

Press Release

Global Palm's 1Q17 net profit soar to Rp28.3 billion

- Sales revenue from CPO increased 69% to Rp135.6 billion in 1Q2017
- Sales revenue from PK increased 115% to Rp12.9 billion in 1Q2017

Financial highlights for the period ended 31 March:

Rp'bil	1Q2017	1Q2016	% Chg
Revenue	148.5	86.1	+72
Gross profit	45.0	10.8	+318
Gross profit margin (%)	30.3	12.5	+17.8 % pts
EBITDA	40.5	(1.8)	n.m.
Profit/(loss) before income tax	40.0	(1.4)	n.m.
Net profit/(loss) attributable to equity holders	28.3	(2.5)	n.m.

SINGAPORE – 11 May 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 Rp28.3 billion for the quarter ended 31 March 2017 (“1Q2017”) from a net loss of Rp2.5 billion in 1Q2016.

The Group’s revenue for 1Q2017 increased 72% to Rp148.5 billion from higher crude palm oil (“CPO”) sales volume and higher CPO and palm kernel (“PK”) average selling prices. Sales revenue from CPO increased 69% from Rp80.1 billion in 1Q2016 to Rp135.6 billion in 1Q2017 and sales revenue from PK increased 115% to Rp6.0 billion in 1Q2016 to Rp12.9 billion in 1Q2017. The Group’s gross profit increased 318% from Rp10.8 billion in 1Q2016 to Rp45.0 billion in 1Q2017. Gross profit margin increased 17.8% points to 30.3%, from 12.5% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and PK increased from Rp6,230/kg in 1Q2016 to Rp8,578/kg in 1Q2017 and from Rp2,983/kg in 1Q2016 to Rp6,435/kg in 1Q2017 respectively.

CPO sales volume increased 2,947 tons from 12,860 tons in 1Q2016 to 15,807 tons in 1Q2017. Sales volume of PK decreased marginally by 9 tons from 2,009 tons in 1Q2016 to 2,000 tons in 1Q2017.

Operational Performance

As of 31 March 2017, the Group's total planted area (nucleus and plasma) totaled 13,475 ha, of which 92.3% or 12,438 ha comprise mature oil palm trees. The Group's CPO and palm kernel extraction rates were kept stable at 21.1% and 3.39% in 1Q2017 compared to 21.4% and 4.02% respectively in 1Q2016.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>1Q2017</u>	<u>1Q2016</u>	<u>Var %</u>
CPO	12,998	10,657	+22
Palm kernels	2,091	1,997	n.m.

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 efforts to increase productivity, should result in a positive sustainable future for the Group.

Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, “We have achieved excellent results for the quarter from the higher sales volume and higher CPO prices. Meanwhile we have also started replacing some of our older matured palm trees with higher yielding species to ensure sustainability for the Group in the long run.

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

	1Q2017	1Q2016	% Chg
Revenue (Rp' bil)			
CPO	135.6	80.1	+69
Palm Kernels	12.9	6.0	+115
Sales Volume (tons)			
CPO	15,807	12,860	+23
Palm Kernels	2,000	2,009	n.m.
Ave. Selling Price* (Rp/kg)			
CPO	8,578	6,230	+38
Palm Kernels	6,435	2,983	+116

* 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: Rp9,532 for 1Q2017 and S\$1: Rp9,830 for 1Q2016

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>.