



Press Release

Global Palm reports net loss of Rp38.5 billion for FY2019 amidst weak CPO prices

- 1,231 hectares replanted in FY2019 (FY2018: 751 hectares)
- Gross profit margin decreased 8.7% pts YoY to 0.4%

Financial highlights for the year ended 31 December:

Rp'bil	4Q2019	4Q2018	% Chg	FY2019	FY2018	% Chg
Revenue	55.7	93.3	(40)	262.2	338.6	(23)
Gross profit/(loss)	2.0	(5.1)	n.m.	1.1	30.7	(97)
Gross profit/(loss) margin (%)	3.7	(5.5)	+9.2 % pts	0.4	9.1	(8.7 % pts)
EBITDA	(14.1)	(12.1)	+16	(27.3)	(0.5)	+5,894
Loss before income tax	(16.2)	(8.2)	+99	(39.1)	(4.5)	+775
Net loss attributable to equity holders	(16.3)	(7.7)	+112	(38.5)	(7.4)	+421

SINGAPORE – 28 February 2020 – 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 Rp38.5 billion for the year ended 31 December 2019 (“FY2019”).

The Group’s revenue decreased 23% to Rp262.2 billion in FY2019 from Rp338.6 billion in FY2018, mainly due to lower crude palm oil (“CPO”) sales volume and lower CPO and palm kernel (“PK”) average selling prices, offset by higher PK sales volume. The Group’s gross profit decreased 97% from Rp30.7 billion in FY2018 to Rp1.1 billion in FY2019. Gross profit margin decreased 8.7% points from 9.1% in FY2018 to 0.4% in FY2019.

Average Selling Prices and Tonnage Sales

Average selling price of CPO decreased 2% from Rp6,609/kg in FY2018 to Rp6,452/kg in FY2019. Average selling price of PK decreased 38% from Rp4,988/kg in FY2018 to Rp3,095/kg in FY2019. CPO sales volume decreased 9,806 tonnes or 21% from 46,325 tonnes in FY2018 to 36,519 tonnes in FY2019. PK sales volume increased 2,067 tons or 32% from 6,501 tons in FY2018 to 8,568 tonnes in FY2019.

Operational Performance

As of 31 December 2019, the Group's total planted area (nucleus and plasma) totaled 13,415 ha, of which 80.2% or 10,759 ha comprise mature oil palm trees.

The Group's CPO extraction rate improved from 21.68% in FY2018 to 22.06% in FY2019. PK extraction rate has also improved from 3.92% in FY2018 to 4.29% in FY2019.

Production statistics:

Production Output (Tonnes)	4Q2019	4Q2018	Var %	FY2019	FY2018	Var %
CPO	8,091	10,586	(24)	34,162	47,135	(28)
Palm kernels	1,518	2,067	(27)	6,642	8,526	(22)

Outlook and future plans

CPO prices are expected to remain volatile considering the fear and uncertainty in the world economy due to the COVID-19 virus. Nonetheless, increase in demand from the implementation of the B30 mandatory biodiesel policy in Indonesia will lend support to CPO prices.

We are continuing to replant older palm trees with newer breeds of high yield palm trees. Our ongoing replanting scheme will ensure long term sustainability for the Group. The management expects production of CPO and kernel to drop for the next few years but look forward to higher yield per hectare when the replanted palm trees reach maturity. These efforts, together with other measures the management is taking to improve productivity and reduce costs, should result in a positive sustainable future for the Group.

Dr Suparno Adijanto (陳洪傑), Executive Chairman and CEO said, “We expect CPO prices to stay within the lower side of the current price range due to the fear caused by the COVID-19 virus and its negative impact on world economic growth. Strong demand led by the B30 mandatory biodiesel consumption should lend support to the CPO prices, perhaps at a lower level. In the long-term, the Group continues on its replanting strategy and costs-saving efforts to ensure sustainability.”

	4Q2019	4Q2018	% Chg	FY2019	FY2018	% Chg
Revenue (Rp' bil)						
CPO	51.8	87.5	(41)	235.6	306.2	(23)
Palm Kernels	3.9	5.7	(31)	26.5	32.4	(18)
Sales Volume (tons)						
CPO	7,503	16,307	(54)	36,519	46,325	(21)
Palm Kernels	1,198	1,500	(302)	8,568	6,501	+32
Ave. Selling Price* (Rp/kg)						
CPO	6,899	5,368	+29	6,452	6,609	(2)
Palm Kernels	3,280	3,806	(14)	3,095	4,988	(38)

* 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: Rp10,321 for FY2019 and S\$1: Rp10,603 for FY2018



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>.