

Press Release

Global Palm's 3Q16 net profit rises 179% to Rp20.0 billion on higher palm oil prices

- Higher average selling prices of CPO and PK in 3Q2016
- Sales revenue from CPO decreased 11% to Rp63.7 billion in 3Q2016
- Sales revenue from PK increased 52% to Rp7.4 billion in 3Q2016

Financial highlights for the period ended 30 September:

Rp'bil	3Q2016	3Q2015	% Chg	9M2016	9M2015	% Chg
Revenue	71.1	76.7	(7)	263.6	245.1	+8
Gross profit	22.3	10.9	+105	58.4	54.2	+8
Gross profit margin (%)	31.4	14.2	+17.2 % pts	22.1	22.1	n.m.
EBITDA	25.0	12.9	+94	42.9	34.3	25
Profit before income tax	26.0	11.6	123	44.8	32.3	39
Net profit attributable to equity holders	20.0	7.1	+179	34.1	22.2	53

SINGAPORE – 11 November 2016 – 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 Rp20.0 billion for the quarter ended 30 September 2016 (“3Q2016”) from Rp7.1 billion in 3Q2015.

The Group’s revenue for 3Q2016 decreased by 7% to Rp71.1 billion due to lower sales volume caused by the lower production in 2Q2016. The resulting lower revenue was mitigated by higher average selling prices for both crude palm oil (“CPO”) and palm kernel (“PK”). The Group’s gross profit increased 105% from Rp10.9 billion in 3Q2015 to Rp22.3 billion in 3Q2016. Gross profit margin increased 17.2% points to 31.4%, from 14.2% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and PK increased from Rp6,353/kg in 3Q2015 to Rp7,963/kg in 3Q2016 and from Rp2,425/kg in 3Q2015 to Rp7,338/kg in 3Q2016 respectively.

CPO sales volume decreased 3,302 tons from 11,306 tons in 3Q2015 to 8,004 tons in 3Q2016. Sales volume of PK decreased 993 tons from 2,000 tons in 3Q2015 to 1,007 tons in 3Q2016.

Operational Performance

As of 30 September 2016, the Group's total planted area (nucleus and plasma) totaled 13,536 ha, of which 94.2% or 12,755 ha comprise mature oil palm trees. The Group's CPO and palm kernel extraction rates were kept stable at 21.4% and 3.51% in 3Q2016 compared to 20.99% and 4.02% respectively in 3Q2015.

Production statistics:

Production Output (Tons)	3Q2016	3Q2015	Var %	9M2016	9M2015	Var %
CPO	11,279	12,093	(7)	30,479	35,238	(14)
Palm kernels	1,848	2,318	(20)	5,181	6,748	(23)

Outlook and future plans

CPO prices are expected to remain volatile considering the uncertainty in the global economy and abnormal weather's affect on market dynamics. However, the demand for palm oil is expected to remain strong in view of rising food requirements from China, India, Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries.

The Group has started replanting its older palm trees with newer breed of higher yielding palm trees. The management expects to see higher yield per hectare when the replanted palm trees reach maturity. This together with the management continuous cost saving efforts should ensure a positive sustainable future for the Company.

Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, "The high CPO prices has supported our results despite the lower production in this quarter. Coupled with abnormal weather's impact on market dynamics and the volatile global economy, prices are expected to remain volatile going forward. Nonetheless, 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

	3Q2016	3Q2015	% Chg	9M2016	9M2015	% Chg
Revenue (Rp' bil)						
CPO	63.7	71.8	(11)	234.3	223.2	+5
Palm Kernels	7.4	4.8	+52	29.2	21.9	+34
Sales Volume (tons)						
CPO	8,004	11,306	(29)	32,168	31,517	+2
Palm Kernels	1,007	2,000	(50)	6,032	6,000	+1
Ave. Selling Price* (Rp/kg)						
CPO	7,963	6,353	+25	7,285	7,082	+3
Palm Kernels	7,338	2,425	+203	4,847	3,647	+33

* 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: Rp9,521 for 3Q2016 and S\$1: Rp10,274 for 3Q2015

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>.