

Press Release

Global Palm reports net profit of Rp46.4 billion for FY2016 on Rp385.7 billion revenue

- 20% jump in revenue for FY2016 underpinned by higher sales volume and higher average selling prices of CPO and PK
 - Sales revenue from CPO increased 17% to Rp344.8 billion in FY2016
 - Sales revenue from PK increased 49% to Rp41.0 billion in FY2016
- Proposes first and final dividend of S\$0.0301 Singapore cents per ordinary share

Financial highlights:

Rp'bil	4Q2016	4Q2015	% Chg	FY2016	FY2015	% Chg
Revenue	122.2	76.5	+60	385.7	321.6	+20
Gross profit	33.3	(0.9)	n.m.	91.7	53.4	+72
Gross profit margin (%)	27.2	(1.1)	n.m.	23.8	16.6	+ 7.2% pts
EBITDA	29.7	8.4	+252	72.7	42.7	+70
Profit before income tax	25.0	3.4	+630	69.9	35.7	+96
Net profit attributable to equity holders	12.4	4.2	+191	46.4	26.5	+75

SINGAPORE – 27 February 2017 – 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 Rp46.4 billion for the year ended 31 December 2016 (“FY2016”) from Rp26.5 billion in FY2015, and Rp12.4 billion for the quarter ended 31 December 2016 (“4Q2016”) from Rp 4.2 billion in 4Q2015.

The Group’s revenue rose 20% to Rp385.7 billion for FY2016, contributed by higher sales volume and higher average selling prices of crude palm oil (“CPO”) and palm kernel (“PK”). For 4Q2016, revenue rose 60% to Rp122.2 billion from Rp76.5 billion in 4Q2015, underpinned by higher average selling prices of CPO and PK, as well as higher sales volume for CPO.

The Group's gross profit increased 72% year-on-year from Rp53.4 billion in FY2015 to Rp91.7 billion in FY2016. Gross profit margin increased 7.2% points to 23.8%, from 16.6% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and PK increased from Rp6,530/kg in FY2015 to Rp7,467/kg in FY2016 and from Rp3,441/kg in FY2015 to Rp5,099/kg in FY2016 respectively. Average selling prices of CPO and PK increased from Rp5,243/kg in 4Q2015 to Rp7,884/kg in 4Q2016 and from Rp2,823/kg in 4Q2015 to Rp5,857/kg in 4Q2016 respectively.

CPO sales volume increased 1,154 tons from 45,021 tons in FY2015 to 46,175 tons for FY2016. CPO sales volume increased 503 tons from 13,504 tons in 4Q2015 to 14,007 tons for 4Q2016. Sales volume of PK increased 26 tons from 8,009 tons in FY2015 to 8,035 tons for FY2016. Sales volume of PK decreased marginally by 5 tons from 2,008 tons in 4Q2015 to 2,003 tons for 4Q2016.

Operational Performance

As of 31 December 2016, the Group's total planted area (nucleus and plasma) totaled 13,480 ha, of which 92.8% or 12,503 ha comprise mature oil palm trees. The Group's CPO and PK extraction rates were kept stable at 21.39% and 3.58% in FY2016 compared to 21.07% and 4.22% respectively in FY2015. CPO and PK extraction rates for 4Q2016 were also stable at 21.25% and 3.46% respectively, compared to 21.04% and 4.68% in 4Q2015.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>4Q2016</u>	<u>4Q2015</u>	<u>Var %</u>	<u>FY2016</u>	<u>FY2015</u>	<u>Var %</u>
CPO	15,811	13,926	+14	46,291	49,163	(6)
Palm kernels	2,573	3,097	(17)	7,754	9,846	(21)

Dividend

In view of the strong performance for FY2016, the Board has proposed a first and final tax exempt (one-tier) dividend of S\$0.0301 per share for FY2016, representing a 652% increase over FY2015.

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 Group has performed exceptionally well in FY2016 with the support of higher CPO and PK prices and increased sales volume, amidst the volatile global economy and unpredictable weather conditions. We will remain aggressive in our replanting processes to ensure sustainability in the long run. The yield from the recent planting as well as the developmental progress of the first batch of replanting look promising. We will also continue to work hard at improving our productivity and cost efficiency of our plantation."

Segment Review

	4Q2016	4Q2015	% Chg	FY2016	FY2015	% Chg
Revenue (Rp' bil)						
CPO	110.4	70.8	+56	344.8	294.0	+17
Palm Kernels	11.7	5.7	+107	41.0	27.6	+49
Sales Volume (tons)						
CPO	14,007	13,504	+4	46,175	45,021	+3
Palm Kernels	2,003	2,008	n.m.	8,035	8,009	n.m.
Ave. Selling Price* (Rp/kg)						
CPO	7,884	5,243	+50	7,467	6,530	+14
Palm Kernels	5,857	2,823	+107	5,099	3,441	+48

* 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: Rp9,299 for FY2016 and S\$1: Rp9,751 for FY2015

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>.