



## Press Release

### Global Palm reports net loss of Rp7.4 billion for 1Q2019

- CPO average selling prices decreased 16% from Rp7,516/kg in 1Q2018 to Rp6,349/kg in 1Q2019
- CPO sales volume decreased 5% from 11,505 tonnes to 11,009 tonnes
- PK average selling prices decreased 47% from Rp6,150/kg in 1Q2018 to Rp3,285/kg in 1Q2019
- PK sales volume increased 5% from 2,000 tonnes in 1Q2018 to 2,100 tonnes in 1Q2019

Financial highlights for the quarter ended 31 March:

Rp'bil	1Q2019	1Q2018	% Chg
Revenue	76.8	98.8	(22)
Gross (loss)/profit	(1.3)	18.5	n.m.
Gross profit margin (%)	(1.7)	18.7	(20.4 % pts)
<b>EBITDA</b>	<b>(5.8)</b>	<b>4.9</b>	n.m.
(Loss)/profit before income tax	(8.5)	2.6	n.m.
<b>Net (loss)/profit attributable to equity holders</b>	<b>(7.4)</b>	<b>0.7</b>	<b>n.m.</b>

**SINGAPORE – 15 May 2019** – 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 Rp7.4 billion for the quarter ended 31 March 2019 (“1Q2019”).

The Group’s revenue slips 22% to Rp76.8 billion in 1Q2019 from Rp98.8 billion in 1Q2018, mainly due to lower crude palm oil (“CPO”) and palm kernel (“PK”) sales average selling prices, lower CPO sales volume and offset from higher PK sales volume. The Group incurred a gross loss of Rp1.3 billion in 1Q2019 as compared to a gross profit of Rp18.5 billion in 1Q2018. Gross profit margin decreased 20.4% points to negative 1.7%, from 18.7% as compared to a year ago.

### **Average Selling Prices and Tonnage Sales**

Average selling price of CPO decreased from Rp7,516/kg in 1Q2018 to Rp6,349/kg in 1Q2019. Average selling price of PK decreased from Rp6,150/kg in 1Q2018 to Rp3,285/kg in 1Q2019. CPO sales volume decreased 496 tonnes from 11,505 tonnes in 1Q2018 to 11,009 tonnes in 1Q2019. PK sales volume increased 100 tons from 2,000 tons in 1Q2018 to 2,100 tonnes in 1Q2019.

### **Operational Performance**

As of 31 March 2019, the Group's total planted area (nucleus and plasma) totaled 13,337 ha, of which 80.3% or 10,712 ha comprise mature oil palm trees.

The Group's CPO extraction rate improved from 21.79% in 1Q2018 to 21.91% in 1Q2019. PK extraction rate has also improved from 4.01% in 1Q2018 to 4.18%% in 1Q2019.

#### *Production statistics:*

<b><u>Production Output</u></b> <b><u>(Tons)</u></b>	<b><u>1Q2019</u></b>	<b><u>1Q2018</u></b>	<b><u>Var %</u></b>
CPO	9,155	11,199	(18)
Palm kernels	1,748	2,058	(15)

### **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 be well supported in view of rising food requirements from China, India (despite the tariff increase for CPO), Indonesia and emerging markets, as well as demand from the biofuel, oleochemicals and compound feed industries.

The replanting of older palm trees with newer breed of higher yielding palm trees is ongoing to ensure long-term sustainability for the Group. 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 remained under pressure in 1Q2019 due to unfavorable market conditions. We remain optimistic on the continuous demand for and will continue to improve our productivity and manage our costs to ensure long-term sustainable growth for the Group.”

**Segment Review**

	1Q2019	1Q2018	% Chg
<b>Revenue (Rp' bil)</b>			
CPO	69.9	86.5	(19)
Palm Kernels	6.9	12.3	(44)
<b>Sales Volume (tons)</b>			
CPO	11,009	11,505	(4)
Palm Kernels	2,100	2,000	+5
<b>Ave. Selling Price* (Rp/kg)</b>			
CPO	6,349	7,516	(16)
Palm Kernels	3,285	6,150	(47)

\* 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: Rp10,507 for 1Q2019 and S\$1: Rp10,487 for 1Q2018

**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 and Sustainability**

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 surrounding small landholders in the development of small oil palm plantations, under its Plasma Programme.



## GLOBAL PALM RESOURCES HOLDINGS LIMITED

*Another area of focus for 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>.*