



Press Release

Global Palm reports a net loss of Rp2.9 billion, due to unfavorable market and logistics conditions

- CPO sales volume decreased 31% to 9,006 tons in 3Q2018 from 13,006 tons in 3Q2017
- CPO average selling prices decreased 12% to Rp6,724/kg in 3Q2018 from Rp7,635/kg in 3Q2017
- PK average selling prices decreased 34% to Rp4,225/kg in 3Q2018 from Rp6,359/kg in 3Q2017

Financial highlights for the period ended 30 September:

Rp'bil	3Q2018	3Q2017 (Restated)	% Chg	9M2018	9M2017 (Restated)	% Chg
Revenue	64.8	105.7	(39)	245.3	354.3	(31)
Gross profit	7.1	27.3	(74)	35.8	88.6	(60)
Gross profit margin (%)	10.9	25.9	(15.0 % pts)	14.6	25.0	(10.4 % pts)
EBITDA	0.7	18.7	(96)	11.7	73.7	(84)
(Loss)/profit before income tax	(2.3)	16.5	n.m.	3.7	68.0	(95)
Net (loss)/profit attributable to equity holders	(2.9)	10.8	n.m.	0.3	46.6	(99)

SINGAPORE – 14 November 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 loss attributable to shareholders of Rp2.9 billion for the quarter ended 30 September 2018 (“3Q2018”).

The Group’s revenue slips 39% to Rp64.8 billion in 3Q2018 from Rp105.7 billion in 3Q2017, mainly due to lower crude palm oil (“CPO”) sales volume and average selling price, and lower palm kernel (“PK”) average selling price. The Group’s gross profit decreased 74% from Rp27.3 billion in 3Q2017 to Rp7.1 billion in 3Q2018. Gross profit margin decreased 15.0% points to 10.9%, from 25.9% as compared to a year ago.

Average Selling Prices and Tonnage Sales

Average selling price of CPO decreased from Rp7,635/kg in 3Q2017 to Rp6,724/kg in 3Q2018 and average selling price of PK decreased from Rp6,359/kg in 3Q2017 to Rp4,225/kg in 3Q2018.

CPO sales volume decreased 4,000 tons from 13,006 tons in 3Q2017 to 9,006 tons in 3Q2018. PK sales volume remained at 1,000 tons in both 3Q2017 and 3Q2018. The stock inventory of CPO increased 6,718 tons or 184%, from 3,659 tons as at 30 September 2017 to 10,377 tons as at 30 September 2018.

Operational Performance

As of 30 September 2018, the Group's total planted area (nucleus and plasma) totaled 13,311 ha, of which 85.7% or 11,412 ha comprise mature oil palm trees. The Group's CPO extraction rate for 3Q2018 were kept stable at 21.58% from 21.73% in 3Q2017. PK extraction rate for 3Q2018 improved to 3.96% from 3.46% in 3Q2017.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>3Q2018</u>	<u>3Q2017</u>	<u>Var %</u>	<u>9M2018</u>	<u>1H2017</u>	<u>Var %</u>
CPO	13,135	12,903	+232	36,549	38,297	(5)
Palm kernels	2,410	2,055	+17	6,459	6,010	+7

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, “CPO prices continued to trend lower in 3Q2018 from the production surplus in the palm oil industry. However, we are likely to see a boost in demand contributed by Indonesia’s recent implementation of mandatory use of the expanded B20 biodiesel program. We are positive on the long-term demand for CPO and will continue on improving our productivity and manage our costs to ensure long-term sustainable growth for the Group”

Segment Review

	3Q2018	3Q2017	% Chg	9M2018	9M2017	% Chg
Revenue (Rp' bil)						
CPO	60.6	99.3	(39)	218.6	323.3	(32)
Palm Kernels	4.2	6.4	(34)	26.7	31.2	(14)
Sales Volume (tons)						
CPO	9,006	13,006	(31)	30,018	40,318	(26)
Palm Kernels	1,000	1,000	-	5,001	6,003	(17)
Ave. Selling Price* (Rp/kg)						
CPO	6,724	7,635	(12)	7,283	8,019	(9)
Palm Kernels	4,225	6,359	(34)	5,343	5,202	+3

* 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: Rp10,919 for 3Q2018 and S\$1: Rp9,926 for 3Q2017



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>.