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UEN No: S99SS0111B

GST Reg No: M90367530Y

Issuer: Global Palm Resources Holdings Limited

Stock code: BLW

Meeting details:

Date: 27 April 2022

Time: 2.00 p.m.

Due to the current COVID-19 pandemic, SIAS encourage shareholders to participate at AGMs via other means and not to attend any AGM physically. Where the AGM is webcast, they can stay on top of their investments by watching the webcast and submitting their question to the company in advance. Senior citizens should avoid attending AGMs altogether and stay home.

Q1. For the financial year ended 31 December 2021, the group posted a 91% increase in revenue to Rp535.5 billion (S\$50.8 million) in FY2021.

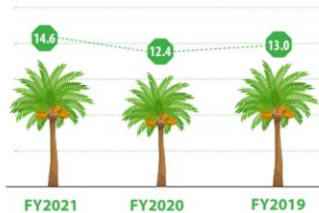
Net profit attributable to shareholders was Rp71.9 billion (S\$6.8 million) compared to a net loss attributable to shareholders of Rp7.2 billion (S\$0.7 million).

This was mainly due to the increase in:

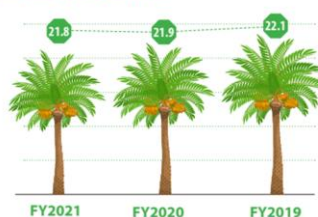
- CPO average selling price from Rp8,320/kg (S\$0.78/kg) to Rp10,965/kg (S\$1.04/kg);
- CPO sales volume increased from 30,012 tonnes to 38,018 tonnes;
- PK sales volume increased from 5,994 tonnes to 6,028 tonnes;
- PK average selling price increased from Rp4,332/kg (S\$0.41/kg) to Rp6,963/kg;
- FFB sales volume increased from 2,182 tonnes to 31,706 tonnes; and
- FFB average selling price increased from Rp1,938/kg (S\$0.18/kg) to Rp2,417/kg (S\$0.23/kg)

The operational highlights are shown on page 35 of the annual report and reproduced below:

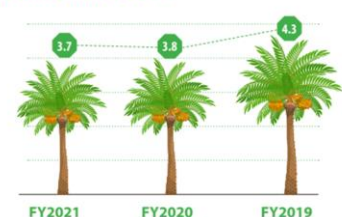
FFB YIELD (tonnes/ha)



CPO EXTRACTION RATE (%)



PK EXTRACTION RATE (%)



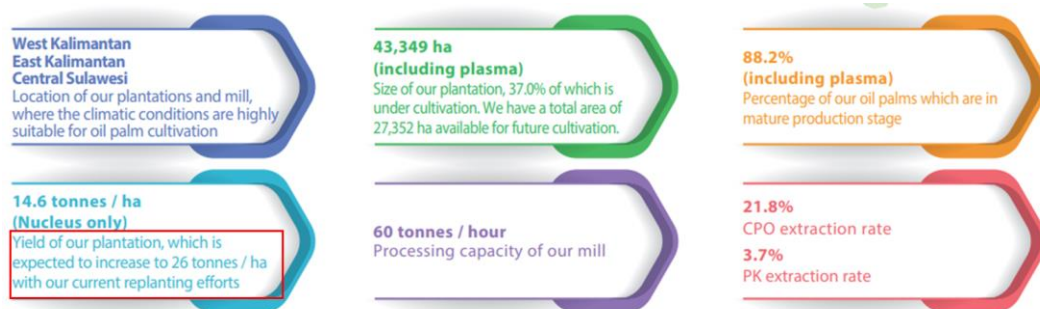
(Adapted from company annual report)

The table below shows the yield achieved by comparable palm producers in 2021.

	Industry peers	Company
FFB yield (tonnes/ha)	17.2 to 18.6	13.0 14.6 (Nucleus only)
CPO extraction rate (%)	22.6 to 22.7	22.1
PK extraction rate (%)	4.8 to 5.2	4.3

- (i) **What are the reasons for the relatively low yield from the group's plantations?**
- (ii) **In addition, is the group providing sufficient support to the plasma farmers? Why is there a difference of approximately 10% in the FFB yield?**
- (iii) **What are the levers available to the group to further improve the FFB yield and the extraction rates to catch up to the industry?**

- (iv) **What is the size of the group's field maintenance team? How experienced is the team in oil palm? Is the group leveraging new technology, such as digital tools, soil monitoring, IoT, data analytics, weather monitoring, to improve yield?**
- (v) **How will the group's yield increase to 26 tonnes/hectare based on the group's projection?**



Q2. Due to the improved operating environment, net cash generated from operating activities improved to Rp117.0 billion (S\$11.1 million). Cash and cash equivalents at the end of the year was Rp160.0 billion or S\$15.2 million.

FINANCIAL REVIEW

REVIEW OF THE GROUP'S FINANCIAL POSITION

Key Highlights (Rp' billion)	As at 31 December 2021	As at 31 December 2020	Change (%)
Total Assets	933.1	879.8	6.1
– Bearer plants	297.0	293.6	1.2
– Property, plant and equipment	234.7	177.6	32.1
– Plasma plantation receivables	49.8	55.3	(10.1)
– Biological assets	31.3	16.8	85.9
– Inventories	20.7	41.0	(49.6)
– Cash and cash equivalents	160.0	173.9	(8.0)
Total Liabilities	136.0	134.5	1.1
– Trade and other payables	37.8	50.0	(24.3)
– Provision for post-employment benefits	34.8	43.4	(19.8)
Total Equity	797.1	745.3	7.0

During the year, the group also acquired an office unit in Sudirman Central Business District in Jakarta (recognised as property, plant and equipment) amounting to Rp72.0 billion (S\$6.8 million).

- (i) **What deliberations did the directors have on the optimal capital structure to support the group's growth?**
- (ii) **Is the group planning any major capital investments in the next 18-24 months?**
- (iii) In the sustainability report, it was disclosed that the group aims to replant 6,000 hectares of land by 2022. **Please also elaborate further on the group's replanting/planting schedule for the 5-10 years. Is the group reinvesting sufficiently to replace the old/matured trees?**

In addition, as at 31 March 2022, the company repurchased 1,138,800 shares through the share buy back.

- (iv) **What deliberations did the board have in deciding between a share buy back and declaring higher amounts of dividends in its capital management approach?**

Q3. On 25 January 2022, the company announced the redesignation of Mr Guok Chin Huat Samuel from independent non-executive director to non-independent non-executive director with effect from 1 January 2022.

Mr Guok was first appointed to the board on 16 March 2010.

Under Rule 210(5)(d)(iii) of the Listing manual of SGX-ST which took effect on 1 January 2022, the director was not considered independent due to his long tenure.

- (i) **Did the company realise that Mr Guok Chin Huat Samuel would be deemed non-independent under the new SGX rule and redesignated him as non-independent director 25 days after the new rule came into effect?**
- (ii) **How familiar is the company/company secretary/nominating committee/board with the SGX rules?** The nine-year rule on the independence of long tenured directors was first announced in 2018 and companies and boards were given more than 3 years to transition for the new rule to take effect.

- (iii) **Can the company help shareholders recall if it has ever appointed an independent director to the board since its listing?** All three non-executive directors on the board were first appointed on 16 March 2010. Mr Rajaram and Mr Yee Kit Hong obtained shareholders' two-tier vote at the last AGM for their continued appointment as independent directors.
- (iv) **Can the NC elaborate further on the search and nomination process for directors, especially independent directors? Will the NC be leveraging professional search firms to allow the board to cast its net wider for suitable potential candidates?**

At the AGM scheduled to be held on 27 April 2022, the company is seeking the two-tier vote for the continued appointment of Mr Guok Chin Huat Samuel as independent director. If approved, Mr Guok Chin Huat Samuel will be redesignated as independent director.

On 30 November 2021, Mr Tan Boon Gin, chief executive of Singapore Exchange Regulation (SGX RegCo), gave guidance that companies are expected to use the two-tier rule sparingly to promote renewal and succession planning¹.

- (v) **Can the NC help shareholders understand if the continued appointments of all three long-tenured independent directors will delay the progressive renewal of the board, especially as all three directors were all appointed on the same day in March 2010?**
- (vi) **What are the near-term plans to promote renewal and succession planning in view of the guidance from SGX RegCo?**

¹On 1 October 2020, the Accounting and Corporate Regulatory Authority ("ACRA"), the Monetary Authority of Singapore ("MAS") and Singapore Exchange Regulation ("SGX RegCo") published an updated checklist to guide listed entities on the conduct of general meetings arising from the latest updates from the Multi-Ministry Taskforce.

Issuers may continue to conduct their general meetings held on or before 30 June 2021 via electronic means, and are encouraged to do so. On 9 April 2021, it was announced that the alternate arrangements for meetings ("Meetings Order") would be extend beyond 30 June 2021 until it is revoked or amended by the Ministry of Law. Accordingly, until such time, issuers may continue to utilise the Checklist issued by ACRA, MAS and SGX RegCo to guide entities on the conduct of their general meetings.

¹ <https://www.businesstimes.com.sg/companies-markets/answer-my-question-before-i-vote-sgx-regco-sets-new-timelines-for-companies-to>

[^] Guidance on the Conduct of General Meetings Amid Evolving COVID-19 Situation (<https://www.sgx.com/media-centre/20201001-guidance-conduct-general-meetings-amid-evolving-covid-19-situation>)

Issuers who, after due consideration of public health and other risks, wish to provide for physical attendance at their general meetings must ensure that they implement all relevant measures to comply with the safe management measures imposed by the Singapore Government.

Shareholders are welcome to use and/or adapt the questions prepared by SIAS and to forward them to the company.

Can't attend the AGM or view the webcast? Check out the latest questions on the annual reports of listed companies on [SIAS website](http://www.sias.org.sg)

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