



## Press Release

# Global Palm delivers net profit of Rp42.7 billion for FY2017

- Proposes first and final dividend of 1.0 Singapore cents per ordinary share – to be paid upon approval at next AGM
- Revenue increased by 19% YoY to Rp460.3 billion on the back of higher CPO sales volume and higher CPO and PK average selling prices
- Gross profit increased by 21% YoY to Rp111.3 billion

Financial highlights for the year ended 31 December:

Rp'bil	4Q2017	4Q2016	% Chg	FY2017	FY2016	% Chg
Revenue	105.7	122.2	(13)	460.3	385.7	+19
Gross profit	22.7	33.3	(32)	111.3	91.7	+21
Gross profit margin (%)	21.5	27.2	(5.7 % pts)	24.2	23.8	+0.4 % pts
<b>EBITDA</b>	<b>4.7</b>	<b>29.7</b>	<b>(84)</b>	<b>78.4</b>	<b>72.6</b>	<b>+8</b>
Profit before income tax	1.8	25.0	(93)	69.9	69.9	n.m.
<b>Net (loss)/profit attributable to equity holders</b>	<b>(3.9)</b>	<b>12.4</b>	<b>n.m.</b>	<b>42.7</b>	<b>46.4</b>	<b>(8)</b>

**SINGAPORE – 1 March 2018** – 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 Rp42.7 billion for the year ended 31 December 2017 (“FY2017”) and a net loss attributable to shareholders of Rp3.9 billion for the quarter ended 31 December 2017 (“4Q2017”).

The Group’s revenue rose 19% YoY to Rp460.3 billion in FY2017, contributed by higher crude palm oil (“CPO”) sales volume, CPO and palm kernel (“PK”) average selling prices and offset by lower PK sales volume. For 4Q2017, revenue decreased 13% to Rp105.7 billion from Rp122.2 billion in 4Q2016. The decrease in revenue in 4Q2017 is mainly due to lower CPO and PK sales volume, mitigated by higher CPO and PK average selling prices.



**GLOBAL PALM RESOURCES HOLDINGS LIMITED**

The Group’s gross profit improved by 21% YoY to Rp111.3 billion in FY2017 from Rp91.7 billion in FY2016. Gross profit for 4Q2017 decreased by 32% to Rp22.7 billion from Rp33.3 billion in 4Q2016. Gross profit margin for FY2017 improved by 0.4% points to 24.2%, from 23.8% as compared to a year ago. Gross profit margin for 4Q2017 decreased by 5.7% points to 21.5%, from 27.2% points in 4Q2016.

**Average Selling Prices and Tonnage Sales**

Average selling prices of CPO and PK increased from Rp7,467/kg in FY2016 to Rp8,009/kg in FY2017 and from Rp5,099/kg in FY2016 to Rp5,646/kg in FY2017 respectively. Average selling prices of CPO and PK increased from Rp7,884/kg in 4Q2016 to Rp7,977/kg in 4Q2017 and from Rp5,857/kg in 4Q2016 to Rp6,979/kg in 4Q2017 respectively.

CPO sales volume increased 5,650 tons from 46,175 tons in FY2016 to 51,825 tons in FY2017. CPO sales volume decreased 2,500 tons from 14,007 tons in 4Q2016 to 11,507 tons in 4Q2017. PK sales volume decreased 32 tons from 8,035 tons in FY2016 to 8,003 tons in FY2017. PK sales volume decreased marginally by 3 tons from 2,003 tons in 4Q2016 to 2,000 tons in 4Q2017.

**Operational Performance**

As of 31 December 2017, the Group’s total planted area (nucleus and plasma) totaled 13,420 ha, of which 88.9% or 11,925 ha comprise mature oil palm trees. The Group’s CPO and PK extraction rates for FY2017 were kept stable at 21.52% and 3.6% compared to 21.39% and 3.58% respectively in FY2016. CPO extraction rates for 4Q2017 improved slightly to 22.04% from 21.25% in 4Q2016. PK extraction rates for 4Q2017 improved significantly to 4.43% from 3.46% in 4Q2016.

*Production statistics:*

<b>Production Output (Tons)</b>	<b>4Q2017</b>	<b>4Q2016</b>	<b>Var %</b>	<b>FY2017</b>	<b>FY2016</b>	<b>Var %</b>
CPO	11,737	15,811	(26)	50,034	46,291	+8
Palm kernels	2,162	2,573	(16)	8,172	7,754	+5



## GLOBAL PALM RESOURCES HOLDINGS LIMITED

### **Dividend**

The Board has proposed a first and final dividend of 1.0 Singapore cents per ordinary share for FY2017, subject to approval at the next Annual General Meeting.

### **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. 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. During FY2017, the Group has cleared approximately 619 hectare for replanting. 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 are expected to trade within the recent range given no new variables. Outlook for the global economy has improved and 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. Nevertheless the supply of palm oil is also expected to increase resulting in range bound prices. The management will continue to improve our productivity to ensure sustainability for the Group"

**Segment Review**

	4Q2017	4Q2016	% Chg	FY2017	FY2016	% Chg
<b>Revenue (Rp' bil)</b>						
CPO	91.8	110.4	(17)	415.1	344.8	+20
Palm Kernels	14.0	11.7	+19	45.2	41.0	+10
<b>Sales Volume (tons)</b>						
CPO	11,507	14,007	(18)	51,825	46,175	+12
Palm Kernels	2,000	2,003	n.m.	8,003	8,035	n.m.
<b>Ave. Selling Price* (Rp/kg)</b>						
CPO	7,977	7,884	+1	8,009	7,467	+7
Palm Kernels	6,979	5,857	+19	5,646	5,099	+11

\* 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: Rp10,134 for FY2017 and S\$1: Rp9,299 for FY2016

**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 2,177 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>.