at 31.12.2012 and 1.1.2013 (restated)	133,250,521	5,764,013	(100,183)	(5,938,049)	132,976,302
(Credited)/Charged to profit or loss	(6,445,992)	1,802,248	(10,160)	(819,271)	(5,473,175)
Charged to other comprehensive income	–	–	–	505,359	505,359
Currency translation differences	–	2,429	–	–	2,429
Balance as at 31.12.2013 and 1.1.2014	126,804,529	7,568,690	(110,343)	(6,251,961)	128,010,915
(Credited)/Charged to profit or loss	(4,180,664)	5,261,773	(189,854)	(1,147,683)	(256,428)
Credited to other comprehensive income	–	–	–	(676,998)	(676,998)
Balance as at 31.12.2014	122,623,865	12,830,463	(300,197)	(8,076,642)	127,077,489

The Group has recognised withholding tax of Rp3,434,422,000 (2013: Rp5,752,150,000) relating to the dividends received from a subsidiary during the financial year. Temporary differences on the remaining undistributed earnings for which no withholding tax liability has been recognised amounted to approximately Rp635,149,268,000 (2013: Rp596,410,567,000) as the Group does not expect to distribute such earnings in the foreseeable future. Such withholding tax liability is estimated to be Rp63,514,927,000 (2013: Rp59,641,057,000).

	Property, plant and equipment Rp'000
<b>Company</b>	
Balance as at 31.12.2012 and 1.1.2013	49,957
Credited to profit or loss	(52,386)
Currency translation differences	2,429
Balance as at 31.12.2013 and 31.12.2014	–

# Notes to the financial statements

For the financial year ended 31 December 2014

## 24. SHARE CAPITAL

	Group and Company			
	2014	2013	2014	2013
	Number of ordinary shares		Rp'000	
	'000	'000	Rp'000	Rp'000
<u>Issued and paid up</u>				
Balance as at the beginning of the financial year	<b>412,968</b>	412,968	<b>681,817,047</b>	681,817,047
Shares re-acquired and held as treasury shares	<b>(3,510)</b>	–	<b>(7,254,125)</b>	–
Balance as at the end of the financial year	<b>409,458</b>	412,968	<b>674,562,922</b>	681,817,047

The holders of ordinary shares are entitled to receive dividends as and when declared by the Group and the Company. All ordinary shares have no par value and carry one vote per share without restriction.

### *Treasury shares*

Treasury shares relate to ordinary shares of the Company that were re-acquired and held by the Company. The Company acquired 3,510,000 (2013: Nil) of its ordinary shares in the open market during the financial year. The total amount paid to acquire these shares was Rp7,254,125,000 (2013: Nil) and this was presented as a component within shareholders' equity.

## 25. FOREIGN CURRENCY TRANSLATION RESERVE

Foreign currency translation reserve comprises all foreign exchange differences arising from the translation of the financial statements of the Company whose functional currency is different from that of the Group's presentation currency and is non-distributable.

## 26. DIVIDEND

	Group and Company	
	2014	2013
	Rp'000	Rp'000
Final tax-exempt dividend of S\$0.004 (approximately Rp36.7) [2013: S\$0.004 (approximately Rp31.6)] per ordinary share in respect of financial year ended 31 December 2013 (2013: 31 December 2012)	<b>15,154,789</b>	13,053,456

The Board of Directors of the Company recommend a final tax-exempt dividend of S\$0.007 per ordinary share on the number of shares outstanding as at the book closure date to be paid in respect of current financial year. This final dividend has not been recognised as a liability at the end of the financial year as it is subject to approval at the Annual General Meeting of the Company. The book closure date will be determined upon approval of the dividend at the Annual General Meeting of the Company.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 27. COMMITMENTS

### 27.1 Capital commitments

At the end of the financial year, the Group had the following capital expenditure contracted for but not recognised in the financial statements as follows:

	Group and Company	
	2014	2013
	Rp'000	Rp'000
Property, plant and equipment	4,192,487	5,187,566

### 27.2 Operating lease commitments

At the end of the financial year, commitments in respect of non-cancellable operating leases in respect of office premises are as follows:

	Group		Company	
	2014	2013	2014	2013
	Rp'000	Rp'000	Rp'000	Rp'000
<b><i>Future minimum lease payments payable:</i></b>				
Not later than one year	1,043,167	1,033,866	923,167	945,187
Later than one year and not later than five years	717,087	1,594,876	717,087	1,594,876
	<b>1,760,254</b>	<b>2,628,742</b>	<b>1,640,254</b>	<b>2,540,063</b>

Leases initially run for an initial period of 1 to 3 years, with an option to renew for another 2 years, with no contingent rentals payments.

### 27.3 Commitment for sales contracts

The Group had the following contractual amounts of the committed contracts with fixed pricing terms that were outstanding at the end of the financial year.

	Group	
	2014	2013
	Rp'000	Rp'000
Sales	14,636,364	22,496,818

# Notes to the financial statements

For the financial year ended 31 December 2014

## 28. SIGNIFICANT RELATED PARTY TRANSACTIONS

A related party is defined as follows:

- (a) A person or a close member of that person's family is related to the Group and the Company if that person:
  - (i) Has control or joint control over the Company;
  - (ii) Has significant influence over the Company; or
  - (iii) Is a member of the key management personnel of the Group or the Company or of a parent of the Company.
- (b) An entity is related to the Group and the Company if any of the following conditions applies:
  - (i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others);
  - (ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member);
  - (iii) Both entities are joint ventures of the same third party;
  - (iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity;
  - (v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company. If the Company is itself such a plan, the sponsoring employers are also related to the Company;
  - (vi) The entity is controlled or jointly controlled by a person identified in (a); or
  - (vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

## Notes to the financial statements

For the financial year ended 31 December 2014

### 28. SIGNIFICANT RELATED PARTY TRANSACTIONS (CONTINUED)

During the financial year, in addition to the information disclosed elsewhere in these financial statements, the Group entities entered into the following transactions with related parties at rates and terms agreed between the parties:

	Group	
	2014 Rp'000	2013 Rp'000
<u>Related parties</u>		
Purchase of spare parts from related parties	226,933	200,850
Transportation charged by related parties	4,559,724	4,843,835
Purchase of property, plant and equipment from related parties	410,248	–
Rental of premises charged by related parties	432,599	395,215
Dividend to non-controlling interest	1,653,750	2,925,000

Related parties transactions are with entities, of which Mr. Tan Hong Kiat @ Suparno Adijanto, director of the Company, has beneficial interests.

#### Key management personnel remuneration

The remuneration of the Directors of the Company and other key management of the Group for the financial years ended 31 December 2014 and 2013 were as follows:

	Group	
	2014 Rp'000	2013 Rp'000
Short-term benefits	9,023,412	7,372,641
<i>Analysed into:</i>		
Directors of the Company	5,185,127	3,842,560
Directors of the subsidiary	1,374,413	1,279,840
Other key management personnel	2,463,872	2,250,241
	9,023,412	7,372,641
Directors' fees	1,743,090	1,636,758

### 29. SEGMENT REPORTING

The Group operates only in one business segment, which is the plantation segment and in one geographical location, Indonesia. Accordingly, no segmental information is prepared based on business segment or on geographical distribution as it is not meaningful.



# Notes to the financial statements

For the financial year ended 31 December 2014

## 30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS

### 30.1 Financial instruments

The following sets out the financial instruments at the end of financial year:

	Group		Company	
	2014 Rp'000	2013 Rp'000	2014 Rp'000	2013 Rp'000
<b>Financial assets</b>				
Trade and other receivables	26,360,904	18,753,675	362,026,237	382,626,970
Cash and cash equivalents	412,722,129	354,479,648	43,900,846	45,242,076
Dividend receivable	–	–	46,232,750	22,000,000
Loans and receivables	439,083,033	373,233,323	452,159,833	449,869,046
Financial assets at fair value through profit or loss	126,630	258,300	–	–
	<b>439,209,663</b>	<b>373,491,623</b>	<b>452,159,833</b>	<b>449,869,046</b>
<b>Financial liabilities</b>				
Trade and other payables*	26,489,954	28,963,168	1,056,774	1,048,300
Dividend payable to non-controlling interest	1,405,688	4,186,250	–	–
Other financial liabilities at amortised cost	27,895,642	33,149,418	1,056,774	1,048,300

\* This excludes advances from customers, value added taxes and other taxes payable.

### 30.2 Financial risks

The Group's and the Company's activities expose them to credit risks, market risks (including foreign currency risks, interest rate risks and price risks) and liquidity risks. The Group's and the Company's overall risk management strategy seeks to minimise adverse effects from the volatility of financial markets on the Group's and the Company's financial performance.

The Board of Directors is responsible for setting the objectives and underlying principles of financial risk management for the Group and the Company. The management continually monitors the Group's and the Company's financial risk management process to ensure that an appropriate balance between risk and control is achieved.

There has been no change to the Group's and the Company's exposure to these financial risks or the manner in which they manage and measure the risk. The Group and the Company do not hold or issue derivative financial instruments for trading purposes.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### 30.2 Financial risks (Continued)

#### (a) Credit risks

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Group and the Company. The Group and the Company have adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral where appropriate, as a means of mitigating the risk of financial loss from defaults. The Group and the Company perform ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Group has no significant concentration of credit risk, except for the other receivable from a third party amounting to approximately Rp18,675,770,000 (2013: Rp12,737,154,000) which represented 70.8% (2013: 67.9%) of total trade and other receivables.

The Company has no significant concentration of credit risk except for the amounts due from subsidiaries amounting to approximately Rp359,616,885,000 (2013: Rp382,358,859,000) which represented 99.3% (2013: 99.9%) of total trade and other receivables, and dividend receivable amounting to Rp46,232,750,000 (2013: Rp22,000,000,000).

At the end of the financial year, the Group's and the Company's maximum exposure to credit risk were represented by the carrying amount of the financial assets on the statements of financial position.

The Group's and the Company's major classes of financial assets are financial assets at fair value through profit or loss, cash and cash equivalents, trade and other receivables and dividend receivable. These financial assets are neither past due nor impaired at the end of the financial year.

Bank deposits are mainly deposits with banks with high credit-ratings assigned by international credit rating agencies.

Trade receivables that are neither past due nor impaired are substantially entities with good payment track record with the Group.

#### (b) Market risks

Market risk is the risk that changes in market prices, such as foreign exchange rates and interest rates, will affect the Group's and the Company's income or value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return on risk.

## Notes to the financial statements

For the financial year ended 31 December 2014

### 30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

#### 30.2 Financial risks (Continued)

##### (b) Market risks (Continued)

##### (i) Foreign currency risks

Foreign currency risk arises from transactions denominated in currencies other than the functional currencies of the respective companies in the Group. The currencies that give rise to this risk of the Group are primarily Singapore dollar ("SGD"), United States dollar ("USD") and Indonesian rupiah ("IDR"). The currency that gives rise to this risk of the Company is primarily Indonesian rupiah ("IDR").

The Group and the Company have not entered into any currency forward exchange contracts as at the end of the financial year.

The Group's currency exposure based on the information provided to key management is as follows:

	SGD Rp'000	USD Rp'000	IDR Rp'000	Total Rp'000
<b>Group</b>				
<b>2014</b>				
Total financial assets	309,058,482	205,742,145	359,485,248	874,285,875
Total financial liabilities	(260,839,559)	–	(201,029,906)	(461,869,465)
Net financial assets	48,218,923	205,742,145	158,455,342	412,416,410
Less:				
Net financial assets denominated in the respective entities' functional currencies	(304,708,682)	–	(12,060,965)	(316,769,647)
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	(256,489,759)	205,742,145	146,394,377	95,646,763
<b>2013</b>				
Total financial assets	476,462,166	38,254,591	270,574,178	785,290,935
Total financial liabilities	(268,124,921)	–	(176,823,809)	(444,948,730)
Net financial assets	208,337,245	38,254,591	93,750,369	340,342,205
(Less)/Add:				
Net financial (assets)/liabilities denominated in the respective entities' functional currencies	(311,261,081)	–	43,809,296	(267,451,785)
Currency exposure of financial (liabilities)/assets net of those denominated in the respective entities' functional currencies	(102,923,836)	38,254,591	137,559,665	72,890,420

# Notes to the financial statements

For the financial year ended 31 December 2014

## 30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### 30.2 Financial risks (Continued)

#### (b) Market risks (Continued)

##### (i) Foreign currency risks (Continued)

The Company's currency exposure based on the information provided to key management is as follows:

	IDR Rp'000
<b>Company</b>	
<b>2014</b>	
Total financial assets	146,394,377
Total financial liabilities	–
Net currency exposure of financial assets	<u>146,394,377</u>
<b>2013</b>	
Total financial assets	137,559,665
Total financial liabilities	–
Net currency exposure of financial assets	<u>137,559,665</u>

#### *Foreign currency sensitivity analysis*

The following table details the Group's sensitivity to a 5% (2013: 8%) change in Singapore dollar, United States dollar and Indonesian rupiah against the Group entities' respective functional currency and the Company's sensitivity to a 5% (2013: 8%) change in Indonesian rupiah against the Company's functional currency (Singapore dollar). The sensitivity analysis assumes an instantaneous 5% (2013: 8%) change in the foreign currency exchange rates from the end of the financial year, with all other variables held constant. The results of the model are also constrained by the fact that only monetary items, which are denominated in Singapore dollar, United States dollar and Indonesian rupiah are included in the analysis.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### 30.2 Financial risks (Continued)

#### (b) Market risks (Continued)

##### (i) Foreign currency risks (Continued)

*Foreign currency sensitivity analysis* (Continued)

	Increase/(Decrease) profit or loss	
	2014 Rp'000	2013 Rp'000
<b>Group</b>		
<u>Singapore dollar</u>		
Strengthened against Indonesian rupiah	(12,824,488)	(8,233,907)
Weakened against Indonesian rupiah	12,824,488	8,233,907
<u>United States dollar</u>		
Strengthened against Indonesian rupiah	10,287,107	3,060,367
Weakened against Indonesian rupiah	(10,287,107)	(3,060,367)
<u>Indonesian rupiah</u>		
Strengthened against Singapore dollar	7,319,719	11,004,773
Weakened against Singapore dollar	(7,319,719)	(11,004,773)
<b>Company</b>		
<u>Indonesian rupiah</u>		
Strengthened against Singapore dollar	7,319,719	11,004,773
Weakened against Singapore dollar	(7,319,719)	(11,004,773)

The potential impact of foreign exchange rate fluctuation in profit or loss as described in the sensitivity analysis above is attributable mainly to foreign exchange rate fluctuations of the Group's and the Company's foreign exchange exposure on foreign currency denominated cash and cash equivalents, receivables and payables at the end of the financial year.

##### (ii) Interest rate risks

Interest rate risk is the risk that the fair value or future cash flows of the Group's and the Company's financial instrument will fluctuate because of changes in market interest rates.

The Group's exposure to market risk for changes in interest rates relates primarily to interest-bearing cash and cash equivalents. The Group maintains an efficient and optimal interest cost structure using a combination of fixed and variable rate debts, and long and short term borrowings. The Company's exposure to market risk for changes in interest rates relates primarily to fixed deposits.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### 30.2 Financial risks (Continued)

#### (b) Market risks (Continued)

##### (ii) Interest rate risks (Continued)

###### *Interest rate sensitivity analysis*

The sensitivity analysis below has been determined based on the exposure to interest rate risks for financial assets and liabilities at the end of the financial year. For floating rate liabilities, the analysis is prepared assuming the amount of liability outstanding at the end of the financial year was outstanding for the whole financial year. The sensitivity analysis assumes an instantaneous 5% change in the interest rates from the end of the financial year, with all variables held constant.

If the interest rate increases or decreases by 5%, profit before income tax of the Group, will increase or decrease by:

	Group	
	2014 Rp'000	2013 Rp'000
Interest-bearing cash and cash equivalents	439,815	283,709
Bank borrowings	–	22,686
Finance lease payables	–	237
	–	22,923

##### (iii) Price risks

The Group's exposure to price risk arises from its:

- purchase of raw materials and sales of crude palm oil and palm kernel; and
- investments in equity securities which are classified on the statement of financial position as financial assets at fair value through profit or loss.

Prices of raw materials and end products may fluctuate significantly depending on the market situation and factors such as weather, government policy, level of demand and supply in the market and the global economic environment. During periods of unfavourable price volatility, the Group may enter into forward physical contracts with its suppliers and customers or use derivative contracts in the conduct of business to manage its price risk.

###### *Price risk sensitivity analysis*

At the end of the financial year, had the crude palm oil and palm kernel average selling prices and prices for equity securities listed in Indonesia been 15% (2013: 15%) higher or lower, with all variables held constant, profit before income tax would have been higher or lower by approximately Rp64,257,363,000 (2013: Rp51,567,319,000).

# Notes to the financial statements

For the financial year ended 31 December 2014

## 30. FINANCIAL INSTRUMENTS AND FINANCIAL RISKS (CONTINUED)

### 30.2 Financial risks (Continued)

#### (c) Liquidity risks

Liquidity risks refer to the risks in which the Group and the Company encounter difficulties in meeting short-term obligations. Liquidity risks are managed by matching the payment and receipt cycle.

The Group and the Company manage their debt maturity profile, operating cash flows and the availability of funding so as to ensure that all repayment and funding needs are met. As part of the overall prudent liquidity management, the Group and the Company minimise liquidity risk by ensuring availability of funding through an adequate amount of committed credit facilities from financial institutions and maintain sufficient levels of cash and cash equivalents to meet their working capital requirements.

The following table details the Group's and the Company's remaining contractual maturity for their non-derivative financial instruments. The table has been drawn up based on undiscounted cash flows of financial instruments based on the earlier of the contractual date or when the Group and the Company are expected to receive or pay.

	Within one financial year Rp'000
<b>Group</b>	
<b>31.12.2014</b>	
Financial liabilities	
Non-interest bearing*	<b>27,895,642</b>
<b>31.12.2013</b>	
Financial liabilities	
Non-interest bearing*	33,149,418

\* This excludes advances from customers, value added taxes and other taxes payable.

	Rp'000
<b>Company</b>	
<b>31.12.2014</b>	
Financial liabilities	
Non-interest bearing	<b>1,056,774</b>
<b>31.12.2013</b>	
Financial liabilities	
Non-interest bearing	1,048,300



# Notes to the financial statements

For the financial year ended 31 December 2014

## 31. FAIR VALUE OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

The carrying amounts of the Group's and the Company's financial assets and financial liabilities approximate their respective fair values as at the end of the financial year due to the relative short term maturity of these financial instruments.

The fair value of financial assets at fair value through profit or loss with standard terms and conditions and traded on active liquid markets are determined with reference to quoted market prices.

The management considers that the carrying amounts of the financial assets and financial liabilities recorded at amortised cost in the financial statements approximate their fair values.

## 32. CAPITAL MANAGEMENT POLICIES AND OBJECTIVES

The Group and the Company manage their capital to ensure that the Group and the Company are able to continue as going concern and maintain an optimal capital structure so as to maximise shareholders' values.

The management constantly reviews the capital structure to ensure that the Group and the Company are able to service any debt obligations (include principal repayment and interests) based on their operating cash flows. The capital structure of the Group and the Company comprise the share capital and accumulated profits which are shown in the statements of financial position. The Group's and the Company's overall strategy remains unchanged from the previous financial year.

The Group and the Company are not subject to any externally imposed capital requirements for the financial years ended 31 December 2014 and 2013.

## 33. COMPARATIVE FIGURES

The consolidated statement of cash flows of the Group has been restated to reclassify foreign currency translation differences relating to the translation of the Company's transactions in non-Rp functional currency to Group's presentation currency ("Rp") accordingly to the relevant cash and cash equivalents, working capital items and financing activities.

The following comparative figures for the consolidated statement of cash flows of the Group for the previous financial year ended 31 December 2013 have been restated as a result of the above restatement.

# Notes to the financial statements

For the financial year ended 31 December 2014

## 33. COMPARATIVE FIGURES (CONTINUED)

	Group	
	As restated 2013 Rp'000	As previously reported 2013 Rp'000
<b>Consolidated Statement of Cash Flows</b>		
<b>Cash flows from operating activities</b>		
Adjustments for:		
Unrealised foreign exchange loss, net	–	51,014,768
Unrealised currency translation gain	(2,126,776)	–
Operating cash flows before working capital changes	<b>67,205,053</b>	120,346,597
Working capital changes:		
Trade and other receivables	(17,365,456)	991,046
Prepayments	113,576	41,176
Trade and other payables	<b>23,007,965</b>	1,857,077
Cash generated from operations	<b>94,144,066</b>	144,418,824
Interest received	<b>5,669,427</b>	5,664,499
Income tax paid	(21,991,522)	(21,905,619)
Net cash from operating activities	<b>77,368,243</b>	127,723,976
Cash flows from financing activities		
Repayments of bank borrowings	(29,787,000)	(36,567,000)
Net cash used in financing activities	(43,314,073)	(50,094,073)
Net change in cash and cash equivalents	<b>9,800,745</b>	53,376,478
Effects of currency translation on cash and cash equivalents	<b>52,263,056</b>	8,687,323

## Statistics of Shareholdings

As at 13 March 2015

No. of issued shares:	412,968,000	
No. of issued shares (excluding Treasury Shares):	409,291,000	
No./Percentage of treasury shares:	3,677,000	(0.89%)
Number of shareholders:	2,239	

Class of shares:	Ordinary shares
Voting Rights (excluding Treasury shares):	1 vote per share*

### DISTRIBUTION OF SHAREHOLDINGS

SIZE OF SHAREHOLDINGS	NO. OF SHAREHOLDERS		NO. OF SHARES	
		%		%
1 – 99	0	0.00	0	0.00
100 – 1,000	49	2.19	48,100	0.01
1,001 – 10,000	1,107	49.44	6,312,000	1.54
10,001 – 1,000,000	1,073	47.92	70,997,100	17.35
1,000,001 AND ABOVE	10	0.45	331,933,800	81.10
<b>TOTAL</b>	<b>2,239</b>	<b>100.00</b>	<b>409,291,000</b>	<b>100.00</b>

### TWENTY LARGEST SHAREHOLDERS

NO.	NAME	NO. OF SHARES	%**
1	GPR INVESTMENT HOLDINGS LIMITED	303,480,000	74.15
2	OCBC SECURITIES PRIVATE LIMITED	6,859,000	1.68
3	DBS NOMINEES (PRIVATE) LIMITED	6,087,000	1.49
4	RAFFLES NOMINEES (PTE) LIMITED	3,690,900	0.90
5	LEE IN CHUN	3,049,900	0.75
6	LIM KUI TENG	2,000,000	0.49
7	CIMB SECURITIES (SINGAPORE) PTE. LTD.	1,840,000	0.45
8	NOMURA SINGAPORE LIMITED	1,764,000	0.43
9	PHILLIP SECURITIES PTE LTD	1,696,000	0.41
10	SENG SOON HIANG	1,467,000	0.36
11	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	1,000,000	0.24
12	LIM CHYE HUAT @ BOBBY LIM CHYE HUAT	1,000,000	0.24
13	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	906,000	0.22
14	BANK OF SINGAPORE NOMINEES PTE. LTD.	808,000	0.20
15	SEE MENG HONG	800,000	0.20
16	CITIBANK NOMINEES SINGAPORE PTE LTD	762,000	0.19
17	LIM & TAN SECURITIES PTE LTD	723,000	0.18
18	CHONG YEN CHAN	670,000	0.16
19	GAN TIAM SIANG	570,000	0.14
20	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	550,000	0.13
<b>TOTAL</b>		<b>339,722,800</b>	<b>83.01</b>

# Statistics of Shareholdings

As at 13 March 2015

## SUBSTANTIAL SHAREHOLDERS

(As recorded in the Register of Substantial Shareholders)

	Direct Interest	%**	Deemed Interest	%
GPR Investment Holdings Limited ***	303,480,000	74.15	–	–

## PERCENTAGE OF SHAREHOLDING IN PUBLIC'S HANDS

Based on information available to the Company as at 13 March 2015, approximately 25.85%\*\* of the Company's shares listed on the Singapore Exchange Securities Trading Limited were held in the hands of the public. Accordingly, the Company has complied with Rule 723 of the Listing Manual of the SGX-ST.

Notes:

- \* Ordinary shares purchased and held as treasury shares by the company will have no voting rights.
- \*\* The percentage of issued ordinary shares is calculated based on the number of issued ordinary shares of the company as of 13 March 2015, excluding 3,677,000 ordinary shares held as treasury shares as at that date.
- \*\*\* GPR Investment Holdings Limited ("GPR Investment"), a Seychelles-domiciled company, is the private investment vehicle of the Adjianto Family Shareholders (which includes our Executive Chairman and CEO, Dr. Suparno Adjianto) through which they hold interests in our Company. GPR Investment is wholly-owned by the Adjianto Family Shareholders, and none of them exercises control over GPR Investment or dominates decision-making, whether directly or indirectly, in relation to the financial and operating policies of GPR Investment. GPR Investment's board of directors comprises entirely of all of the Adjianto Siblings, each of whom has an equal vote.

# Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Annual General Meeting of GLOBAL PALM RESOURCES HOLDINGS LIMITED (“the Company”) will be held on 23 April 2015 at 2.00 p.m. at Room 312, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, for the following purposes:–

## AS ORDINARY BUSINESS

1. To receive and adopt the Directors’ Report and the Audited Accounts of the Company and the Group for the financial year ended 31 December 2014 together with the Auditors’ Report thereon. **(Resolution 1)**
2. To re-elect the following Directors of the Company retiring pursuant to the Articles of Association of the Company:  
  
Dr Tan Hong Kiat @ Suparno Adijanto (Retiring under Article 89) **(Resolution 2)**  
Mr Guok Chin Huat Samuel (Retiring under Article 89) **(Resolution 3)**  
  
[See Explanatory Note (i) and (ii)]
3. To approve the payment of Directors’ fees of S\$185,000 for the financial year ending 31 December 2015 to be paid quarterly in arrears. (2014: S\$185,000) **(Resolution 4)**
4. To re-appoint Messrs BDO LLP as the Auditors of the Company and to authorise the Directors of the Company to fix their remuneration. **(Resolution 5)**
5. To declare first and final tax exempt (one-tier) dividend of S\$0.007 per ordinary share for the financial year ended 31 December 2014. **(Resolution 6)**
6. To transact any other ordinary business which may properly be transacted at an Annual General Meeting.

## AS SPECIAL BUSINESS

To consider and if thought fit, to pass the following resolutions as Ordinary Resolutions, with or without any modifications:

7. **Authority to issue shares in the capital of the Company pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited**

That pursuant to Section 161 of the Companies Act, Cap. 50 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“SGX-ST”), the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“shares”) whether by way of rights or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “Instruments”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

# Notice of Annual General Meeting

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the Directors of the Company while this Resolution was in force

(the “**Share Issue Mandate**”)

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) and Instruments to be issued pursuant to this Resolution shall not exceed 50% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares and Instruments to be issued other than on a pro rata basis to existing shareholders of the Company shall not exceed 20% of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares and Instruments that may be issued under sub-paragraph (1) above, the percentage of issued shares and Instruments shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of the Instruments or any convertible securities;
- (b) new shares arising from exercising share options or vesting of share awards outstanding and subsisting at the time of the passing of this Resolution; and
- (c) any subsequent consolidation or subdivision of shares;
- (3) in exercising the Share Issue Mandate, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Articles of Association of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, the Share Issue Mandate shall continue in force (i) until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is earlier or (ii) in the case of shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution, until the issuance of such shares in accordance with the terms of the Instruments.

[See Explanatory Note (iii)]

**(Resolution 7)**

## 8. **Renewal of Share Buyback Mandate**

- (a) That for the purposes of the Companies Act, Cap. 50, the exercise by the Directors of the Company of all the powers of the Company to purchase or otherwise acquire the Shares (excluding treasury shares) not exceeding in aggregate the Prescribed Limit (as hereinafter defined), at such price or price(s) as may be determined by the Directors from time to time up to the Maximum Price (as hereinafter defined), whether by way of:

## Notice of Annual General Meeting

- (i) on-market share buy-back, transacted on the SGX-ST or as the case may be, other stock exchange for the time being on which the Shares may be listed or quoted, through one or more duly licensed stockbrokers appointed by the Company for the purpose (the “**On-Market Share Buy-Back**”); and/or
- (ii) off-market share buy-back (if effected otherwise than on the SGX-ST) in accordance with an equal access scheme(s) as may be determined or formulated by the Directors as they may consider fit and in the best interests of the Company, which scheme(s) shall satisfy all the conditions prescribed by the Act and the Listing Manual (the “**Off-Market Share Buy-Back**”)

and otherwise in accordance with all other laws and regulations and rules of the SGX-ST as may for the time being as applicable, be and is hereby authorised and approved generally and unconditionally.

(the “**Share Buyback Mandate**”)

- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the Directors pursuant to the Share Buy-Back Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this resolution and expiring on the earlier of:
  - (i) the conclusion of the next AGM or the date by which such AGM is required by law to be held;
  - (ii) the date on which the purchases or acquisitions of the Shares by the Company pursuant to the proposed Share Buy-Back Mandate are carried out to the full extent mandated; or
  - (iii) the date on which the authority contained by the proposed Share Buy-Back Mandate is varied or revoked by ordinary resolution of the Company in general meeting;

- (c) In this Resolution:

“**Prescribed Limit**” means the number of Shares representing 10% of the total issued share capital of the Company (excluding treasury shares) as at the date of the passing of this resolution unless the Company has effected a reduction of the share capital of the Company in accordance with the applicable provisions of the Act, at any time during the Relevant Period, in which event the issued share capital of the Company (excluding treasury shares) shall be taken to be the amount of the issued share capital of the Company as altered (excluding treasury shares that may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date on which the last AGM was held and expiring on the date the next AGM is held or is required by law to be held, or the date on which the purchases of the Shares are carried out to the full extent mandated, whichever is earlier, unless prior to that, it is varied or revoked by resolution of the shareholders of the Company in general meeting; and

“**Maximum Price**” in relation to a Share to be purchased, means an amount (excluding brokerage, stamp duties, applicable goods and services tax and other related expenses) not exceeding:

- (i) in the case of an On-Market Share Buy-Back, 105% of the Average Closing Price;
- (ii) in the case of an Off-Market Share Buy-Back, 120% of the Average Closing Price,



# Notice of Annual General Meeting

where “**Average Closing Price**” means the average of the closing market prices of a Share over the last 5 Market Days (the “**Market Day**” being a day on which the SGX-ST is open for securities trading), on which transactions in the Shares were recorded, immediately preceding the date of making the On-Market Share Buy-Back or, as the case may be, the date of making an announcement for an offer pursuant to the Off-Market Share Buy-Back, and deemed to be adjusted for any corporate action that occurs after the relevant five 5-day period; and

- (d) the Directors and any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they/he/she may consider expedient, necessary, desirable, incidental or in the interests of the Company to give effect to the transactions contemplated and/or authorised by this resolution. [See Explanatory Note (iv)] **(Resolution 8)**

By Order of the Board

Dr Tan Hong Kiat @ Suparno Adjianto  
Executive Chairman and Chief Executive Officer  
Singapore, 8 April 2015

## Explanatory Notes:

- (i) Dr Tan Hong Kiat @ Suparno Adjianto will, upon re-election as a Director of the Company, remain as the Executive Chairman and Chief Executive Officer of the Board and Member of the Nominating Committee.
- (ii) Mr Guok Chin Huat Samuel will, upon re-election as a Director of the Company, remain as Chairman of the Remuneration Committee and Member of the Audit and Nominating Committees. Mr Guok Chin Huat Samuel will be considered independent.
- (iii) Resolution 7, if passed, will empower the Directors of the Company from the date of this Annual General Meeting until the date of the next Annual General Meeting of the Company, or the date by which the next Annual General Meeting of the Company is required by law to be held or such authority is varied or revoked by the Company in a general meeting, whichever is the earlier, to issue shares, make or grant instruments convertible into shares and to issue shares pursuant to such instruments, up to a number not exceeding, in total, 50% of the total number of issued shares (excluding treasury shares), of which up to 20% may be issued other than on a *pro-rata* basis to existing shareholders of the Company.

For determining the aggregate number of shares that may be issued, the percentage of issued shares will be calculated based on the total number of issued shares (excluding treasury shares) at the time this Resolution is passed after adjusting for new shares arising from the conversion or exercise of the Instruments or any convertible securities, the exercise of share options or the vesting of share awards outstanding or subsisting at the time when this Resolution is passed and any subsequent consolidation or subdivision of shares.

- (iv) Resolution 8, if passed, will empower the Directors of the Company from the date of the above meeting until the earliest of (i) the date of which the next AGM of the Company or the date by which the next AGM of the Company is held or required by law to be held; (ii) the date on which the share buybacks are carried out to the full extent mandated, or (iii) the date on which the authority contained in the Share Buyback Mandate is varied or revoked by the Company in general meeting, to repurchase ordinary shares of the Company by way of on-market purchases or off-market purchases of up to ten per centum (10%) of the total number of issued shares (excluding treasury shares) in the capital of the Company as at the date of the AGM at which this Ordinary Resolution is passed. The rationale for, the authority and limitation on, the sources of the funds to be used for the purchase or acquisition, including the amount of financing and financial effects of the purchase or acquisition of the ordinary shares by the Company pursuant to the Share Buyback Mandate on the audited consolidated financial accounts of the Group for the financial year ended 31 December 2014 are set out in greater detail in the Letter to Shareholders dated 8 April 2015 attached to this Annual Report.

# Notice of Annual General Meeting

## Notes:

1. A Member shall not be entitled to appoint more than 2 proxies to attend and vote at the Annual General Meeting (“AGM”), provided that if the Member is a Depositor, the Company shall be entitled and bound:
  - (a) to reject any instrument of proxy lodged if the Depositor, is not shown, to have any shares entered against his name in the Depository Register as at 48 hours before the time of the AGM as certified by The Central Depository (Pte) Limited (“CDP”) to the Company; and
  - (b) to accept as the maximum number of votes which in aggregate the proxy or proxies appointed by the Depositor is or are able to cast on a poll a number which is the number of shares entered into against the name of that Depositor in the Depository Register as at 48 hours before the time of the AGM as certified by CDP to the Company, whether that number is greater or smaller than the number specified in any instrument of proxy executed by or on behalf of that Depositor.

Where a Member appoints more than one proxy, the Member shall specify the proportion of his shares to be represented by each such proxy, failing which the nomination shall be deemed to be alternative.

A proxy need not be a Member of the Company.

2. An instrument appointing a proxy must be left at the registered office, 105 Cecil Street #24-01 The Octagon, Singapore 069534, not less than 48 hours before the time appointed for the holding of the AGM or adjourned meeting or (in the case of a poll taken otherwise than at or on the same day as the meeting or adjourned meeting) for the taking of the poll at which it is to be used, and in default shall not be treated as valid.

## GLOBAL PALM RESOURCES HOLDINGS LIMITED

(Company Registration No. 200921345M)  
(Incorporated In the Republic of Singapore)

# PROXY FORM

(Please see notes overleaf before completing this Form)

### IMPORTANT:

1. For investors who have used their CPF monies to buy Global Palm Resources Holdings Limited's shares, this Report is forwarded to them at the request of the CPF Approved Nominees and is sent solely FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.
3. CPF investors who wish to attend the Meeting as an observer must submit their requests through their CPF Approved Nominees within the time frame specified. If they also wish to vote, they must submit their voting instructions to the CPF Approved Nominees within the time frame specified to enable them to vote on their behalf.

I/We, \_\_\_\_\_ (Name) NRIC/Passport No.\* \_\_\_\_\_

of \_\_\_\_\_ (Address)

being a member/members\* of Global Palm Resources Holdings Limited (the "Company"), hereby appoint:

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

and/or (delete as appropriate)

Name	NRIC/Passport No.	Proportion of Shareholdings	
		No. of Shares	%
Address			

or failing the person, or either or both of the persons, referred to above, the Chairman of the Meeting as my/our\* proxy/proxies\* to vote for me/us on my/our behalf at the Annual General Meeting (the "Meeting") of the Company to be held on 23 April 2015 at 2.00 p.m. at Room 312, Level 3, Suntec Singapore International Convention & Exhibition Centre, 1 Raffles Boulevard, Suntec City, Singapore 039593, and at any adjournment thereof. I/We\* direct my/our\* proxy/proxies\* to vote for or against the Resolutions proposed at the Meeting as indicated hereunder. If no specific direction as to voting is given or in the event of any other matter arising at the Meeting and at any adjournment thereof, the proxy/proxies will vote or abstain from voting at his/her\* discretion. The authority herein includes the right to demand or to join in demanding a poll and to vote on a poll.

(Please indicate your vote "For" or "Against" with a tick [✓] within the box provided.)

No.	Resolutions relating to:	For	Against
1.	Directors' Report and Audited Accounts for the financial year ended 31 December 2014		
2.	Re-election of Dr Tan Hong Kiat @ Suparno Adjianto as a Director		
3.	Re-election of Mr Guok Chin Huat Samuel as a Director		
4.	Approval of Directors' fees amounting to S\$185,000 for financial year ending 31 December 2015 to be paid quarterly in arrears		
5.	Re-appointment of Messrs BDO LLP as Auditors		
6.	First and final tax exempt (one-tier) dividend of S\$0.007 per ordinary share for the financial year ended 31 December 2014		
7.	Authority to issue new shares		
8.	Renewal of Share Buyback Mandate		

Dated this \_\_\_\_\_ day of \_\_\_\_\_, 2015

Total number of shares in:	No. of Shares
(a) CDP Register	
(b) Register of Members	

\_\_\_\_\_  
Signature of Shareholder(s)  
or Common Seal of Corporate Shareholder

\* Delete where inapplicable



**Notes:**

1. Please insert the total number of shares held by you. If you have shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of shares. If you have shares registered in your name in the Register of Members, you should insert that number of shares. If you have shares entered against your name in the Depository Register and shares registered in your name in the Register of Members, you should insert the aggregate number of shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the shares held by you.
2. A member of the Company entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote in his/her stead. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the proportion of his/her shareholding (expressed as a percentage of the whole) to be represented by each proxy shall be specified. If the proportion of shareholding is not specified, the Company shall be entitled to treat the first named proxy as representing the entire number of shares entered against his/her name in the Depository Register and any second named proxy as an alternate to the first named.
4. Completion and return of this instrument appointing a proxy shall not preclude a member from attending and voting at the Meeting. Any appointment of a proxy or proxies shall be deemed to be revoked if a member attends the meeting in person, and in such event, the Company reserves the right to refuse to admit any person or persons appointed under the instrument of proxy to the Meeting.
5. The instrument appointing a proxy or proxies must be deposited at the office of the Company's registered office address at 105 Cecil Street #24-01 The Octagon, Singapore 069534 not less than forty-eight (48) hours before the time appointed for the Meeting.
6. The instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its common seal or under the hand of an attorney or duly authorised officer. Where the instrument appointing a proxy or proxies is executed by an attorney on behalf of the appointor, the letter or power of attorney or a duly certified copy thereof must be lodged with the instrument.
7. A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.

**General:**

The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible, or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument appointing a proxy or proxies. In addition, in the case of shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Meeting, as certified by The Central Depository (Pte) Limited to the Company.

This page has been intentionally left blank

This page has been intentionally left blank





**GLOBAL PALM RESOURCES HOLDINGS LIMITED**

105 Cecil Street, #24-01  
The Octagon  
Singapore 069534  
Tel (65) 6220 0170  
Fax (65) 6220 4642

[www.gprholdings.com](http://www.gprholdings.com)