



**FOR IMMEDIATE RELEASE**

## **Agritrade Resources reports 53.6% revenue jump for HY2013**

- Revenue rises to HK\$364.6 million, led by expanding coal production
- Profit for the period up 1,102.5% year-on-year to HK\$37.9 million
- On track for further growth with increased mineable coal reserves and infrastructure investments

### **Interim 2012 results financial highlights:**

HK\$'000	HY2013 (six months ended 30 September 2012)	HY2012 (six months ended 30 September 2011)	Variance
<b>Revenue</b>	364,555	237,402	53.6%
<b>Gross Profit</b>	106,565	76,907	38.6%
<b>Gross Profit Margin</b>	29.2%	32.4%	(3.2) pts
<b>Profit for the period</b>	37,915	3,153	1,102.5%

**Hong Kong, 29 November 2012, Thursday** – Agritrade Resources Limited (“Agritrade” or the “Company”, stock code 1131.HK), owner of a 2,000-hectare coal mine in Central Kalimantan, Indonesia and one of the few Indonesian coal mining companies listed in Hong Kong, today announced its results for the six months ended 30 September 2012 (“HY2013”).

### **Strong overall performance**

Agritrade recorded revenue of HK\$364.6 million for HY2013, a 53.6% increase from HK\$237.4 million in the previous corresponding period (“HY2012”), primarily due to a surge in coal production capacity at the Company’s PT Senamas Energindo Mineral (“SEM”) mine. On the back of higher revenue, gross profit rose 38.6% year-on-year from HK\$76.9 million to HK\$106.6 million for HY2013.

### **Revenue growth driven by expanding coal mining business**

Agritrade’s coal mining business segment generated a 68.2% increase in revenue, from HK\$167.7 million for HY2012 to HK\$282.2 million for HY2013. Profit for this segment rose 51.5% to HK\$83.8 million for HY2013, compared to HK\$55.3 million a year ago. This was supported by increasing coal production at the SEM mine, which recorded an average monthly production of approximately 183,000 metric tonnes (“tonnes”) for the period of April to September 2012 as compared to an average monthly production of approximately 94,000 tonnes for the same period a year ago. As at 30 September 2012, the Company extracts approximately 8,000 tonnes of coal daily from Pit 3<sup>1</sup> of the SEM mine.

<sup>1</sup> Operations at Pit 3 commenced in August 2012.

### **Increased mineable assets**

On 13 November 2012, the Company announced that coal resources at the SEM mine increased 95% to 152.7 million tonnes (from 78.3 million tonnes<sup>2</sup>), while coal reserves increased 187% to 117.9 million tonnes (from 41.0 million tonnes<sup>2</sup>), based on an updated Statement of Open Cut Coal Resources and Reserves<sup>3</sup> independently prepared by DMT Geosciences Limited<sup>4</sup> under JORC<sup>5</sup> Code standards on 11 November 2012.

Mr Rashid Maidin, Chief Executive Officer of Agritrade Resources Limited commented, "HY2013 has been a fruitful period for Agritrade as we forged ahead with our capacity expansion plans. We are pleased to achieve a 53.6% year-on-year growth in revenue, supported by a 70% increase in coal production capacity to approximately 250,000 tonnes per month during the period. With the 187% increase in coal reserves under the JORC code, we believe we are on track to achieve our target production capacity of six million tonnes of coal per year by 2014. Combined with a strong focus on infrastructure development and investment, we have laid the foundations for further growth."

### **Investing for future growth**

During the period under review, Agritrade continued to develop its equipment and logistics infrastructure to strengthen its production capabilities. As at 30 September 2012, the coal stockpiling facilities which SEM employs is able to handle up to 500,000 tonnes of coal to support increasing production.

Also, the Company has employed the use of an additional third loading jetty equipped with an automated loading conveyor and a new crusher. The three jetties now have an aggregate handling capacity of around 40,000 tonnes which can load up to five full barges within a 24-hour period. This significantly decreases coal loading times and increases the Company's monthly coal throughput capacity.

On 10 October 2012, the Company entered into an agreement with a world leading liquefied natural gas player, PT Pertamina (Persero), to exclusively operate and manage the 60-kilometre Ex-Pertamina coal hauling road between its mine and jetty facilities for 10 years until end September 2022, which will enable the Company to enjoy guaranteed access and long-term cost savings through transport efficiencies.

Mr Ng Xinwei, Chief Operating Officer of Agritrade Resources Limited, said, "In addition to the road leasing agreement, regular road maintenance and ongoing feasibility studies to enhance our transport infrastructure are also underway. These initiatives form part of our overall strategy to streamline the mining process, and increase the amount of coal that can be transported and delivered to our customers in a more cost-efficient, profitable manner."

Through efforts to fortify its fundamentals and capabilities, the Company is well-placed to benefit from profitable mining, supported by an expanding customer base and demand for quality SEM coal, particularly from India where the Company is targeting much of its increased marketing focus.

Mr Ng added, "Looking ahead, long term demand for coal as an alternative source of energy remains robust with rising global energy prices. Coal is a key energy resource, especially in Asia, and, with our increased sales and marketing efforts, we expect demand for our SEM coal product to continue growing over the coming years."

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<sup>2</sup> As at 31 October 2010.

<sup>3</sup> As at 31 July 2012.

<sup>4</sup> Formerly known as Associated Geosciences Limited.

<sup>5</sup> The Australasian Joint Ore Reserves Committee.

## **About Agritrade Resources Limited**

Agritrade Resources Limited (“Agritrade” or the “Company”) is listed on the Main Board of the Hong Kong Stock Exchange. In 2010, the Company successfully acquired and has since been operating PT Senamas Energindo Mineral (“SEM”), a 2,000-hectare coal mine in Central Kalimantan, Indonesia. The Company produces its own brand of SEM coal, a sub-bituminous, low-sulphur, low-pollutant thermal coal with calorific value (as received basis) of 3,700 kcal/kg in its raw form. Currently, 1,200 Ha of the 2,000 Ha mining concession has been explored under the Australasian JORC (Joint Ore Reserves Committee) review by DMT Geosciences Limited. Together with its subsidiaries, Agritrade provides integrated supply chain solutions including coal origination, processing and logistics services

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