



PRESS RELEASE

GLOBAL PALM REDUCED ITS NET LOSS FOR THE HALF YEAR ENDED 30 JUNE 2020 TO RP4.5 BILLION

- CPO average selling price increased 23% to Rp7,849/kg in 1H2020
- PK average selling price increased 36% to Rp4,391/kg in 1H2020
- Gross profit margin increased 16.6% pts to 11.8% in 1H2020

Financial highlights for the half year ended 30 June:

Rp'bil	1H2020	1H2019	% Chg
Revenue	138.3	122.7	+13
Gross profit/(loss)	16.3	(5.9)	n.m.
Gross profit/(loss) margin (%)	11.8	(4.8)	n.m.
EBITDA	2.4	(15.3)	n.m.
Loss before income tax	(4.6)	(21.3)	(78)
Net loss attributable to equity holders	(4.5)	(20.9)	(78)

SINGAPORE – 14 August 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 Rp4.5 billion for the half year ended 30 June 2020 (“1H2020”).

The Group’s revenue increased 13% to Rp138.3 billion in 1H2020 from Rp122.7 billion in 1H2019, mainly due to higher crude palm oil (“CPO”) and palm kernel (“PK”) average selling prices, offset by lower CPO and PK sales volume. The Group reported a gross profit of Rp16.3 billion in 1H2020, as compared to a gross loss of Rp5.8 billion in 1H2019. Gross profit margin increased 16.6% points from a gross loss margin of 4.8% in 1H2019 to a gross profit margin of 11.8% in 1H2020.

Average Selling Prices and Tonnage Sales

Average selling price of CPO increased 23% from Rp6,406/kg in 1H2019 to Rp7,849/kg in 1H2020. Average selling price of PK increased 36% from Rp3,227/kg in 1H2019 to Rp4,391/kg in 1H2020. CPO sales volume decreased 1,006 tonnes or 6% from 17,012 tonnes in 1H2019 to 16,006 tonnes in 1H2020. PK sales volume decreased 1,360 tonnes or 32% from 4,254 tonnes in 1H2019 to 2,894 tonnes in 1H2020.

Operational Performance

As of 30 June 2020, 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 21.86% in 1H2019 to 22.25% in 1H2020. PK extraction rate has decreased from 4.27% in 1H2019 to 3.59% in 1H2020.

Production statistics:

<u>Production Output (Tonnes)</u>	<u>1H2020</u>	<u>1H2019</u>	<u>Var %</u>
CPO	15,488	16,459	(6)
Palm kernels	2,495	3,217	(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, “Prices of CPO has appreciated to the recent price of around RM 2,600 to RM 2,700 per ton, supported by inventory tightening in 1H2020 and strong

demand led by the B30 mandatory biodiesel consumption. However, we remain conservative on CPO prices amidst the uncertainty caused by the COVID-19 pandemic and its negative impact on world economic growth. In the long-term, the Group continues on its replanting strategy and costs-saving efforts to ensure sustainability.”

	1H2020	1H2019	% Chg
Revenue (Rp' bil)			
CPO	125.6	109.0	+15
Palm Kernels	12.7	13.7	(7)
Sales Volume (tonnes)			
CPO	16,006	17,012	(6)
Palm Kernels	2,894	4,254	(32)
Ave. Selling Price* (Rp/kg)			
CPO	7,849	6,406	+23
Palm Kernels	4,391	3,227	+36

* 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: Rp10,265 for 1H2020 and S\$1: Rp10,446 for 1H2019



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>.