



Press Release

Global Palm reports net loss of Rp7.4 billion for FY2018 from continued fall in CPO prices in 4Q2018

- Gross profit margin decreased 15.1% pts YoY to Rp9.1 billion
- CPO average selling prices decreased 17% YoY to Rp6,609/kg
- CPO sales volume decreased 11% YoY to 46,325 tons
- PK average selling prices decreased 12% YoY to Rp4,988/kg
- PK sales volume decreased 19% YoY to 6,501 tons

Financial highlights for the year ended 31 December:

Rp'bil	4Q2018	4Q2017 (Restated)	% Chg	FY2018	FY2017 (Restated)	% Chg
Revenue	93.3	105.7	(12)	338.6	460.3	(26)
Gross (loss)/profit	(5.1)	22.7	n.m.	30.7	111.3	(72)
Gross profit margin (%)	(5.5)	21.5	(27.0 % pts)	9.1	24.2	(15.1% pts)
EBITDA	(12.1)	4.7	(360)	(0.5)	78.3	(101)
(Loss)/profit before income tax	(8.2)	1.8	n.m.	(4.5)	69.9	n.m.
Net (loss)/profit attributable to equity holders	(7.7)	(3.9)	+97	(7.4)	42.7	n.m.

SINGAPORE – 1 March 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 year ended 30 December 2018 (“FY2018”).

The Group’s revenue slips 26% YoY to Rp338.6 billion in FY2018 from Rp460.3 billion in FY2017, mainly due to lower crude palm oil (“CPO”) and palm kernel (“PK”) sales volume and average selling prices. The Group’s gross profit decreased 72% YoY from Rp111.3 billion in FY2017 to Rp30.7 billion in FY2018. Gross profit margin decreased 15.1% points to 9.1%, from 24.2% as compared to a year ago.

For 4Q2018, revenue decreased 12% from Rp105.7 billion in FY2017 to Rp93.3 billion in FY2018, due to lower CPO and PK average selling prices and lower PK sales volume, offset by higher CPO sales volume. The Group reported a gross loss for the quarter of Rp5.1 billion as compared to a gross profit of Rp22.7 billion in 4Q2017.

Average Selling Prices and Tonnage Sales

Average selling price of CPO decreased from Rp8,009/kg in FY2017 to Rp6,609/kg in FY2018. Average selling price of PK decreased from Rp5,646/kg in FY2017 to Rp4,998/kg in FY2018. CPO sales volume decreased 5,500 tons YoY from 51,825 tons in FY2017 to 46,325 tons in FY2018. PK sales volume decreased 1,502 tons YoY from 8,003 tons in FY2017 to 6,501 tons in FY2018.

Average selling price of CPO decreased from Rp7,977/kg in 4Q2017 to Rp5,368/kg in 4Q2018. Average selling price of PK decreased from Rp6,979/kg in 4Q2017 to Rp3,806/kg in 4Q2018. CPO sales volume increased 4,800 tons from 11,507 tons in 4Q2017 to 16,307 tons in 4Q2018. PK sales volume decreased 500 tons from 2,000 tons in 4Q2017 to 1,500 tons in 4Q2018.

Operational Performance

As of 31 December 2018, the Group's total planted area (nucleus and plasma) totaled 13,300 ha, of which 83.1% or 11,054 ha comprise mature oil palm trees.

The Group's CPO extraction rate improved YoY to 21.68% in FY2018 from 21.52% in FY2017. PK extraction rate improved YoY to 3.92% in FY2018 from 3.52% in FY2017. For 4Q2018, CPO extraction rate improved to 22.16% from 22.04% in 4Q2017. PK extraction rate for 4Q2018 improved to 4.33% from 4.06% in 4Q2017.

Production statistics:

<u>Production Output</u> <u>(Tons)</u>	<u>4Q2018</u>	<u>4Q2017</u>	<u>Var %</u>	<u>FY2018</u>	<u>FY2017</u>	<u>Var %</u>
CPO	10,586	11,737	(10)	47,135	50,034	(6)
Palm kernels	2,067	2,162	(4)	8,526	8,172	+4

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, "We expect to see prices trading above the low of 4th Quarter 2018 and within the current price range. We remain optimistic on the continuous demand for CPO due to the success implementation of the B20 biodiesel program. Meanwhile, we will continue to improve our productivity and manage our costs to ensure long-term sustainable growth for the Group."

Segment Review

	4Q2018	4Q2017	% Chg	FY2018	FY2017	% Chg
Revenue (Rp' bil)						
CPO	87.5	91.8	(5)	306.1	415.1	(26)
Palm Kernels	5.7	14.0	(59)	32.4	45.2	(28)
Sales Volume (tons)						
CPO	16,307	11,507	+42	46,325	51,825	(11)
Palm Kernels	1,500	2,000	(25)	6,501	8,003	(19)
Ave. Selling Price* (Rp/kg)						
CPO	5,368	7,977	(33)	6,609	8,009	(17)
Palm Kernels	3,806	6,979	(45)	4,988	5,646	(12)

* 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: Rp10,603 for FY2018 and S\$1: Rp10,137 for FY2017



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>.