



Press Release

Global Palm's reports lower profit amidst lower selling prices and production

- CPO average selling prices decreased 12% to Rp7,516/kg in 1Q2018 from Rp8,578/kg in 1Q2017
- PK average selling prices decreased 4% to Rp6,150/kg in 1Q2018 from Rp6,435/kg in 1Q2017
- CPO sales volume decreased 27% to 11,505 tons in 1Q2018 from 15,807 tons in 1Q2017

Financial highlights for the quarter ended 31 March:

Rp'bil	1Q2018	1Q2017 (Restated)	% Chg
Revenue	98.8	148.5	(33)
Gross profit	18.5	45.0	(59)
Gross profit margin (%)	18.7	30.3	(11.6 % pts)
EBITDA	4.9	40.5	(69)
Profit before income tax	2.6	40.0	(94)
Net profit attributable to equity holders	0.7	28.5	(97)

SINGAPORE – 15 May 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 Rp0.7 billion for the quarter ended 31 March 2018 (“1Q2018”).

The Group’s revenue slips 33% to Rp98.8 billion in 1Q2018 from Rp148.5 billion in 1Q2017, mainly due to lower crude palm oil (“CPO”) and palm kernel (“PK”) average selling prices, and lower CPO sales volume. Relatively, the Group’s gross profit decreased from Rp45.0 billion in 1Q2017 to Rp18.5 billion in 1Q2018. Gross profit margin decreased 11.6% points to 18.7%, from 30.3% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling prices of CPO and PK decreased from Rp8,578/kg in 1Q2017 to Rp7,516/kg in 1Q2018 and from Rp6,435/kg in 1Q2017 to Rp6,150/kg in 1Q2018 respectively.

CPO sales volume decreased 4,302 tons from 15,807 tons in 1Q2017 to 11,505 tons in 1Q2018. PK sales volume remained at 2,000 tons in 1Q2018 and 1Q2017. The stock inventory of CPO increased from 2,855 tons as at 31 March 2017 to 3,582 tons as at 31 March 2018, an increase of 25.4%.

Operational Performance

As of 31 March 2018, the Group’s total planted area (nucleus and plasma) totaled 13,421 ha, of which 88.9% or 11,926 ha comprise mature oil palm trees. The Group’s CPO extraction rate for 1Q2018 improved quite significantly to 21.79% from 21.10% in 1Q2017, an increase of 3.2%. PK extraction rate for 1Q2018 improved to 4.01% from 3.39% in 1Q2017, an increase of 18.2%.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>1Q2018</u>	<u>1Q2017</u>	<u>Var %</u>
CPO	11,199	12,998	(14)
Palm kernels	2,058	2,091	(2)

Outlook and future plans

CPO prices are expected to remain within the current price range given the supply situation and the uncertainty in the global economy and abnormal weather’s affect on market dynamics. The demand for palm oil is expected to be well supported 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 were under pressure in 1Q2018 due to sliding demand in China and higher import tariffs in India. However, the recent agreement with China in May 2018 to increase palm oil imports from Indonesia, will likely boost demand and provide support for palm oil prices. The management will continue to improve our productivity and manage our costs to ensure long-term sustainable growth for the Group”

Segment Review

	1Q2018	1Q2017	% Chg
Revenue (Rp' bil)			
CPO	86.5	135.6	(36)
Palm Kernels	12.3	12.9	(4)
Sales Volume (tons)			
CPO	11,505	15,807	(27)
Palm Kernels	2,000	2,000	-
Ave. Selling Price* (Rp/kg)			
CPO	7,516	8,578	(12)
Palm Kernels	6,150	6,435	(4)

* 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: Rp10,487 for 1Q2018 and S\$1: Rp9,532 for 1Q2017

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 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>.