



Global Palm Resources Holdings Limited and its subsidiaries
Registration Number: 200921345M

Condensed Interim Financial Statements
For the six months ended 30 June 2021

Condensed Interim Consolidated Statement of Profit or Loss and Other Comprehensive Income
Six months ended 30 June 2021

	Note	Group		
		6 months ended 30 June 2021	6 months ended 30 June 2020	Change
		Rp '000	Rp '000	%
Revenue	4	248,024,149	138,331,630	79
Cost of sales		(174,809,030)	(122,015,231)	43
Gross profit		73,215,119	16,316,399	349
Other items of expense				
Interest income	5	2,532,227	2,813,679	-10
Other income		951,814	3,545,226	-73
Distribution expenses	6	(4,244,640)	(1,726,055)	146
Administrative expenses	6	(22,919,844)	(24,320,714)	-6
Finance costs		(71,916)	(110,695)	-35
Other expenses	6	(4,061,544)	(1,104,453)	268
Profit/(loss) before income tax	6	45,401,216	(4,586,613)	n.m.
Income tax expense	7	(1,089,760)	(172,195)	533
Profit/(loss) for the period		44,311,456	(4,758,808)	n.m.
Other comprehensive income:				
<u>Items that may be reclassified to profit or loss in subsequent periods</u>				
Currency translation differences		3,936,951	(1,612,685)	n.m.
Total other comprehensive income for the period, net of tax		3,936,951	(1,612,685)	n.m.
Total comprehensive income for the period		48,248,407	(6,371,493)	n.m.
Profit/(loss) attributable to:				
Owners of the parent		41,850,226	(4,548,114)	n.m.
Non-controlling interest		2,461,230	(210,694)	n.m.
		44,311,456	(4,758,808)	n.m.
Total comprehensive income/(loss) attributable to:				
Owners of the parent		45,787,177	(6,160,799)	n.m.
Non-controlling interest		2,461,230	(210,694)	n.m.
		48,248,407	(6,371,493)	n.m.
		Rp	Rp	
Earnings/(loss) per share				
- Basic and diluted	8	167	(23)	n.m.

n.m. – not meaningful

**Condensed Interim Consolidated Statement of Financial Position
As at 30 June 2021**

	Note	Group		Company	
		As at		As at	
		30 June 2021	31 December 2020	30 June 2021	31 December 2020
		Rp '000	Rp '000	Rp '000	Rp '000
Non-current assets					
Bearer plants	10	294,727,154	293,552,553	-	-
Property, plant and equipment	11	173,528,794	177,642,940	15,425	9,315
Right-of-use assets		2,344,842	2,898,750	2,126,641	2,566,147
Investments in subsidiaries		-	-	781,364,497	771,419,617
Plasma plantation receivables	12	50,755,226	49,049,898	-	-
Operating use rights	13	54,057,143	57,673,086	-	-
Deferred charges		37,742,597	37,640,039	-	-
		613,155,756	618,457,266	783,506,563	773,995,079
Current assets					
Biological assets		16,812,900	16,812,900	-	-
Inventories		37,075,238	41,035,319	-	-
Trade and other receivables		37,840,853	16,745,782	348,373,408	351,125,501
Dividend receivable		-	-	18,431,868	18,197,275
Current income tax recoverable		4,957,658	4,882,869	-	-
Prepayments		544,865	565,900	277,332	281,427
Financial assets at fair value through profit or loss		9,631,158	7,463,370	2,947,580	-
Derivative financial instruments		915,237	-	915,237	-
Cash and cash equivalents	14	204,845,517	173,853,172	9,393,692	11,989,853
		312,623,426	261,359,312	380,339,117	381,594,056
Less:					
Current liabilities					
Trade and other payables		49,875,472	49,999,766	1,116,626	1,906,505
Bank borrowing	15	-	72,004	-	-
Lease liabilities		572,546	1,117,310	468,859	914,699
Current income tax payable		145,821	450,357	145,821	447,052
		50,593,839	51,639,437	1,731,306	3,268,256
Net current assets		262,029,587	209,719,875	378,607,811	378,325,800
Less:					
Non-current liabilities					
Lease liabilities		1,817,994	1,795,931	1,733,464	1,711,401
Provision for post-employment benefits		42,643,892	43,371,642	-	-
Provision for restoration		176,409	167,006	169,159	167,006
Deferred tax liabilities		38,461,160	37,568,657	1,002,662	180,950
		83,099,455	82,903,236	2,905,285	2,059,357
Net assets		792,085,888	745,273,905	1,159,209,089	1,150,261,522
Capital and reserves					
Share capital	16	714,948,848	716,385,272	714,948,848	716,385,272
Capital reserve		67,962,611	67,962,611	-	-
Foreign currency translation reserve		131,395,915	127,458,964	431,161,082	416,348,079
Accumulated (losses)/profits		(148,041,914)	(189,892,140)	13,099,159	17,528,171
Equity attributable to owners of the parent		766,265,460	721,914,707	1,159,209,089	1,150,261,522
Non-controlling interests		25,820,428	23,359,198	-	-
Total equity		792,085,888	745,273,905	1,159,209,089	1,150,261,522

Condensed Interim Statement of Changes in Equity
Six months ended 30 June 2021

	Attributable to owners of the parent						Non-controlling interests Rp '000	Total equity Rp '000
	Share capital Rp '000	Capital reserve Rp '000	Foreign currency translation reserve Rp '000	Accumulated losses Rp '000	Equity attributable to owners of the parent Rp '000			
Group								
Balance as at 1 January 2021	716,385,272	67,962,611	127,458,964	(189,892,140)	721,914,707	23,359,198	745,273,905	
Profit for the period	-	-	-	41,850,226	41,850,226	2,461,230	44,311,456	
Other comprehensive gain for the period:								
Currency translation differences	-	-	3,936,951	-	3,936,951	-	3,936,951	
Total comprehensive gain for the period	-	-	3,936,951	41,850,226	45,787,177	2,461,230	48,248,407	
Total transactions with owners of the parent, recognised directly in equity:								
Shares buy back held in treasury	(1,436,424)	-	-	-	(1,436,424)	-	(1,436,424)	
Balance as at 30 June 2021	714,948,848	67,962,611	131,395,915	(148,041,914)	766,265,460	25,820,428	792,085,888	

Condensed Interim Statement of Changes in Equity (cont'd)
Six months ended 30 June 2021

	Attributable to owners of the parent					Non-controlling interests Rp '000	Total equity Rp '000
	Share capital Rp '000	Capital reserve Rp '000	Foreign currency translation reserve Rp '000	Accumulated losses Rp '000	Equity attributable to owners of the parent Rp '000		
Group							
Balance as at 1 January 2020	647,041,445	(3,403,230)	120,361,388	(180,816,354)	583,183,249	16,242,224	599,425,473
Loss for the period	-	-	-	(4,548,114)	(4,548,114)	(210,694)	(4,758,808)
Other comprehensive loss for the period:							
Currency translation differences	-	-	(1,612,685)	-	(1,612,685)	-	(1,612,685)
Total comprehensive loss for the period	-	-	(1,612,685)	(4,548,114)	(6,160,799)	(210,694)	(6,371,493)
Total transactions with owners of the parent, recognised directly in equity:							
Acquisition of a subsidiary under common control	-	-	-	458,708	458,708	-	458,708
Balance as at 30 June 2020	647,041,445	(3,403,230)	118,748,703	(184,905,760)	577,481,158	16,031,530	593,512,688

Condensed Interim Statement of Changes in Equity (cont'd)
Six months ended 30 June 2021

Company	Share capital Rp '000	Foreign currency translation reserve Rp '000	Accumulated profits/(losses) Rp '000	Total equity Rp '000
Balance as at 1 January 2021	716,385,272	416,348,079	17,528,171	1,150,261,522
Loss for the period	-	-	(4,429,012)	(4,429,012)
Other comprehensive income for the period:				
Currency translation differences	-	14,813,003	-	14,813,003
Total comprehensive income/(loss) for the period	-	14,813,003	(4,429,012)	10,383,991
Total transactions with owners of the parent, recognised directly in equity				
Shares buy back held in treasury	(1,436,424)	-	-	(1,436,424)
Balance as at 30 June 2021	714,948,848	431,161,082	13,099,159	1,159,209,089
Balance as at 1 January 2020	647,041,445	382,929,220	20,493,764	1,050,464,429
Loss for the period	-	-	(567,966)	(567,966)
Other comprehensive loss for the period:				
Currency translation differences	-	(5,636,445)	-	(5,636,445)
Total comprehensive loss for the period	-	(5,636,445)	(567,966)	(6,204,411)
Balance as at 30 June 2020	647,041,445	377,292,775	19,925,798	1,044,260,018

Condensed Interim Consolidated Statement of Cash Flows
Six months ended 30 June 2021

	Group	
	6 months ended 30 June 2021 Rp '000	6 months ended 30 June 2020 Rp '000
Cash flows from operating activities		
Profit/(loss) before income tax	45,401,216	(4,586,613)
Adjustments for:		
Amortisation of operating use rights	3,615,943	21,655
Amortisation of right-of-use assets	584,827	569,044
Changes in fair value of derivative financial instruments at fair value through profit or loss	(900,159)	-
Changes in fair value of financial assets at fair value through profit or loss	1,517,144	36,325
Depreciation of bearer plants	5,357,530	2,812,460
Depreciation of property, plant and equipment	10,730,693	6,264,735
Loss/(gain) on disposal of plant and equipment, net	11,970	(34,266)
Interest expense	71,917	110,695
Interest income	(2,532,227)	(2,813,679)
Loss allowance on plasma plantation receivables	363,190	-
Operating use rights written off	-	47,075
Provision for impairment of inventories	-	272,020
Unrealised currency translation loss/(gain)	1,241,021	(3,490,934)
Operating cash flows before working capital changes	<u>65,463,065</u>	<u>(791,483)</u>
Working capital changes:		
Inventories	3,960,080	952,868
Trade and other receivables	(19,136,132)	1,295,630
Prepayments	24,628	(426,728)
Trade and other payables	(143,259)	(19,776,983)
Provision for post-employment benefits	(727,750)	(5,014,444)
Cash generated from/(used in) operations	<u>49,440,632</u>	<u>(23,761,140)</u>
Interest paid	(20,770)	-
Interest received	828,126	996,929
Income tax (paid)/refunded, net	(582,545)	848,469
Net cash from/(used in) operating activities	<u>49,665,443</u>	<u>(21,915,742)</u>
Cash flows from investing activities		
Addition of financial assets at fair value through profit or loss	(3,671,442)	(498,849)
Capital expenditure on bearer plants	(7,302,286)	(5,429,600)
Cash payments from trading of derivative financial instruments	(1,449,432)	-
Purchases of property, plant and equipment	(6,658,295)	(9,293,525)
Proceeds from disposal of bearer plants	-	175,200
Proceeds from disposal of property, plant and equipment	29,925	126,628
Payments for deferred charges arising from acquisition of land location permit	(102,558)	(1,897,356)
Net cash used in investing activities	<u>(19,154,088)</u>	<u>(16,817,502)</u>

Condensed Interim Consolidated Statement of Cash Flows (cont'd)
Six months ended 30 June 2021

	Group	
	6 months ended 30 June 2021 Rp '000	6 months ended 30 June 2020 Rp '000
Cash flows from financing activities		
Shares buy back held in treasury	(1,436,424)	-
Repayments of obligations under leases	(554,462)	(549,249)
Repayments of bank borrowing	(72,004)	(201,015)
Interest paid	(71,916)	(110,695)
Net cash used in financing activities	(2,134,806)	(860,959)
Net change in cash and cash equivalents	28,376,549	(39,594,203)
Cash and cash equivalents at the beginning of the period	173,853,172	263,121,242
Effects of currency translation on cash and cash equivalents	2,615,796	1,494,718
Cash and cash equivalents at the end of the period	204,845,517	225,021,757

Notes to the Condensed Interim Financial Statements

1. Corporate information

Global Palm Resources Holdings Limited (the “Company”) is a public company limited by shares, incorporated and domiciled in the Republic of Singapore. The Company’s registered office and principal place of business is at 105 Cecil Street, #24-01 The Octagon, Singapore 069534. The Company’s registration number is 200921345M. The Company is listed on the Singapore Exchange Securities Trading Limited (“SGX-ST”).

The principal activity of the Company is that of an investment holding company and provision of management services. The principal activities of the subsidiaries are set out below:

Name of subsidiaries	Principal activities
Global Palm Resources Private Limited	Investment holding company
PT Prakarsa Tani Sejati	Oil palm plantations and manufacturing of plantation products (crude palm oil and palm kernels)
PT Bumi Raya Agro	Agriculture and plantation
PT Cemar Lestari	Trading, agriculture and plantation

These condensed interim consolidated financial statements as at and for the six months ended 30 June 2021 comprise the Company and its subsidiaries (collectively, the “Group”).

2. Basis of preparation

The condensed interim financial statements for the six months ended 30 June 2021 have been prepared in accordance with SFRS(I) 1-34 *Interim Financial Reporting* issued by the Accounting Standards Council Singapore. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 31 December 2020.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new and amended standards as set out in Note 2.1.

The condensed interim financial statements are presented in Indonesian rupiah as the Group mainly operates in Indonesia.

2.1 New and amended standards adopted by the Group

The accounting policies adopted are consistent with those of the previous financial year except in the current financial period, the Group has adopted all the new and revised standards which are effective for the annual financial periods beginning on or after 1 January 2021. The adoption of these standards did not have any material effect on the condensed interim financial statements.

Notes to the Condensed Interim Financial Statements (cont'd)

2.2 Use of judgements and estimates

In preparing the condensed interim financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets and liabilities, income and expense. Although these estimates are based on management's best knowledge of current events and actions, actual results may differ from those estimates.

The significant judgements made by management in applying the Group's accounting policies and the key sources of estimation uncertainty were the same as those that applied to the consolidated financial statements as at and for the year ended 31 December 2020.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period are discussed below.

(a) Classification and impairment of Plasma plantation receivables

In determining the classification and assessing the expected credit loss for Plasma plantation receivables, management assesses whether there is a significant increase in credit risk and considers the expected credit loss scenarios, estimation of the related future purchases of FFB from the Plasma farmers and prepares the expected future cash flows based on projections of the amounts withheld by the Group for such purchases. These determinations require significant judgement and estimates in evaluating the expected credit loss scenarios and estimating the key assumptions such as FFB production yield of the handed-over Plasma plantations, amount of FFB expected to be sold back to the Group by Plasma farmers, FFB selling price growth rate and discount rate.

While the Group believes that its assumptions are reasonable and appropriate, significant differences between the actual and estimated related purchases of FFB from the Plasma farmers and significant changes in key assumptions used may materially affect the classification of and the estimated future cash flows from the Plasma plantation receivables.

(b) Biological assets

The Group's biological assets are stated at fair value less estimated point-of-sale costs. Gains or losses arising on initial recognition of biological assets at fair value less estimated point-of-sale costs and from the change in fair value less estimated point-of-sale costs of biological assets as at the balance sheet date, are included in the profit or loss.

The determination of the fair value of the biological assets requires the use of estimates on the projected fresh fruit bunches ("FFB") production yield, the market selling prices of FFB as at the balance sheet date, and the discount rate, net of transportation costs, maintenance costs and the cost of harvesting (estimated point-of-sale costs).

(c) Impairment of non-financial assets

At the end of each reporting date, the Group reviews the carrying amounts of its non-financial assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Notes to the Condensed Interim Financial Statements (cont'd)

(c) Impairment of non-financial assets (cont'd)

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

3 Seasonal operations

The production of FFB in oil palm plantations is subject to seasonal fluctuations as a result of weather conditions and rainfall patterns.

4 Segment and revenue information

The Group operates only in one business segment, which is the plantation segment and in one geographical location, Indonesia. Accordingly, no segmental information is prepared based on business segment or on geographical distribution as it is not meaningful.

4.1 Disaggregation of revenue

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	Rp '000	Rp '000
Disaggregation of revenue by major product:		
- Crude Palm Oil ("CPO")	198,147,497	125,623,943
- Palm Kernel ("PK")	19,961,281	12,707,687
- Fresh Fruit Bunch ("FFB")	29,915,371	-
Total revenue recognised at a point in time	<u>248,024,149</u>	<u>138,331,630</u>

5 Interest income

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	Rp '000	Rp '000
Interest income from:		
- Bank balances and short-term deposits	826,899	991,094
- Plasma plantation receivables	1,705,328	1,822,585
	<u>2,532,227</u>	<u>2,813,679</u>

Notes to the Condensed Interim Financial Statements (cont'd)

6 Profit/(loss) before income tax

6.1 Significant items

The above is arrived at after charging/(crediting):

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	Rp '000	Rp '000
<u>Distribution expenses</u>		
Freight and stevedoring expenses	4,193,509	1,684,813
<u>Administrative expenses</u>		
Amortisation of right-of-use assets	584,827	569,044
Audit and professional fees	1,905,015	3,648,326
Bank charges	28,899	17,292
Depreciation of property, plant and equipment	453,460	516,813
Employee benefits expense		
- Salaries, wages and bonuses	16,633,848	15,508,669
- Employer's contributions to defined contribution plans	152,609	149,791
<u>Other expenses</u>		
Area survey expenses	169,410	154,891
Changes in fair value of financial assets at FVTPL	1,517,144	-
Foreign exchange loss, net	1,189,693	-
Loss on derivative financial instruments	549,272	-
Loss on disposal of property, plant and equipment	11,970	-
Renewal of land permit expenses	115,935	-

6.2 Related party transactions

	6 months ended 30 June 2021	6 months ended 30 June 2020
	Rp '000	Rp '000
<u>Related parties</u>		
Purchase of spare parts and fuel from related parties	380,156	224,670
Services received from related parties	150,000	150,000
Rental of premises charged by related parties	104,339	104,339
Sales of palm seeds to related parties	-	24,000

Related parties refer to entities, of which Adijanto Family has control.

Notes to the Condensed Interim Financial Statements (cont'd)

7 Income tax

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
	Rp '000	Rp '000
Deferred income tax	886,420	(214,675)
Withholding tax on interest income	203,340	386,870
	1,089,760	172,195

8 Earnings/(loss) per share

The calculation for basic earnings/(loss) per share is based on the profit/(loss) attributable to owners of the parent divided by the weighted average number of ordinary shares:

	Group	
	6 months ended 30 June 2021	6 months ended 30 June 2020
Profit/(loss) attributable to owners of the parent (Rp'000)	41,850,226	(4,548,114)
Weighted average number of ordinary shares	250,716,505	195,898,300
Earnings/(loss) per share	Rp	Rp
- based on weighted average number of shares	167	(23)
- based on fully diluted basis	167	(23)

9 Net asset value

	Group	
	As at 30 June 2021	As at 31 December 2020
Net asset value per ordinary share (Rp)	3,165	2,969
Number of issued shares excluding treasury shares	250,278,176	251,054,276

Notes to the Condensed Interim Financial Statements (cont'd)

10 Bearer plants

During the six months ended 30 June 2021, additions to bearer plants amounted to Rp7.3 billion. As at 30 June 2021, the carrying amount of the Group's bearer plants is Rp294.7 billion (31 December 2020: Rp293.6 billion).

11 Property, plant and equipment

During the six months ended 30 June 2021, additions to property, plant and equipment amounted to Rp6.7 billion. As at 30 June 2021, the carrying amount of the Group's property, plant and equipment is Rp173.5 billion (31 December 2020: Rp177.6 billion).

12 Plasma plantation receivables

	Group	
	As at 30 June 2021	As at 31 December 2020
	Rp '000	Rp '000
Plasma plantation receivables	55,895,283	58,718,878
Less: Loss allowance	(3,686,014)	(3,377,585)
	52,209,269	55,341,293
Less: Current portion	(1,454,043)	(6,291,395)
Non-current portion	50,755,226	49,049,898

13 Operating use rights

During the six months ended 30 June 2021, there are no additions to operating use rights. As at 30 June 2021, the carrying amount of the Group's operating use rights is Rp54.1 billion (31 December 2020: Rp57.7 billion).

14 Cash and cash equivalents

	Group	
	As at 30 June 2021	As at 31 December 2020
	Rp '000	Rp '000
Cash and bank balances	65,966,975	35,809,220
Fixed deposits with banks	138,878,542	138,043,952
	204,845,517	173,853,172

Notes to the Condensed Interim Financial Statements (cont'd)

15 Bank borrowing

	Group	
	As at 30 June 2021	As at 31 December 2020
	Rp '000	Rp '000
Bank loan - secured		
Current	-	72,004
	-	72,004

16 Share capital and treasury shares

	Group and Company			
	As at 30 June 2021		As at 31 December 2020	
	Number of shares	Rp '000	Number of shares	Rp '000
<u>Issued and paid up</u>				
Balance as at 1 January	261,639,976	751,160,874	206,484,000	681,817,047
Share issue	-	-	55,155,976	69,343,827
	261,639,976	751,160,874	261,639,976	751,160,874
<u>Treasury shares</u>				
Balance as at 1 January	10,585,700	34,775,602	10,585,700	34,775,602
Shares re-acquired and held as treasury shares	776,100	1,436,424	-	-
	11,361,800	36,212,026	10,585,700	34,775,602
Issued shares excluding treasury shares	250,278,176	714,948,848	251,054,276	716,385,272

During the six months ended 30 June 2021, the Company purchased 776,100 shares from the open market (1H2020: Nil). The total amount paid to acquire the shares was Rp1.4 billion (1H2020: Nil) and this was presented as a component within shareholders' equity.

The Company's subsidiaries do not hold any shares in the Company as at 30 June 2021 and 31 December 2020.

17 Subsequent events

There are no known subsequent events which have led to adjustments to this set of interim financial statements.

OTHER INFORMATION REQUIRED BY LISTING RULE APPENDIX 7.2

Other Information

1 Review

The condensed consolidated statement of financial position of Global Palm Resources Holdings Limited and its subsidiaries as at 30 June 2021 and the related condensed consolidated profit or loss and other comprehensive income, condensed consolidated statement of changes in equity and condensed consolidated statement of cash flows for the six-month period then ended and certain explanatory notes have not been audited or reviewed.

2 Review of performance of the Group

Review of Income Statement

Revenue

The Group's revenue for 1H2021 increased Rp109.7 billion or 79%, from Rp138.3 billion in 1H2020 to Rp248.0 billion in 1H2021. This was mainly due to the increase in sales revenue of crude palm oil ("CPO") of Rp72.5 billion, increase in sale revenue of palm kernel ("PK") of Rp7.3 billion and the incorporation of fresh fruit bunch ("FFB") sales from the newly acquired subsidiary PT Cemarum Lestari, which recorded a sales revenue from FFB of Rp29.9 billion post-acquisition.

The increase in CPO sales revenue of Rp72.5 billion or 58%, from Rp125.6 billion in 1H2020 to Rp198.1 billion in 1H2021, was mainly due to the increase in both CPO sales volume and CPO average selling price. CPO sales volume increased from 16,006 tonnes (1H2020) to 20,010 tonnes (1H2021). This represented an increase of 55% in CPO sales revenue as compared to the previous period. CPO average selling price increased from Rp7,849/kg (1H2020) to Rp9,903/kg (1H2021). This represented an increase of 45% in CPO sales revenue as compared to the previous period.

The increase in PK sales revenue of Rp7.3 billion or 57%, from Rp12.7 billion in 1H2020 to Rp20.0 billion in 1H2021, was mainly due to the increase in both PK sales volume and PK average selling price. CPO sales volume increased from 2,894 tonnes (1H2020) to 3,013 tonnes (1H2021). This represented an increase of 11% in PK sales revenue as compared to the previous period. PK average selling price increased from Rp4,391/kg (1H2020) to Rp6,624/kg (1H2021). This represented an increase of 89% in PK sales revenue as compared to the previous period.

The increase in sales volume was mainly contributed by higher FFB produced (Nucleus) from 37,688 tonnes (1H2020) to 63,718 tonnes (1H2021). As at 30 June 2021, the Group's total mature planted area and immature planted area (excluding the area covered under the Plasma programme) is 8,645 hectares and 2,021 hectares respectively.

Costs of sales

Cost of sales increased by Rp52.8 billion or 349%, from Rp122.0 billion in 1H2020 to Rp174.8 billion in 1H2021. This was mainly due to the increase in CPO and PK sales volume in 1H2021.

Gross profit

As a result of the foregoing, gross profit increased by Rp56.9 billion or 349%, from Rp16.3 billion in 1H2020 to Rp73.2 billion in 1H2021. Gross profit margin increased 17.7% points from 11.8% in 1H2020 to 29.5% in 1H2021.

Other Information (cont'd)

Distribution expenses

Distribution expenses increased by Rp2.5 billion or 146% from Rp1.7 billion (1H2020) to Rp4.2 billion (1H2021). This was mainly due to the transport and unloading costs of Rp2.5 billion incurred by PT Cemaru, the subsidiary which was acquired in 2H2020.

Administrative expenses

Administrative expenses decreased Rp1.4 billion or 6%, from Rp24.3 billion (1H2020) to Rp22.9 billion (1H2021). This was mainly due to decrease in professional fees of Rp1.7 billion and document completion costs of Rp0.7 billion, offset by an increase in salaries and wages of the Group of Rp1.1 billion. The increase in the Group's salaries and wages was mainly contributed by the incorporation of salaries and wages of PT Cemaru of Rp0.6 billion in 1H2021, the subsidiary which was acquired in 2H2020.

Finance costs

Finance cost remained constant at Rp0.1 billion in both 1H2021 and 1H2020.

Interest income

Interest income decreased by Rp0.3 billion or 10%, from Rp2.8 billion (1H2020) to Rp2.5 billion (1H2021). This was mainly due to decrease of Rp0.2 billion in interest earned from lower bank deposits.

Other income

Other income decreased Rp2.5 billion or 146%, from Rp3.5 billion (1H2020) to Rp1.0 billion (1H2021). This was mainly due to net foreign exchange gain of Rp3.1 billion in 1H2020. Sales of kernel shell increased by Rp0.6 billion in 1H2021.

Other expenses

Other expenses increased Rp3.0 billion or 268%, from Rp1.1 billion (1H2020) to Rp4.1 billion (1H2021). This was mainly due to changes in fair value of financial assets of Rp1.5 billion and net foreign exchange loss of Rp1.2 billion in 1H2021. The net foreign exchange loss of Rp1.2 billion in 1H2021 mainly due to the depreciation of IDR against SGD in 1H2021 for the IDR denominated inter-company financing for its subsidiary. Provision for impairment for the credit extended to the Plasma farmers increased Rp0.3 billion in 1H2020 to Rp0.4 billion in 1H2021. There is a loss on disposal of plant and equipment of Rp0.1 billion in 1H2021.

Profit/(loss) before income tax

As a result of the foregoing, the Group reported a profit before income tax of Rp45.4 billion in 1H2021, as compared to loss before income tax of Rp4.6 billion in 1H2020.

Income tax expense

Income tax expense increased by Rp0.9 billion or 533%, mainly due to increase in deferred tax expense in 1H2021.

Profit/(loss) after income tax

As a result of the above, the Group reported a profit after income tax of Rp44.3 billion in 1H2021, as compared to loss after income tax of Rp4.8 billion in 1H2020.

Other Information (cont'd)

Review of Financial Position as at 30 June 2021

Non-current assets

Non-current assets for the Group decreased by Rp5.3 billion or 1%, from Rp618.5 billion as at 31 December 2020 to Rp613.2 billion as at 30 June 2021. This was mainly due to decrease in property, plant and equipment of Rp4.1 billion and decrease in operating use rights of Rp3.6 billion, offset by increase of Rp1.7 billion in the credit extended to the Plasma farmers for biological assets transferred and increase in bearer plants of Rp1.2 billion.

Current assets

Current assets for the Group increased Rp51.3 billion or 20%, from Rp261.2 billion as at 31 December 2020 to Rp312.6 billion as at 30 June 2021. This was mainly due to increase in cash and cash equivalents of Rp31.0 billion and increase in trade and other receivables of Rp21.1 billion. The increase in trade and other receivables is mainly due to deposits amounting to Rp14.7 billion placed for the trading of derivative financial instruments and increase in trade receivables from third parties of Rp10.5 billion.

Current liabilities

Current liabilities for the Group decreased by Rp1.0 billion or 2%, from Rp51.6 billion as at 31 December 2020 to Rp50.6 billion as at 30 June 2021. This was mainly due to decrease in lease liabilities of Rp0.5 billion, decrease in income tax payable of Rp0.3 billion and decrease in trade and other payables of Rp0.1 billion.

Non-current liabilities

Non-current liabilities for the Group increased Rp0.2 billion, from Rp82.9 billion as at 31 December 2020 to Rp83.1 billion as at 30 June 2021. This was mainly due to increase in deferred tax liabilities of Rp0.9 billion, offset by decrease in provision for post-employment benefits of Rp0.7 billion.

Accumulated losses

The accumulated losses of Rp148.0 billion was mainly contributed by the accumulated losses of Rp189.9 billion brought forward from FY2020, offset by total comprehensive profit attributable to owners of the parent of Rp41.9 billion in 1H2021.

Review of Consolidated Cash Flows

Net cash generated from operating activities of Rp49.7 billion in 1H2021 was mainly due to the increase in operating profit in 1H2021.

Net cash used in investing activities of Rp19.2 billion in 1H2021 was mainly due to capital expenditure on bearer plants of Rp7.3 billion, purchases of property, plant and equipment of Rp6.7 billion and purchases of financial assets at fair value through profit or loss of Rp3.7 billion.

Net cash used in financing activities of Rp2.1 billion in 1H2021 was mainly due to the buyback of the Company's shares to be held as treasury shares of Rp1.4 billion and the repayment of lease liabilities of Rp0.6 billion.

Other Information (cont'd)

3 Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results

Not applicable.

4 A commentary of the competitive conditions of the industry in which the group operates and any known factors or events that might affect the group in the next reporting period and the next 12 months

The impact of COVID-19 on the global economy and businesses remains unrelenting amidst the emergence of new variants and slow vaccination rates. Regardless, the short-term price outlook for CPO remains positive on the back of stable palm oil output expectations for end 2021 and fairly robust demand for CPO.

The Group will continue the replanting of older palm trees with newer breeds of higher-yielding palm trees 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 continuous effort to increase productivity, should result in a positive sustainable future for the Group.

5 Dividend information

5a. Current Financial Period Reported on

Any dividend recommended for the current financial period reported on? Yes

Name of dividend	Interim dividend
Dividend type	Cash
Dividend per share	1.0 Singapore cents per ordinary share
Tax rate	Tax not applicable

The Directors are pleased to declare a tax exempt one-tier interim cash dividend of 1.0 Singapore cents per ordinary share (1H2020: Nil) in respect of the half year ended 30 June 2021. The interim dividend will be paid to shareholders on 29 November 2021.

5b. Corresponding Period of the Immediate Preceding Financial Year

Any dividend declared for the corresponding period of the immediately preceding financial year? No

5c. Date Payable

29 November 2021

5d. Books Closure Date

Date on which Registrable Transfers received by the company will be registered before entitlements to the dividend are determined: 18 November 2021, 5.00pm

Other Information (cont'd)

6 Interested person transactions

Name of interested person	Nature of relationship	Aggregate value of all interested person transactions during the period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920) (Rp' million)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000) (Rp' million)
		1H2021	1H2021
PT Bumiraya Utama Lines	Associate ⁽¹⁾	NIL	NIL ⁽²⁾
PT. Ketapang Indah Plywood Industries	Associate ⁽¹⁾	236	NIL ⁽²⁾

Notes:

- (1) Associates of the Executive Chairman and Chief Executive Officer of the Company, Dr Suparno Adjianto and is controlled by the Adjianto Siblings (whether directly or indirectly).
- (2) The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

7 Update of the utilization of the Initial Public Offering ("IPO") proceeds of S\$50.6 million

As at 30 June 2021, the use of net proceeds from the IPO are as follows:

Use of net proceeds	Amount allocated (S\$' million)	Amount utilised (S\$' million)	Balance (S\$' million)
Development of existing uncultivated land banks into oil palm plantations	15.61	13.34 ⁽¹⁾	2.27
Acquisition of other oil palm plantations and land banks	15.00	10.88 ⁽²⁾	4.12
Repayment of the loans to PT Bank CIMB Niaga Tbk ("Bank Niaga")	5.00	5.00	-
Construction of the co-composting plant	2.00	1.49	0.51
Working capital	9.50	9.50	-
Invitation expenses	3.49	3.49	-
Total	50.60	43.70	6.90

Other Information (cont'd)

As at 30 June 2021, the use of net proceeds from the IPO for working capital are as follows:

	Indonesia Office (S\$' million)	Singapore Office (S\$' million)	Amount utilised (S\$' million)
Plantation & Mill Expenses	1.26	-	1.26
Purchase of FFB	1.76	-	1.76
Transport & Freight	0.36	-	0.36
Fertilizers	1.57	-	1.57
Purchase Fuel	0.35	-	0.35
Suppliers	0.65	-	0.65
Administration Expenses	0.49	1.00	1.49
Bank Interest	0.11	-	0.11
Leasing	0.09	-	0.09
Tax Payment	1.86	-	1.86
Total	8.50	1.00	9.50

Notes:

- (1) Out of the S\$13.34 million utilized for the development of existing uncultivated land banks into oil palm plantations, approximately S\$11.12 million were used for land clearing and new planting purposes.
- (2) The S\$10.88 million utilized for the acquisition of other oil palm plantations and land banks includes acquisition of PT Bumi Raya Agro of S\$2.2 million, expenses of S\$0.46 million incurred for the land location permit in Muara Lesan Village and Lesan Dayak Village, both located in Berau Regency, East Kalimantan, expenses of S\$0.66 million incurred for the land location permit in sub-districts of Ngabang and Jelimpo, both located in Landak Regency, West Kalimantan and acquisition of PT Cemar Lestari of S\$7.5 million.

8 Confirmation that the issuer has procured undertaking from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720(1)

The Company confirmed that it has procured undertakings from all its directors and executive officers (in the format set out in Appendix 7.7) under Rule 720 (1).

9 Confirmation pursuant to the rule 705(5) of the listing manual

We, Tan Hong Kiat @ Suparno Adijanto (Executive Chairman and CEO) and Yee Kit Hong (Lead Independent Director), being two directors of Global Palm Resources Holdings Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of their knowledge, nothing has come to their attention which would render the half year ended 30 June 2021 unaudited financial results to be false or misleading.

BY ORDER OF THE BOARD

Dr Tan Hong Kiat @ Suparno Adijanto
 Executive Chairman & CEO

27 September 2021