



Press Release

Global Palm posts Rp7.5 billion earnings in 2Q17

- CPO sales volume increased 2% from 11,304 tons in 2Q2016 to 11,505 tons in 2Q2017
 - CPO average selling prices decreased 4% to Rp7,685/kg in 2Q2017
 - PK average selling prices decreased 24% to Rp3,995/kg in 2Q2017
 - CPO production improved 45% in 2Q2017
 - PK production improved 40% in 2Q2017

Financial highlights for the period ended 30 June:

Rp'bil	2Q2017	2Q2016	% Chg	1H2017	1H2016	% Chg
Revenue	100.4	106.3	(6)	248.9	192.4	+29
Gross profit	16.3	25.3	(36)	61.3	36.1	+70
Gross profit margin (%)	16.2	23.8	(7.6 % pts)	24.6	18.8	+5.8 % pts
EBITDA	13.4	19.8	(32)	53.9	18.0	+200
Profit before income tax	10.4	20.2	(49)	50.4	18.9	+167
Net profit attributable to equity holders	7.5	16.5	(55)	35.8	14.1	+154

SINGAPORE – 14 August 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 Rp7.5 billion for the quarter ended 30 June 2017 (“2Q2017”) from Rp16.5 billion in 2Q2016.

The Group’s revenue for 2Q2017 decreased 6% to Rp100.4 billion from lower crude palm oil (“CPO”) and palm kernel (“PK”) average selling prices and lower CPO sales volume. Sales revenue from CPO decreased 2% from Rp90.5 billion in 2Q2016 to Rp88.4 billion in 2Q2017. Sales revenue from PK decreased 24% from Rp15.9 billion in 2Q2016 to Rp12.0 billion in 2Q2017. The Group’s gross profit decreased 36% from Rp25.3 billion in 2Q2016 to Rp16.3 billion in 2Q2017. Gross profit margin decreased 7.6% points to 16.2%, from 23.8% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and PK decreased from Rp8,004/kg in 2Q2016 to Rp7,685/kg in 2Q2017 and from Rp5,257/kg in 2Q2016 to Rp3,995/kg in 2Q2017 respectively.

CPO sales volume increased 201 tons from 11,304 tons in 2Q2016 to 11,505 tons in 2Q2017. Sales volume of PK decreased marginally by 12 tons from 3,015 tons in 2Q2016 to 3,003 tons in 2Q2017.

Operational Performance

As of 30 June 2017, the Group's total planted area (nucleus and plasma) totaled 13,480 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 21.29% and 3.2% in 2Q2017 compared to 21.6% and 3.38% respectively in 2Q2016.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>2Q2017</u>	<u>2Q2016</u>	<u>Var %</u>	<u>1H2017</u>	<u>1H2016</u>	<u>Var %</u>
CPO	12,396	8,543	+45	25,394	19,200	+32
Palm kernels	1,864	1,335	+40	3,955	3,332	+19

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, “CPO prices dipped amidst expectation of higher productions in the coming months, as production began to recover after the El Nino phenomena. Nonetheless, we have kept our sales volume relatively stable and will continue to focus on productivity and ensure sustainability for the Group in the long run.”

Segment Review

	2Q2017	2Q2016	% Chg	1H2017	1H2016	% Chg
Revenue (Rp' bil)						
CPO	88.4	90.5	(2)	224.0	170.6	+31
Palm Kernels	12.0	15.9	(24)	24.9	21.8	+14
Sales Volume (tons)						
CPO	11,505	11,304	+2	27,312	24,164	+13
Palm Kernels	3,003	3,015	n.m.	5,003	5,024	n.m.
Ave. Selling Price* (Rp/kg)						
CPO	7,685	8,004	(4)	8,202	7,060	+16
Palm Kernels	3,995	5,257	(24)	4,971	4,347	+14

* 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: Rp9,591 for 2Q2017 and S\$1: Rp9,770 for 2Q2016

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.



GLOBAL PALM RESOURCES HOLDINGS LIMITED

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>.