



Press Release

Global Palm reports net loss of Rp13.5 billion for 2Q2019

- CPO average selling prices decreased 14% from Rp7,529/kg in 2Q2018 to Rp6,511/kg in 2Q2019
- CPO sales volume decreased 37% from 9,507 tonnes in 2Q2018 to 6,003 tonnes in 2Q2019
- PK average selling prices decreased 38% from Rp5,094/kg in 2Q2018 to Rp3,170/kg in 2Q2019
- PK sales volume increased 8% from 2,000 tonnes in 2Q2018 to 2,154 tonnes in 2Q2019

Financial highlights for the period ended 30 June:

Rp'bil	2Q2019	2Q2018	% Chg	1H2019	1H2018	% Chg
Revenue	45.9	81.8	(44)	122.7	180.5	(32)
Gross (loss)/profit	(4.6)	10.3	n.m.	(5.9)	28.8	n.m.
Gross profit margin (%)	(10.0)	12.6	(22.6 % pts)	(4.8)	15.9	(20.7 % pts)
EBITDA	(9.9)	6.0	n.m.	(21.3)	10.9	n.m.
(Loss)/profit before income tax	(12.8)	3.5	n.m.	(21.3)	6.0	n.m.
Net (loss)/profit attributable to equity holders	(13.5)	2.5	n.m.	(20.9)	3.2	n.m.

SINGAPORE – 14 August 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 Rp13.5 billion for the quarter ended 30 June 2019 (“2Q2019”).

The Group’s revenue slips 44% to Rp45.9 billion in 2Q2019 from Rp81.8 billion in 2Q2018, mainly due to lower crude palm oil (“CPO”) and palm kernel (“PK”) sales average selling prices, lower CPO sales volume and offset by higher PK sales volume. The Group incurred a gross loss of Rp4.6 billion in 2Q2019 as compared to a gross profit of Rp10.3 billion in 2Q2018. Gross profit margin decreased 22.6% points from 12.6% in 2Q2018 to gross loss margin of 10.0% in 2Q2019.

Average Selling Prices and Tonnage Sales

Average selling price of CPO decreased from Rp7,529/kg in 2Q2018 to Rp6,511/kg in 2Q2019. Average selling price of PK decreased from Rp5,094/kg in 2Q2018 to Rp3,170/kg in 2Q2019. CPO sales volume decreased 3,504 tonnes from 9,507 tonnes in 2Q2018 to 6,003 tonnes in 2Q2019. PK sales volume increased 154 tons from 2,000 tons in 2Q2018 to 2,154 tonnes in 2Q2019.

Operational Performance

As of 30 June 2019, the Group's total planted area (nucleus and plasma) totaled 13,343 ha, of which 78.1% or 10,427 ha comprise mature oil palm trees.

The Group's CPO extraction rate improved from 21.30% in 2Q2018 to 21.80% in 2Q2019. PK extraction rate has also improved from 3.47% in 2Q2018 to 4.38% in 2Q2019.

Production statistics:

Production Output (Tonnes)	2Q2019	2Q2018	Var %	1H2019	1H2018	Var %
CPO	7,304	12,215	(40)	16,459	23,414	(30)
Palm kernels	1,468	1,991	(26)	3,216	4,049	(21)

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. We expect production of CPO and kernel to drop for the next few years due to the replanting program. 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 and kernel prices in 2Q 2019 were lower compared to 1Q 2019. We expect CPO prices to remain volatile amidst the uncertainty of the global economy and elevated inventory levels. In the long-term, the Group continues on its replanting strategy and costs-saving efforts to ensure sustainability. We have also successfully acquired PT Bumi Raya Agro, a company principally engaged in the business of oil palm plantation and holds a location permit of approximately 10,100 ha of oil palm plantation. With this acquisition, the Group’s total land bank has expanded to 37,743 ha as at 30 June 2019.”

Segment Review

	2Q2019	2Q2018	% Chg	1H2019	1H2018	% Chg
Revenue (Rp' bil)						
CPO	39.1	71.6	(45)	109.0	158.1	(31)
Palm Kernels	6.8	10.2	(33)	13.7	22.5	(39)
Sales Volume (tons)						
CPO	6,003	9,507	(37)	17,012	21,012	(19)
Palm Kernels	2,154	2,000	+8	4,254	4,000	+6
Ave. Selling Price* (Rp/kg)						
CPO	6,511	7,529	(14)	6,406	7,522	(15)
Palm Kernels	3,170	5,094	(38)	3,227	5,623	(43)

* 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: Rp10,446 for 2Q2019 and S\$1: Rp10,530 for 2Q2018



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 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.

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>.