

Press Release

Global Palm posts a net loss of Rp2.6 billion due to lower CPO and PK average selling prices

- CPO average selling prices decreased 20% to Rp6,230/kg in 1Q2016 from Rp7,780/kg in 1Q2015
- PK average selling prices decreased 36% to Rp2,983/kg in 1Q2016 from Rp4,668/kg in 1Q2015

Financial highlights for the period ended 31March:

Rp'bil	1Q2016	1Q2015	% Chg
Revenue	86.1	88.7	(3)
Gross profit	10.8	25.4	(58)
Gross profit margin (%)	12.5	28.6	-16.1 % pts
EBITDA	(1.8)	15.7	n.m
Profit/(loss) before income tax	(1.4)	15.2	n.m.
Net profit/(loss) attributable to equity holders	(2.5)	12.1	n.m.

SINGAPORE – 11 May 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 loss attributable to shareholders of Rp2.5 billion for the quarter ended 31 March 2016 (“1Q2016”) from a profit of Rp12.1 billion in 1Q2015.

The Group’s revenue for 1Q2016 decreased by 3% to Rp86.1 billion due to lower average selling prices for crude palm oil (“CPO”) and palm kernel (“PK”). Relatively, the Group’s gross profit decreased from Rp25.4 billion in 1Q2015 to Rp10.8 billion in 1Q2016. Gross profit margin decreased 16.1 % points to 12.5%, from 28.6% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and PK decreased from Rp7,780/kg in 1Q2015 to Rp6,230/kg in 1Q2016 and from Rp4,668/kg in 1Q2015 to Rp2,983/kg in 1Q2016 respectively.

CPO sales volume increased 2,655 tons from 10,205 tons in 1Q2015 to 12,860 tons in 1Q2016. Sales volume of PK has also increased slightly by 9 tons from 2,000 tons in 1Q2015 to 2,009 tons in 1Q2016.

Operational Performance

As of 31 March 2016, the Group's total planted area (nucleus and plasma) totaled 13,667 ha, of which 97.9% or 13,380 ha comprise mature oil palm trees. FFB yield for the year improved to 3.4 tons/ha compared to 3.3 tons/ha a year ago.

Overall, the Group's efficiency levels remained stable for the quarter with CPO extraction rate improved slightly to 21.4% and palm kernel extraction rate decreased slightly to 4.0%.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>1Q2016</u>	<u>1Q2015</u>	<u>Var %</u>
CPO	10,657	10,504	+1
Palm kernels	1,997	2,124	(6)

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.

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.

Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, "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

	1Q2016	1Q2015	% Chg
Revenue (Rp' bil)			
CPO	80.1	79.4	(1)
Palm Kernels	6.0	9.3	(35)
Sales Volume (tons)			
CPO	12,860	10,205	26
Palm Kernels	2,009	2,000	-
Ave. Selling Price* (Rp/kg)			
CPO	6,230	7,780	(20)
Palm Kernels	2,983	4,668	(36)

* 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: Rp9,830 for 1Q2016 and S\$1: Rp9,508 for 1Q2015

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 2,000 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>.