

FOR IMMEDIATE RELEASE

Golden-Agri Resources Expands Elements of Successful Fire Prevention Programme in 2017

- All participating villages prevented fires in 2016
- Three villages designated part of national pilot projects by the Coordinating Ministry of Economic Affairs

Ketapang, 18 January 2017 – PT SMART Tbk (SMART), a subsidiary of Golden-Agri Resources (GAR), today announced plans to expand elements of its community fire prevention programme, Desa Siaga Api, which was successfully implemented throughout 2016.

In 2016, 17 villages from West Kalimantan and Jambi took part in the pilot programme as part of GAR and SMART's overall fire prevention strategy in cooperation with local stakeholders. Villages in the pilot were provided with training on fire prevention, basic infrastructure and early-warning processes to deal with the risk of fires, and trained volunteers under Masyarakat Siaga Api (fire-alert villagers) to prevent and rapidly suppress fires in their areas. The villages also have access to GAR/PT SMART's fire response teams and fire-fighting facilities through joint regular patrols.

SMART announced today that all eight villages from West Kalimantan were successful in preventing fires and will receive incentives in the form of social infrastructure aid. Three of the villages from West Kalimantan were also designated national pilot projects by the Indonesian government through the Coordinating Ministry of Economic Affairs. Another nine villages in Jambi saw a similar level of success last year, with detailed results to be released later this month.

CEO of Sinar Mas Plantation for West Kalimantan Region, Susanto Yang, said, "Today, the participating villages have transitioned from being fire-prone to becoming fire-free areas. This achievement is the result of hard work and demonstrates the value of collaboration from the villagers, our fire response teams and local government in tackling this shared problem. We hope that the three villages chosen as national pilot projects by Indonesia's Coordinating Ministry of Economic Affairs will demonstrate that fire prevention through close collaboration on the ground is possible. And we look forward to continuing success in fire prevention in these villages this year and beyond."

SMART will now expand successful areas of the Desa Siaga Api programme to become **Desa Makmur Peduli Api**, combining three components – fire prevention, conservation and food security. There will be greater emphasis on joint community conservation efforts to protect High Conservation Value (HCV) areas and High Carbon Stock (HCS) forests.

Across Indonesia, SMART/GAR has identified 75,000-hectare, equivalent to the size of Singapore, within its concessions for conservation. In West Kalimantan, the company is already in the process of rehabilitating 2,600 hectares of peat land and conserving 17,000 hectares of HCV area through joint conservation efforts with the communities.

Managing Director of Sustainability GAR/PT SMART, Agus Purnomo, said "The success of Desa Makmur Peduli Api's to date has provided us with the impetus to expand the programme by adding initiatives that help preserve local ecosystems, increase the productivity of agricultural land without the use of fire and deliver training on the benefits of



fire prevention to more communities. Together with the support of government and local institutions, we hope to improve the welfare of people in pilot project villages."

As part of this initiative, SMART is also carrying out a pilot project at Lembah Hijau 2 Village called "Sekolah Lapangan", which trains the local community to use integrated farming techniques without the use of fire to clear land. This is in line with the government's directive to provide alternative livelihood support for communities in vulnerable areas. The company plans to roll out the programme in the other seven villages in West Kalimantan over the next few years.

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About Golden Agri-Resources

GAR is one of the leading palm oil plantation companies with a planted area of more than 480,000 hectares (including smallholders), located in Indonesia. It has integrated operations focused on the production of palm-based edible oil and fat. PT Agrolestari Mandiri is one of GAR's business unit in West Kalimantan.

GAR is focused on sustainable palm oil production. In Indonesia, its primary activities include cultivating and harvesting of oil palm trees; processing of fresh fruit bunch into crude palm oil (CPO) and palm kernel; merchandising and refining CPO into value-added products such as cooking oil, margarine and shortening. It also has operations in China and India including a deep-sea port, oilseeds crushing plants, production capabilities for refined edible oil products as well as other food products such as noodles. For more information visit: www.goldenagri.com.sg

About PT SMART Tbk

PT SMART Tbk is one of the largest, publicly-listed, integrated palm-based consumer companies in Indonesia committed to sustainable palm oil production.

Founded in 1962, SMART's palm plantations have a total coverage area of approximately 138,700 hectares (including small holders). SMART also operates 16 mills, four kernel crushing plants and four refineries. SMART listed its shares on the Indonesia Stock Exchange in 1992.

PT SMART's primary activities are cultivating and harvesting of palm trees, processing of fresh fruit bunches into crude palm oil ("CPO") and palm kernel, and refining CPO into value-added products such as cooking oil, margarine and shortening. Besides bulk and industrial oil, SMART's refined products are also marketed under several brands such as Filma and Kunci Mas. Today, these brands have been recognised for their high quality and command significant market share in their respective segment in Indonesia.

PT SMART is a subsidiary of Golden Agri-Resources Ltd ("GAR"), which is one of the largest palm-based companies in the world which is listed on the Singapore Exchange. SMART also manages all of GAR's oil palm plantations, which has a total planted area of 482,228 hectares (including smallholders) in Indonesia, as at 30 September 2016.

This relationship benefits SMART with its economies of scale in plantation management, information technology, research and development, sourcing of raw material, and access to a wide domestic and international marketing network.

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