



Press Release

Global Palm reports lower net profit of Rp2.5 billion for 2Q2018

- CPO sales volume decreased 17% to 9,507 tons in 2Q2018 from 11,505 tons in 2Q2017
- PK sales volume decreased 33% to 2,000 tons in 2Q2018 from 3,003 tons in 2Q2017
- CPO average selling prices decreased 2% to Rp7,529/kg in 2Q2018 from Rp7,685/kg in 2Q2017

Financial highlights for the period ended 30 June:

Rp'bil	2Q2018	2Q2017 (Restated)	% Chg	1H2018	1H2017 (Restated)	% Chg
Revenue	81.8	100.4	(19)	180.5	248.9	(27)
Gross profit	10.3	16.3	(37)	28.8	61.3	(53)
Gross profit margin (%)	12.6	16.2	(3.6 % pts)	15.9	24.6	(8.7 % pts)
EBITDA	6.0	14.5	(58)	10.9	55.0	(80)
Profit before income tax	3.5	11.5	(70)	6.0	51.5	(88)
Net profit attributable to equity holders	2.5	7.6	(67)	3.2	36.1	(91)

SINGAPORE – 13 August 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 Rp2.5 billion for the quarter ended 30 June 2018 (“2Q2018”).

The Group’s revenue slips 19% to Rp81.8 billion in 2Q2018 from Rp100.4 billion in 2Q2017, mainly due to lower crude palm oil (“CPO”) and palm kernel (“PK”) sales volume and lower CPO average selling price. The Group’s gross profit decreased 37% from Rp16.3 billion in 2Q2017 to Rp10.3 billion in 2Q2018. Gross profit margin decreased 3.6% points to 12.6%, from 16.2% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling price of CPO decreased from Rp7,685/kg in 2Q2017 to Rp7,529/kg in 2Q2018 and average selling price of PK increased from Rp3,995/kg in 2Q2017 to Rp5,094/kg in 2Q2018.

CPO sales volume decreased 1,998 tons from 11,505 tons in 2Q2017 to 9,507 tons in 2Q2018. PK sales volume decreased 1,003 tons from 3,003 tons in 2Q2017 to 2,000 tons in 2Q2018. The stock inventory of CPO increased 2,496 tons or 67%, from 3,743 tons as at 30 June 2017 to 6,239 tons as at 30 June 2018.

Operational Performance

As of 30 June 2018, the Group's total planted area (nucleus and plasma) totaled 13,214 ha, of which 87.8% or 11,604 ha comprise mature oil palm trees. The Group's CPO extraction rate for 2Q2018 were kept stable at 21.30% from 21.29% in 2Q2017. PK extraction rate for 2Q2018 improved to 3.47% from 3.20% in 2Q2017.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>2Q2018</u>	<u>2Q2017</u>	<u>Var %</u>	<u>1H2018</u>	<u>1H2017</u>	<u>Var %</u>
CPO	12,215	12,396	(1)	23,413	25,394	(8)
Palm kernels	1,991	1,864	+7	4,049	3,955	+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 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, “The prices of CPO remained subdued in 2Q2018 due to the swelling of palm oil inventory in the CPO market. However, we do see a strong demand for CPO in the long-term and will continue on improving our productivity and manage our costs to ensure long-term sustainable growth for the Group”

Segment Review

	2Q2018	2Q2017	% Chg	1H2018	1H2017	% Chg
Revenue (Rp' bil)						
CPO	71.6	88.4	(19)	158.1	224.0	(29)
Palm Kernels	10.2	12.0	(15)	22.5	24.9	(10)
Sales Volume (tons)						
CPO	9,507	11,505	(17)	21,012	27,312	(23)
Palm Kernels	2,000	3,003	(33)	4,001	5,003	(20)
Ave. Selling Price* (Rp/kg)						
CPO	7,529	7,685	(2)	7,522	8,202	(8)
Palm Kernels	5,094	3,995	+28	5,622	4,971	+13

* 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: Rp10,530 for 2Q2018 and S\$1: Rp9,591 for 2Q2017



GLOBAL PALM RESOURCES HOLDINGS LIMITED

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>.