

Press Release

Global Palm posts earnings of Rp15.4 billion in 2Q2014

- *Net profit attributable to equity holders grew by 153% to Rp15.4 billion on the back of higher average selling prices*
 - *CPO production improved 26% in 2Q2014 and 21% in 1H2014*
 - *PK production improved 43% in 2Q2014 and 31% in 1H2014*

Financial highlights for the period ended 30 June:

Rp'bil	2Q2014	2Q2013	% Chg	1H2014	1H2013	% Chg
Revenue	97.0	84.1	15	191.1	150.9	27
Gross profit	38.7	15.2	154	73.4	28.5	158
Gross profit margin (%)	39.8	18.1	21.7 % pts	38.4	18.9	19.5 % pts
EBITDA	25.2	9.4	168	61.8	21.0	195
Profit before income tax	25.1	7.8	221	61.1	18.1	239
Net profit attributable to equity holders	15.4	6.1	153	43.5	14.4	202

SINGAPORE – 12 August 2014 – Mainboard-listed palm-oil producer **Global Palm Resources Holdings Limited** (环球资源控股有限公司) (“Global Palm”, together with its subsidiaries, “the Group”) today reported a net profit attributable to shareholders of Rp15.4 billion for the quarter ended 30 June 2014 (“2Q2014”), a 153% increase from Rp6.1 billion in 2Q2013.

The Group’s revenue for 2Q2014 rose 15% to Rp97.0 billion, on the back of higher average selling prices for both crude palm oil (“CPO”) and palm kernel (“PK”). Coupled with lower costs of sales incurred, the Group’s gross profit rose from Rp15.2 billion in 2Q2013, to Rp38.7 billion. Gross profit margin for the quarter increased to 39.8%, from 15.2% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and PK increased from Rp6,451/kg in 2Q2013 to Rp8,472/kg in 2Q2014 and from Rp2,494/kg in 2Q2013 to Rp5,509/kg respectively.

CPO sales volume dipped 17% from 11,956 tons in 2Q2013 to 9,964 tons in 2Q2014. Sales volume of PK has also dropped slightly from 2,802 tons in 2Q2013 to 2,285 tons in 2Q2014.

Operational Performance

As of 30 June 2014, the Group's total planted area (nucleus and plasma) totalled 13,619 ha, of which 90% or 12,218 ha comprise mature oil palm trees. FFB yield for the quarter improved to 4.6 tons/ha compared to 3.7 tons/ha in 2Q2013.

Overall, the Group's efficiency levels remained stable for the quarter with a CPO extraction rate of 21.2% and palm kernel extraction rate of 4.2%.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>2Q14</u>	<u>2Q13</u>	<u>Var %</u>	<u>1H2014</u>	<u>1H2013</u>	<u>Var %</u>
CPO	12,551	9,948	+26	23,098	19,053	+21
Palm kernels	2,492	1,743	+43	4,777	3,650	+31

Outlook and future plans

CPO prices are expected to remain volatile considering the uncertainty in the global economy, increasing supply of vegetable oils, and abnormal weather's affect on market dynamics. While the chance of an El Niño in 2014 has clearly eased, the establishment of El Niño before year's end cannot be ruled out. If an El Niño were to occur, climate models indicate that it is increasingly unlikely to be a strong event.¹

The demand for palm oil is expected to remain strong in view of rising food requirements from China, India, Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries.

Notwithstanding the volatility and price pressures on CPO, the Group believes that the demand for palm oil remains sustainable in the long run and will continue to vigilantly review its cost structure, yield and productivity to ensure that it achieves a cost-competitive model in the long run.

¹ (2014, 29 July). El Niño indicators ease. Australia's Bureau of Meteorology.

Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, “The relatively higher average selling prices have benefited us as evidenced in this quarter. With our productions going strong, we are positive on the outlook for the Group. We will continue to keep our operating costs relatively stable in this volatile global economy and unpredictable weather conditions. We remain positive that the global demand for palm oil in the long run is sustainable and will continue to work hard at improving productivity and cost efficiency of our plantation.”

Segment Review

	2Q2014	2Q2013	% Chg	1H2014	1H2013	% Chg
Revenue (Rp' bil)						
CPO	84.4	77.1	+9	169.5	141.8	+19
Palm Kernels	12.6	7.0	+80	21.7	9.2	+156
Sales Volume (tons)						
CPO	9,964	11,956	(17)	19,968	23,061	(13)
Palm Kernels	2,285	2,802	(18)	4,255	3,765	+13
Ave. Selling Price* (Rp/kg)						
CPO	8,472	6,451	+31	8,484	6,147	+38
Palm Kernels	5,509	2,494	+121	5,096	2,435	+109

* The Group's CPO selling prices are determined with reference to international prices of CPO trading on Bursa Malaysia Derivatives Berhad in Kuala Lumpur, and published CPO tender prices of other major Indonesian CPO producers.

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The conversion rate is S\$1: Rp9,582 for 2Q2014 and S\$1: Rp7,841 for 2Q2013

About Global Palm Resources Holdings Limited

Founded by the Adijanto family, who has various business interests in this region, including coal mining, production of formalin-based chemicals and timber businesses, Global Palm's operating subsidiary PT Prakarsa Tani Sejati commenced the palm oil business in October 1991 in West Kalimantan, Indonesia where the climate and soil conditions are suitable for oil palm cultivation. Today, Global Palm is engaged in the cultivation of oil palms, harvesting of the fresh fruit bunches (FFB) and processing them, together with purchased FFB, into crude palm oil (CPO) and palm kernels.

Strong focus on Corporate Social Responsibility

The Group is also committed to improving the quality of life of the local communities in the area it operates as part of its corporate social responsibility, contributing in the areas of education, social, and cultural welfare, as well as helping to improve living conditions of the local communities. Beyond creating employment opportunities for local communities in its oil palm plantation, it also partners with approximately 1,400 surrounding small landholders in the development of small oil palm plantations, under its Plasma Programme.

Another area of focus of Global Palm is its commitment to sustainable development of its business, with the view to conserve and preserve the natural environment. It adopts a “zero burning” policy, using chain saws and machinery rather than fire to clear land for oil palm cultivation and is continuously working towards “zero waste management” on its CPO production waste. On 26 May 2010, the Group became a member of the Roundtable of Sustainable Palm Oil, a not-for-profit association which promotes the production and use of palm oil in a sustainable manner.

For more information, please visit our website at: <http://www.gprholdings.com>.