

THIRD QUARTER FINANCIAL STATEMENT AND DIVIDEND ANNOUNCEMENT

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

**UNAUDITED FINANCIAL STATEMENT ANNOUNCEMENT FOR THE FINANCIAL PERIOD
FROM 1 JANUARY 2016 TO 30 SEPTEMBER 2016**

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

	3rd Qtr 2016	3rd Qtr 2015	Change	YTD Sep 2016	YTD Sep 2015	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Revenue	71,120,767	76,680,109	(7)	263,569,613	245,092,546	8
Cost of sales	(48,792,385)	(65,763,714)	(26)	(205,133,364)	(190,843,836)	7
Gross profit	22,328,382	10,916,395	105	58,436,249	54,248,710	8
Operating expenses						
Distribution expenses	(265,737)	(82,470)	222	(809,718)	(363,756)	123
Administrative expenses	(7,285,386)	(7,808,835)	(7)	(26,194,503)	(26,070,124)	n.m.
Finance costs	(4,942)	(2,050)	141	(8,815)	(6,201)	42
	(7,556,065)	(7,893,355)	(4)	(27,013,036)	(26,440,081)	2
Other items of income/(expenses)						
Interest income	3,789,359	1,493,165	154	10,242,071	6,202,285	65
Other income	2,272,531	4,779,018	(52)	5,937,474	7,415,784	(20)
Other expenses	(109,987)	(286,241)	(62)	(1,071,887)	(2,186,034)	(51)
Foreign exchange gain/(loss), net	5,238,592	2,620,671	100	(1,685,817)	(6,943,204)	(76)
	11,190,495	8,606,613	30	13,421,841	4,488,831	199
Profit before income tax	25,962,812	11,629,653	123	44,845,054	32,297,460	39
Income tax expense	(5,188,818)	(3,888,849)	33	(9,382,202)	(8,441,841)	11
Profit for the financial period	20,773,994	7,740,804	168	35,462,852	23,855,619	49
n.m.: Not meaningful						

	3rd Qtr 2016	3rd Qtr 2015	Change	YTD Sep 2016	YTD Sep 2015	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Other comprehensive income:						
<u>Items that may be reclassified subsequently to profit or loss:</u>						
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	(8,783,061)	12,744,321	n.m.	(8,069,919)	30,067,209	n.m.
Total comprehensive income for the financial period	11,990,933	20,485,125	(41)	27,392,933	53,922,828	(49)
Profit attributable to:						
Owners of the parent	19,994,434	7,159,673	179	34,051,404	22,260,285	53
Non-controlling interests	779,560	581,131	34	1,411,448	1,595,334	(12)
	20,773,994	7,740,804	168	35,462,852	23,855,619	49
Total comprehensive income attributable to:						
Owners of the parent	11,211,373	19,903,994	(44)	25,981,485	52,327,494	(50)
Non-controlling interests	779,560	581,131	34	1,411,448	1,595,334	(12)
	11,990,933	20,485,125	(41)	27,392,933	53,922,828	(49)
n.m.: Not meaningful						

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

	3rd Qtr 2016	3rd Qtr 2015	Change	YTD Sep 2016	YTD Sep 2015	Change
	Rp '000	Rp '000	%	Rp '000	Rp '000	%
Interest income	(3,789,359)	(1,493,165)	154	(10,242,071)	(6,202,285)	65
Finance costs	4,942	2,050	141	8,815	6,201	42
Depreciation expense	2,806,532	2,743,337	2	8,303,577	8,170,087	2
Amortisation of operating use rights	11,040	11,040	-	33,120	33,120	-
Foreign exchange loss, net	(5,238,592)	(2,620,671)	100	1,685,817	6,943,204	(76)
(Gain)/Loss on disposal of plant and equipment, net	(6,622)	(4,877)	36	(380,776)	331,303	(215)
Fair value (gain)/loss from financial assets at fair value through profit or loss	(29,610)	23,940	(224)	(69,930)	40,950	(271)
Employment benefits expenses						
- salaries, wages and bonuses	5,001,700	4,983,508	n.m.	17,427,973	16,862,785	3
Operating lease expenses						
- rental of premises	285,325	346,553	(18)	857,457	1,066,831	(20)
Representation and entertainment	49,856	72,335	(31)	857,457	1,066,831	(20)
Transportation, travelling and accommodation	285,506	289,568	(1)	805,238	928,324	(13)
Additional information:						
EBITDA (Excluding changes in fair value less estimated point-of-sales costs of biological assets)	24,995,967	12,892,915	94	42,948,495	34,304,583	25

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

	Group		Company	
	As at		As at	
	30-09-16	31-12-15	30-09-16	31-12-15
	Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets				
Biological assets	433,203,631	429,061,675	-	-
Property, plant and equipment	129,779,075	131,573,879	51,366	91,854
Investments in subsidiaries	-	-	549,242,893	562,482,402
Plasma plantation receivables	68,376,119	54,019,176	-	-
Operating use rights	617,120	650,241	-	-
Club memberships	1,209,252	1,238,401	1,209,252	1,238,401
Deferred charges	9,511,478	9,397,978	-	-
	642,696,675	625,941,350	550,503,511	563,812,657
Current assets				
Inventories	40,238,703	50,865,985	-	-
Trade and other receivables	13,953,604	24,910,730	319,778,805	409,674,606
Income tax recoverable	14,387,248	14,287,493	-	-
Dividend receivable	-	-	3,884,241	25,313,151
Prepayments	942,470	515,901	409,816	273,260
Financial assets at fair value through profit or loss	122,850	52,920	-	-
Cash and cash equivalents	361,654,219	319,506,506	108,768,069	13,497,296
	431,299,094	410,139,535	432,840,931	448,758,313
Less:				
Current liabilities				
Trade and other payables	55,237,025	32,623,009	971,523	1,284,232
Dividend payable	-	1,062,500	-	-
Finance lease payables	30,342	58,243	-	-
Current income tax payable	658,786	2,038,985	161,202	97,512
	55,926,153	35,782,737	1,132,725	1,381,744
Net current asset	375,372,941	374,356,798	431,708,206	447,376,569
Less:				
Non-current liabilities				
Finance lease payables	160,435	-	-	-
Provision for post-employment benefits	33,613,199	33,676,272	-	-
Deferred tax liabilities	79,220,192	76,085,895	-	-
	112,993,826	109,762,167	-	-
Net assets	905,075,790	890,535,981	982,211,717	1,011,189,226
Capital and reserves				
Share capital	665,725,831	670,628,551	665,725,831	670,628,551
Foreign currency translation reserve	91,585,799	99,655,718	300,624,294	324,289,093
Accumulated profits	119,086,804	92,985,804	15,861,592	16,271,582
Equity attributable to owners of the parent	876,398,434	863,270,073	982,211,717	1,011,189,226
Non-controlling interests	28,677,356	27,265,908	-	-
Total equity	905,075,790	890,535,981	982,211,717	1,011,189,226

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

	As at	
	30-09-16 Rp '000	30-09-15 Rp '000
Amount repayable in one year or less, or on demand		
Secured	30,342	26,988
Unsecured	-	-
Total	30,342	26,988
Amount repayable after one year		
Secured	160,435	58,243
Unsecured	-	-
Total	160,435	58,243

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

	3rd Qtr 2016 Rp '000	3rd Qtr 2015 Rp '000	YTD Sep 2016 Rp '000	YTD Sep 2015 Rp '000
Cash flows from operating activities				
Profit before income tax	25,962,811	11,629,653	44,845,053	32,297,460
Adjustments for:				
Amortisation of operating use rights	11,040	11,040	33,120	33,120
(Gain)/Loss on disposal of plant and equipment, net	(6,622)	(4,877)	(380,776)	331,303
Gain on disposal of biological assets, net	-	(4,125,081)	(1,633,908)	(4,125,081)
Depreciation expense	2,806,532	2,743,337	8,303,577	8,170,087
Fair value (gain)/loss from financial assets at fair value through profit or loss	(29,610)	23,940	(69,930)	40,950
Finance costs	4,942	2,050	8,815	6,201
Interest income	(3,789,359)	(1,493,165)	(10,242,071)	(6,202,285)
Unrealised currency translation (gain)/loss	(4,552,771)	(5,303,914)	(666,984)	(1,420,137)
Operating cash flows before working capital changes	20,406,963	3,482,983	40,196,896	29,131,618
Working capital changes:				
Inventories	(21,859,167)	(4,708,519)	10,627,282	(23,766,777)
Trade and other receivables	15,715,027	(3,447,462)	89,884,758	(7,949,425)
Prepayments	(42,042)	(119,041)	(436,415)	688,033
Trade and other payables	19,151,162	(11,913,830)	(63,777,630)	(15,530,406)
Utilisation of post-employment benefits	-	(125,434)	(63,073)	(404,366)
Cash generated from/(used in) operations	33,371,943	(16,831,303)	76,431,818	(17,831,323)
Interest received	3,644,460	1,491,564	10,010,512	6,218,682
Income tax paid	(3,539,380)	(3,327,113)	(6,818,298)	(23,019,075)
Net cash from/(used in) operating activities	33,477,023	(18,666,852)	79,624,032	(34,631,716)

	3rd Qtr 2016	3rd Qtr 2015	YTD Sep 2016	YTD Sep 2015
	Rp '000	Rp '000	Rp '000	Rp '000
Cash flows from investing activities				
Acquisition of biological assets	(2,890,949)	(1,600,186)	(8,980,468)	(9,596,593)
Purchase of plant and equipment	(295,300)	(7,230,482)	(6,530,394)	(18,602,597)
Proceeds from disposal of plant and equipment	42,525	166,174	602,965	784,896
Payments for deferred expenditure	(43,500)	-	(113,500)	(1,430,000)
Net cash used in investing activities	(3,187,224)	(8,664,494)	(15,021,397)	(28,844,294)
Cash flows from financing activities				
Dividends paid to equity holders of the Company	-	-	(7,950,404)	(28,001,674)
Dividends paid to non-controlling interest	(187,500)	-	(1,250,000)	(250,000)
Share buyback held in treasury	(2,337,238)	(1,192,266)	(4,902,720)	(3,748,689)
Finance lease interest paid	(4,942)	(2,050)	(8,815)	(6,201)
Repayments of obligations under finance leases	(29,617)	(13,323)	(69,281)	(39,919)
Net cash used in financing activities	(2,559,297)	(1,207,639)	(14,181,220)	(32,046,483)
Net change in cash and cash equivalents	27,730,502	(28,538,985)	50,421,415	(95,522,493)
Cash and cash equivalents at beginning of financial period	338,104,359	358,913,532	319,506,506	412,722,129
Effects of currency translation on cash and cash equivalents	(4,180,642)	17,873,530	(8,273,702)	31,048,441
Cash and cash equivalents at end of financial period	361,654,219	348,248,077	361,654,219	348,248,077



GLOBAL PALM RESOURCES HOLDINGS LIMITED

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

Group	Attributable to owners of the parent					Non-controlling interests	Total equity
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Equity attributable to owners of the parent Rp '000			
Balance as at 1 January 2016	670,628,551	99,655,718	92,985,804	863,270,073	27,265,908	890,535,981	
Profit for the financial period	-	-	34,051,404	34,051,404	1,411,448	35,462,852	
Other comprehensive income for the financial period:							
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(8,069,919)	-	(8,069,919)	-	(8,069,919)	
Total comprehensive income for the financial period	-	(8,069,919)	34,051,404	25,981,485	1,411,448	27,392,933	
Transactions with owners recorded directly in equity:							
Share buyback held in treasury	(4,902,720)	-	-	(4,902,720)	-	(4,902,720)	
Total transactions with owners	(4,902,720)	-	-	(4,902,720)	-	(4,902,720)	
Dividend paid	-	-	(7,950,404)	(7,950,404)	-	(7,950,404)	
Balance as at 30 September 2016	665,725,831	91,585,799	119,086,804	876,398,434	28,677,356	905,075,790	



GLOBAL PALM RESOURCES HOLDINGS LIMITED

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

	Attributable to owners of the parent					Total equity Rp '000
	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Equity attributable to owners of the parent Rp '000	Non- controlling interests Rp '000	
Group						
Balance as at 1 January 2015	674,562,922	87,079,615	215,164,476	976,807,013	33,507,463	1,010,314,476
Profit for the financial period	-	-	22,260,285	22,260,285	1,595,334	23,855,619
Other comprehensive income for the financial period: Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	30,067,209	-	30,067,209	-	30,067,209
Total comprehensive income for the financial period	-	30,067,209	22,260,285	52,327,494	1,595,334	53,922,828
Transactions with owners recorded directly in equity:						
Share buyback held in treasury	(3,748,689)	-	-	(3,748,689)	-	(3,748,689)
Total transactions with owners	(3,748,689)	-	-	(3,748,689)	-	(3,748,689)
Dividend paid	-	-	(28,001,674)	(28,001,674)	-	(28,001,674)
Balance as at 30 September 2015	670,814,233	117,146,824	209,423,087	997,384,144	35,102,797	1,032,486,941



GLOBAL PALM RESOURCES HOLDINGS LIMITED

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

	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits Rp '000	Total equity Rp '000
Company				
Balance as at 1 January 2016	670,628,551	324,289,093	16,271,582	1,011,189,226
Profit for the financial period	-	-	7,540,414	7,540,414
Other comprehensive income for the financial period				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	(23,664,799)	-	(23,664,799)
Total comprehensive income for the financial period	-	(23,664,799)	7,540,414	(16,124,385)
Transactions with owners recorded directly in equity:				
Share buyback held in treasury	(4,902,720)	-	-	(4,902,720)
Total transactions with owners	(4,902,720)	-	-	(4,902,720)
Dividend paid	-	-	(7,950,404)	(7,950,404)
Balance as at 30 September 2016	665,725,831	300,624,294	15,861,592	982,211,717
Balance as at 1 January 2015	674,562,922	289,353,443	31,894,545	995,810,910
Profit for the financial period	-	-	(8,835,241)	(8,835,241)
Other comprehensive income for the financial period				
Foreign currency translation differences on translation of non-Indonesian rupiah financial statements	-	87,979,985	-	87,979,985
Total comprehensive income for the financial period	-	87,979,985	(8,835,241)	79,144,744
Share buyback held in treasury	(3,748,689)	-	-	(3,748,689)
Total transactions with owners	(3,748,689)	-	-	(3,748,689)
Dividend paid	-	-	(28,001,674)	(28,001,674)
Balance as at 30 September 2015	670,814,233	377,333,428	(4,942,370)	1,043,205,291

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

On 8 December 2015, the Company consolidated every two existing issued ordinary shares into one ordinary share in the capital of the Company.

As at 30 September 2016, the number of ordinary shares in issue was 206,484,000 of which 4,855,800 were held by the Company as treasury shares (30 September 2015: 412,968,000 ordinary shares of which 5,708,900 were held as treasury shares or 206,484,000 ordinary shares of which 2,854,450 were held as treasury shares after the 2:1 share consolidation).

During the period July 2016 to September 2016, the Company purchased 908,200 shares from the open market (July 2015 to September 2015: 765,300 shares or 382,650 after 2:1 share consolidation).

The total number of treasury shares held by the Company as at 30 September 2016 was 4,855,800 (30 September 2015: 5,708,900 or 2,854,450 after 2:1 share consolidation).

Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of treasury shares	Treasury shares Rp '000
Balance as at 1 July 2016	3,947,600	13,753,978
Purchase of treasury shares	908,200	2,337,238
Balance as at 30 September 2016	4,855,800	16,091,216

Total number of treasury shares against issued shares (excluding treasury shares):

Number of shares	As at 30 September 2016	As at 30 September 2015
Treasury shares	4,855,800	5,708,900
Issued shares (excluding treasury shares)	201,628,200	407,259,100
Share Consolidation	-	(206,484,000)
Total shares in issue	206,484,000	206,484,000

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

Total number of issued shares (excluding treasury shares):

As at 30 September 2016	As at 31 December 2015
201,628,200	203,569,500

As at 30 September 2016, the number of ordinary shares in issue was 206,484,000 of which 4,855,800 were held by the Company as treasury shares (31 December 2015: 206,484,000 ordinary shares of which 2,914,500 were held as treasury shares after the 2:1 share consolidation).

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

During the period July 2016 to September 2016, the Company purchased 908,200 shares from the open market (July 2015 to September 2015: 765,300 shares or 382,650 shares after 2:1 share consolidation on 8 December 2015).

The total number of treasury shares held by the Company as at 30 September 2016 was 4,855,800 (30 September 2015: 5,708,900 or 2,854,450 after 2:1 share consolidation on 8 December 2015).

Treasury shares are presented as a component within equity attributable to owners of the parent.

Group and Company	Number of shares	Treasury shares Rp '000
Balance as at 1 July 2016	3,947,600	13,753,978
Purchase of treasury shares	908,200	2,337,238
Balance as at 30 September 2016	4,855,800	16,091,216

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

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

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

Not applicable.

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

The Group has applied the same accounting policies and methods of computation in the financial statements for the current financial period compared with the audited consolidated financial statements for the financial year ended 31 December 2015 except for the valuation of biological assets and the actuarial valuation of the post-employment benefits which will be undertaken at the end of the financial year. In addition, the Group also adopted various revisions to the FRS, except for Amendments to FRS 16 and FRS 41 – Agriculture: Bearer Plants which becomes effective on 1 January 2016.

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

Not applicable.

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

	3rd Qtr 2016	3rd Qtr 2015	YTD Sep 2016	YTD Sep 2015
	Rp	Rp	Rp	Rp
Earnings per share for the period (Rp)				
(a) based on weighted average number of shares	98	18	168	55
(b) based on a fully diluted basis	98	18	168	55
Note : If assume has been consolidated 2:1 for 2015				
(a) based on weighted average number of shares	98	35	168	109
(b) based on a fully diluted basis	98	35	168	109
Number of shares outstanding				
- Weighted average number of shares	204,490,684	407,756,468	202,650,425	408,372,188
Note : If assume has been consolidated 2:1 for 2015	204,490,684	203,878,234	202,650,425	204,186,094

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

	Group		Company	
	As at		As at	
	30-09-16	31-12-15	30-09-16	31-12-15
Net asset value per ordinary share (Rp)	4,489	4,375	4,871	4,967
Number of issued shares excluding treasury shares	201,628,200	203,569,500	201,628,200	203,569,500

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

Review of Group performance

3Q2016 versus 3Q2015

Revenue

Our revenue for 3Q2016 decreased Rp5.6 billion or 7%, from Rp76.7 billion in 3Q2015 to Rp71.1 billion in 3Q2016. This was mainly caused by lower crude palm oil ("CPO") sales revenue of Rp8.1 billion. The total loss was mitigated by higher palm kernel ("PK") sales revenue of Rp2.5 billion.

CPO sales revenue decreased by Rp8.1 billion or 11%, from Rp71.8 billion in 3Q2015 to Rp63.7 billion in 3Q2016. This was caused by lower CPO sales volume. However the higher average selling price of CPO helped to limit the decrease. Sales volume of CPO decreased by 3,302 tons or 29% from 11,306 tons in 3Q2015 to 8,004 tons in 3Q2016. This was due to the lower production in 2Q2016. The production output for CPO was 8,543 tons in 2Q2016 (12,640 tons in 2Q2015). CPO average selling price increased by Rp1,610 per kilogram or 25%, from Rp6,353 per kilogram in 3Q2015 to Rp7,963 per kilogram in 3Q2016.

PK sales revenue increased by Rp2.5 billion or 52%, from Rp4.9 billion in 3Q2015 to Rp7.4 billion in 3Q2016. The higher PK average selling price contributed to the increase in sales revenue. Average selling price of PK increased by Rp4,913 per kilogram or 203% from Rp2,425 per kilogram in 3Q2015 to Rp7,338 per kilogram in 3Q2016. However the increase in sales revenue is limited by lower sales volume of PK. Sales volume of PK decreased by 993 tons or 50%, from 2,000 tons in 3Q2015 to 1,007 tons in 3Q2016 due to the lower production in 2Q2016. The production output for PK was 1,335 tons in 2Q2016 (2,306 tons in 2Q2015).

Costs of sales

Cost of sales decreased by Rp17.0 billion or 26%, from Rp65.8 billion in 3Q2015 to Rp48.8 billion in 3Q2016. This was mainly due to the lower CPO and PK sales volume.

Gross profit

As a result of the foregoing, gross profit increased by Rp11.4 billion or 105%, from Rp10.9 billion in 3Q2015 to Rp22.3 billion in 3Q2016. Gross profit margin increased from 14.2% in 3Q2015 to 31.4% in 3Q2016.

Distribution expenses

Distribution expenses increased by Rp0.2 billion or 222%, from Rp0.1 billion in 3Q2015 to Rp0.3 billion in 3Q2016. This was mainly due to the increased freight incurred for the transportation of PK as a significant volume of PK was sold on CIF basis, as compared to the previous quarter.

Administrative expenses

Administrative expenses decreased by Rp0.5 billion or 7% from Rp7.8 billion in 3Q2015 to Rp7.3 billion in 3Q2016. This was mainly due to lower expenses on postages and courier in 3Q2016.

Finance costs

Finance cost remained stable in 3Q2016 and in 3Q2015.

Interest income

Interest income increased by Rp2.3 billion or 154%, from Rp1.5 billion in 3Q2015 to Rp3.8 billion in 3Q2016, mainly due to interest received from the plasma plantation.

Other income

Other income decreased by Rp2.5 billion or 52%, from Rp4.8 billion in 3Q2015 to Rp2.3 billion in 3Q2016, mainly because there is no net gain recognised from disposal of oil palm plantation to Plasma farmers in 3Q2016. The decrease is partially offset by an increase in sales revenue of sludge oil by Rp1.6 billion in 3Q2016.

Other expenses

Other expenses decreased by Rp0.2 billion or 62% mainly because there is no expenditure incurred for the survey of new potential areas for plantations in 3Q2016.

Foreign exchange gain, net

Net foreign exchange gain of Rp5.2 billion in 3Q2016 was mainly attributable to the strengthening of IDR against SGD in relation to the Company's IDR denominated inter-company non-working capital financing for its subsidiary.

Profit before income tax

As a result of the foregoing, profit before income tax increased by Rp14.4 billion or 123%, from Rp11.6 billion in 3Q2015 to Rp26.0 billion in 3Q2016.

Income tax expense

Income tax expense increased by Rp1.3 billion or 33% from Rp3.9 billion in 3Q2015 to Rp5.2 billion in 3Q2016. The increase is in line with the higher profit generated.

Profit after income tax

As a result of the above, profit after income tax increased by Rp13.1 billion or 168%, from Rp7.7 billion in 3Q2015 to Rp20.8 billion in 3Q2016.

9M2016 versus 9M2015

Revenue

Our revenue for 9M2016 increased by Rp18.5 billion or 8%, from Rp245.1 billion in 9M2015 to Rp263.6 billion in 9M2016. This was contributed mainly by higher crude palm oil (“CPO”) sales revenue of Rp11.1 billion and higher palm kernel (“PK”) sales revenue of Rp7.4 billion.

CPO sales revenue increased by Rp11.1 billion or 5%, from Rp223.2 billion in 9M2015 to Rp234.3 billion in 9M2016. This was contributed due by higher sales volume and higher CPO average selling prices. Sales volume of CPO increased 651 tons from 31,517 tons in 9M2015 to 32,168 tons in 9M2016. CPO average selling price increased by Rp203 per kilogram, from Rp7,082 per kilogram in 9M2015 to Rp7,285 per kilogram in 9M2016.

PK sales revenue increased by Rp7.4 billion or 34%, from Rp21.8 billion in 9M2015 to Rp29.2 billion in 9M2016. This was contributed by higher sales volume and higher PK average selling price. Sales volume of PK increased 32 tons, from 6,000 tons in 9M2015 to 6,032 tons in 9M2016. Average selling price of PK increased by Rp1,200 per kilogram from Rp3,647 per kilogram in 9M2015 to Rp4,847 per kilogram in 9M2016.

Costs of sales

Cost of sales increased by Rp14.3 billion or 7%, from Rp190.8 billion in 9M2015 to Rp205.1 billion in 9M2016. This was mainly due to the higher CPO and PK sales volume.

Gross profit

As a result of the foregoing, gross profit increased by Rp4.2 billion or 8%, from Rp54.2 billion in 9M2015 to Rp58.4 billion in 9M2016. Gross profit margin increased 0.1% from 22.1% in 9M2015 to 22.2% in 9M2016.

Distribution expenses

Distribution expenses increased by Rp0.4 billion or 123% from Rp0.4 billion in 9M2015 to Rp0.8 billion in 9M2016. This was mainly due to the increased freight incurred for the transportation of PK as a significant volume of PK was sold on CIF basis, as compared to the previous quarter.

Administrative expenses

Administrative expenses remained stable at Rp26.2 billion in 9M2016 and at Rp26.1 billion in 9M2015.

Finance costs

Finance cost remained stable in 9M2016 and in 9M2015.

Interest income

Interest income increased by Rp4.0 billion or 65%, from Rp6.2 billion in 9M2015 to Rp10.2 billion in 9M2016, mainly due to interest received from the plasma plantation.

Other income

Other income decreased by Rp1.5 billion or 20%, from Rp7.4 billion in 9M2015 to Rp5.9 billion in 9M2016, which was mainly due to lower net gain recognised from disposal of oil palm plantation to Plasma farmers in 3Q2016.

Other expenses

Other expenses decreased by Rp1.1 billion or 51%, from Rp2.2 billion in 9M2015 to Rp1.1 billion in 9M2016, mainly due to decrease in survey expenses for new potential plantation areas and decrease in land application expenses.

Foreign exchange loss, net

After taking into consideration the foreign exchange gain in relation to the Company's IDR denominated inter-company non-working capital financing for its subsidiary, the Group has a net foreign exchange loss of Rp1.7 billion in 9M2016. This was mainly attributable to the strengthening of IDR against USD and SGD, for the USD and SGD bank balances held.

Profit before income tax

As a result of the foregoing, profit before income tax increased by Rp12.5 billion or 39%, from Rp32.3 billion in 9M2015 to Rp44.8 billion in 9M2016.

Income tax expense

Income tax expense increased by Rp0.9 billion or 11% from Rp8.5 billion in 9M2015 to Rp9.4 billion in 9M2016. The increase is in line with the higher revenue generated.

Profit after income tax

As a result of the above, profit after income tax increased by Rp11.6 billion or 49% from Rp23.9 billion in 9M2015 to Rp35.5 billion in 9M2016.

Review of Financial Position as at 30 September 2016

Non-current assets

Non-current assets for the Group increased by Rp16.8 billion or 3%, from Rp625.9 billion as at 31 December 2015 to Rp642.7 billion as at 30 September 2016. This was mainly due to the additional credit extended to the Plasma farmers for the plots of oil palm plantations transferred under the government policy and the purchase of property, plant and equipment.

Current assets

Current assets for the Group increased by Rp21.2 billion or 5%, from Rp410.1 billion as at 31 December 2015 to Rp431.3 billion as at 30 September 2016. This was mainly due to the increase in cash and cash equivalent of Rp42.1 billion and partially offset by a decrease in the inventories of Rp10.6 billion and trade and other receivables of Rp11.0 billion.

Current liabilities

Current liabilities for the Group increased by Rp20.1 billion or 56%, from Rp35.8 billion as at 31 December 2015 to Rp55.9 billion as at 30 September 2016. This was mainly due to the increase of Rp22.6 billion in trade and other payables resulted from the advances from customers.

Non-current liabilities

Non-current liabilities for the Group increased by Rp3.2 billion or 3% from Rp109.8 billion as at 31 December 2015 to Rp113.0 billion as at 30 September 2016, mainly due to the increase in deferred tax liabilities.

Review of Consolidated Cash Flows

Net cash from operating activities of Rp79.6 billion was mainly due to the cash generated from the decrease in inventories.

Net cash used in investing activities of Rp15.0 billion comprised mainly the cost of maintaining the immature plantation, land development and nurseries, and purchase of plant and equipment.

Net cash used in financing activities of Rp14.2 billion was mainly due to dividends paid to owners of the parent of Rp7.9 billion and dividends paid to non-controlling interest equity holders of the Company of Rp1.3 billion, and for the buyback of the Company's shares to be held as treasury shares of Rp4.9 billion.

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

Not applicable.

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

CPO prices are expected to remain volatile considering the uncertainty in the global economy 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.

11. Dividend

(a) Current Financial Period Reported on
Any dividend to be declared for the current financial period reported on?

None.

(b) Corresponding Period of the Immediately Preceding Financial Year

None.

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend has been declared or recommended.

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

Name of interested person	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp' million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (Rp' million)
	FY2016	FY2016
PT Bumiraya Utama Lines	1,823	NIL*
PT Cemar Lestari	1,940	NIL*

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

14. Negative confirmation pursuant to Rule 705(5)

The Directors of the Company do hereby confirm that to the best of their knowledge, nothing has come to their attention which would render the unaudited financial statements for the financial period from 1 January 2016 to 30 September 2016 to be false or misleading in any material aspects.

15. Confirmation that the issuer has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

The Company confirmed that the Company has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

16. Update of the utilization of the Initial Public Offering ("IPO") proceeds of S\$50.6 million

As at 30 September 2016, the use of net proceeds from the IPO are as follows:

Use of net proceeds	Amount allocated (S\$' million)	Amount utilised (S\$' million)	Balance (S\$' million)
Development of existing uncultivated land banks into oil palm plantations	15.61	13.34 ⁽¹⁾	2.27
Acquisition of other oil palm plantations and land banks	15.00	1.08 ⁽²⁾	13.92 ⁽³⁾
Repayment of the loans to PT Bank CIMB Niaga Tbk ("Bank Niaga")	5.00	5.00	-
Construction of the co-composting plant	2.00	1.49	0.51
Working capital	9.50	9.50	-
Invitation expenses	3.49	3.49	-
Total	50.60	33.90	16.70

As at 30 September 2016, the use of net proceeds from the IPO for working capital are as follows:

	Indonesia Office (S\$' million)	Singapore Office (S\$' million)	Amount utilised (S\$' million)
Plantation & Mill Expenses	1.26	-	1.26
Purchase of FFB	1.76	-	1.76
Transport & Freight	0.36	-	0.36
Fertilizers	1.57	-	1.57
Purchase Fuel	0.35	-	0.35
Suppliers	0.65	-	0.65
Administration Expenses	0.49	1.00	1.49
Bank Interest	0.11	-	0.11
Leasing	0.09	-	0.09
Tax Payment	1.86	-	1.86
Total	8.50	1.00	9.50

Notes:

- (1) Out of the S\$13.34 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$11.12 million were used for land clearing and new planting purposes.
- (2) The S\$1.08 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\$0.62 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 Cemaru, 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 Cemaru as well as approvals required by the Indonesian authorities.

17. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement.

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Tan Hung Hwie @ Winoto Adijanto	60	Brother of CEO, Dr Suparno Adijanto	<u>Director of Global Palm Resources Private Limited (Since 2007)</u> - Governing the Company including setting management directions and goals. - Oversee management of company. <u>Director of Ecogreen Resources Investments Limited (Since 2010)</u> - Governing the Company including setting management directions and goals. - Oversee management of company.	Not applicable
Tan Hong Swan @ Tan Hong Whan @ Swandono Adijanto	64	Brother of CEO, Dr Suparno Adijanto	<u>President Commissioner of PT Prakarsa Tani Sejati (Since 2003)</u> - Supervise and advise the Board of Directors. - Non-executive in nature.	Not applicable
Tan Hong Pheng @ Pintarso Adijanto	59	Brother of CEO, Dr Suparno Adijanto	<u>Director of PT Prakarsa Tani Sejati (Since 1993)</u> - Governing the Company including setting management directions and goals. - Oversee management of company.	Not applicable
Ivan Swandono	29	Nephew of CEO, Dr Suparno Adijanto (and the son of Dr Suparno Adijanto's brother, Tan Hong Whan @ Swandono Adijanto)	<u>COO of Global Palm Resources Holdings Limited (Since 2014)</u> - Cover the business development and investment functions of the Group. <u>COO of PT Prakarsa Tani Sejati (Since 2013)</u> - Responsible for the cultivation of palm oil plantation and the daily operations of our palm oil mill.	Appointed as executive director with effect from 12 May 2016
Tan Ying Mei	33	Niece of CEO, Dr Suparno Adijanto and sister of COO, Ivan Swandono (and the daughter of Dr Suparno Adijanto's brother, Tan Hong Whan @ Swandono Adijanto)	<u>Commissioner of PT Prakarsa Tani Sejati</u> - Supervise and advise the Board of Directors. - Non-executive in nature.	Appointed as commissioner with effect from 16 March 2016

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
Executive Chairman & CEO

11 November 2016