FIRST RESOURCES LIMITED
(Incorporated in Singapore)
(Company Registration No. 200415931M)

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard, Level 3, Room 330, Suntec City Singapore 039593
DATE	:	Thursday, 27 April 2023
TIME	:	2.30 p.m.
PRESENT	:	Please see Attendance List attached hereto.
IN ATTENDANCE	:	Please see Attendance List attached hereto.
CHAIRMAN	:	Mr Chang See Hiang

QUORUM

As a quorum was present, the Chairman declared the meeting open at 2.30 p.m.

INTRODUCTION

The Chairman introduced the Board of Directors to the Meeting.

NOTICE AND CEO'S PRESENTATION

The Notice convening the Meeting was taken as read.

The Chairman informed that in his capacity as Chairman of the Meeting, he has been appointed by numerous shareholders as proxy and would be voting in accordance with their instructions.

The Chairman requested Mr Ciliandra Fangiono, Chief Executive Officer ("**CEO**") to deliver a short presentation on the Group's operational and financial performance for FY2022. Copies of the presentation slides, which were released via SGXNET and posted on the Company's website, are annexed to these minutes as **Appendix "A"**. After the presentation, the CEO handed over the proceedings to the Chairman.

Q&A SESSION

The Chairman thanked Shareholders for the questions that were submitted in advance and the responses to these questions have been published on SGXNET and the Company's website on 21 April 2023. A copy of which is annexed to these minutes as **Appendix "B"**.

Questions from the Shareholders at the Meeting were fielded. The questions raised and the responses are attached to these minutes as **Appendix "C"**.

The Chairman further informed that Boardroom Corporate & Advisory Services Pte. Ltd. and Reliance 3P Advisory Pte Ltd have been appointed as the polling agent and scrutineer for the poll respectively.

Thereafter, a short presentation explaining the voting process was made.

The Chairman then proceeded by proposing all the motions which had been tabled for approval at this Meeting and put these to the vote by poll.

ORDINARY BUSINESS:

1. **DIRECTORS' STATEMENT AND AUDITED FINANCIAL SATEMENTS – ORDINARY RESOLUTION 1**

The motion in relation to Ordinary Resolution 1 set out as follows was duly proposed and seconded:

"That the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2022, together with the Auditor's Report, be received and adopted."

The result of Ordinary Resolution 1 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,438,273,427	1,438,267,327	100.00	6,100	0.00*

* Less than 0.005%

Accordingly, Ordinary Resolution 1 tabled at the Meeting was carried.

2. **FINAL DIVIDEND – ORDINARY RESOLUTION 2**

The Directors had recommended the payment of a final dividend of 12.0 Singapore cents per share (one-tier, tax exempt) for the year ended 31 December 2022. The final dividend, if approved, would be paid on 15 May 2023.

The motion in relation to Ordinary Resolution 2 set out as follows was duly proposed and seconded:

"That the payment of a final dividend of 12.0 Singapore cents per share (one-tier, tax exempt) for the year ended 31 December 2022 be approved."

The result of Ordinary Resolution 2 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,438,796,527	1,438,790,427	100.00	6,100	0.00*

* Less than 0.005%

Accordingly, Ordinary Resolution 2 tabled at the Meeting was carried.

3. **RE-ELECTION OF MR CILIANDRA FANGIONO – ORDINARY RESOLUTION 3**

Mr Ciliandra Fangiono, who was retiring pursuant to Rule 720(5) of the Listing Manual of the Singapore Exchange Securities Trading Limited, had consented to continue in office.

The motion in relation to Ordinary Resolution 3 set out as follows was duly proposed and seconded:

“That Mr Ciliandra Fangiono be re-elected as a Director of the Company.”

The result of Ordinary Resolution 3 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,428,824,927	1,404,430,963	98.29	24,393,964	1.71

Accordingly, Ordinary Resolution 3 tabled at the Meeting was carried.

4. **RE-ELECTION OF MS WONG SU YEN – ORDINARY RESOLUTION 4**

Ms Wong Su Yen, who was retiring pursuant to Regulation 103 of the Company’s Constitution, had consented to continue in office.

The motion in relation to Ordinary Resolution 4 set out as follows was duly proposed and seconded:

“That Ms Wong Su Yen be re-elected as a Director of the Company.”

The result of Ordinary Resolution 4 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,438,811,527	1,433,168,845	99.61	5,642,682	0.39

Accordingly, Ordinary Resolution 4 tabled at the Meeting was carried.

5. **RE-ELECTION OF MR PETER HO KOK WAI – ORDINARY RESOLUTION 5**

Mr Peter Ho Kok Wai, who was retiring pursuant to Regulation 103 of the Company's Constitution, had consented to continue in office.

The motion in relation to Ordinary Resolution 5 set out as follows was duly proposed and seconded:

"That Mr Peter Ho Kok Wai be re-elected as a Director of the Company."

The result of Ordinary Resolution 5 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,438,790,527	1,310,470,339	91.08	128,320,188	8.92

Accordingly, Ordinary Resolution 5 tabled at the Meeting was carried.

6. **DIRECTORS' FEES – ORDINARY RESOLUTION 6**

The Board had recommended the payment of Directors' fees of S$510,000 for the year ended 31 December 2022.

The motion in relation to Ordinary Resolution 6 set out as follows was duly proposed and seconded:

"That the payment of Directors' fees of S$510,000 for the year ended 31 December 2022 be approved."

The result of Ordinary Resolution 6 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	**FOR**		**AGAINST**	
	Number of shares	**As a percentage of total number of votes for and against the resolution (%)**	**Number of shares**	**As a percentage of total number of votes for and against the resolution (%)**
1,438,790,727	1,438,778,427	100.00	12,300	0.00*

* Less than 0.005%

Accordingly, Ordinary Resolution 6 tabled at the Meeting was carried.

7. **RE-APPOINTMENT OF AUDITOR – ORDINARY RESOLUTION 7**

The retiring auditor, Messrs Ernst & Young LLP, had expressed its willingness to continue in office.

The motion in relation to Ordinary Resolution 7 set out as follows was duly proposed and seconded:

"That Messrs Ernst & Young LLP be re-appointed as the Auditor of the Company and that the Directors be authorised to fix their remuneration."

The result of Ordinary Resolution 7 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	**FOR**		**AGAINST**	
	Number of shares	**As a percentage of total number of votes for and against the resolution (%)**	**Number of shares**	**As a percentage of total number of votes for and against the resolution (%)**
1,438,794,527	1,436,967,456	99.87	1,827,071	0.13

Accordingly, Ordinary Resolution 7 tabled at the Meeting was carried.

8. **AUTHORITY TO ISSUE SHARES – ORDINARY RESOLUTION 8**

The Meeting noted that Ordinary Resolution 8 was to authorise the Directors to issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

The motion in relation to Ordinary Resolution 8 set out as follows was duly proposed and seconded:

"That pursuant to Section 161 of the Companies Act 1967 (the "**Companies Act**") and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

(a) (i) issue shares in the Company ("**shares**") whether by way of rights, bonus or otherwise; and/or

(ii) make or grant offers, agreements or options (collectively, "**Instruments**") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

(b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

(1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with subparagraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);

(2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:

(a) new shares arising from the conversion or exercise of any convertible securities;

(b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual; and

(c) any subsequent bonus issue, consolidation or subdivision of shares,

provided such adjustments in sub-paragraphs (2)(a) and (b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;

(3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and

(4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier."

The result of Ordinary Resolution 8 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	**FOR**		**AGAINST**	
	Number of shares	**As a percentage of total number of votes for and against the resolution (%)**	**Number of shares**	**As a percentage of total number of votes for and against the resolution (%)**
1,438,790,527	1,288,312,042	89.54	150,478,485	10.46

Accordingly, Ordinary Resolution 8 tabled at the Meeting was carried.

9. **PROPOSED RENEWAL OF THE IPT MANDATE – ORDINARY RESOLUTION 9**

The Meeting noted that Ordinary Resolution 9 was to approve the renewal of the Interested Person Transactions Mandate ("**IPT Mandate**") for the purposes of Chapter 9 of the Listing Manual of SGX-ST, for the Company and any of its subsidiaries to enter into any of the transactions falling within the types of Interested Person Transactions set out in the Company's Appendix to the Notice of AGM dated 5 April 2023 (the "**Appendix**").

Details of the IPT Mandate including its rationale set out in pages 7 to 11 of the Appendix dated 5 April 2023 were highlighted.

For the purposes of Chapter 9 of the Listing Manual, each of the (a) Interested Directors, namely, Messrs Ciliandra Fangiono and Fang Zhixiang, (b) Eight Capital Inc., (c) Prinsep Management Limited, (d) PT Surya Dumai Industri, and (e) Associates of the Interested Directors, Eight Capital Inc., Prinsep Management Limited and PT Surya Dumai Industri, are considered to be Interested Persons and have abstained from voting on this resolution.

The motion in relation to Ordinary Resolution 9 set out as follows was duly proposed and seconded:

"That:

(a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGXST, for the Company, its subsidiaries and corporations which become the Company's subsidiaries (the "**Group**") or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as described in the Appendix to this Notice of AGM dated 5 April 2023 (the "**Appendix**") with any party who is of the class of Interested Persons as described in the Appendix provided that such transactions are made on normal commercial terms and in accordance with the Review Procedures for such Interested Person Transactions as set out in the Appendix (the "**IPT Mandate**");

(b) the approval given for the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier; and

(c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including but not limited to the execution of all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution."

The result of Ordinary Resolution 9 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
394,826,497	394,812,197	100.00	14,300	0.00*

* Less than 0.005%

Accordingly, Ordinary Resolution 9 tabled at the Meeting was carried.

10. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE – ORDINARY RESOLUTION 10

The Meeting noted that Ordinary Resolution 10 was to seek shareholders' approval in respect of the renewal of the Share Purchase Mandate and to authorise the Directors of the Company to make purchases of shares of up to ten per cent. (10%) of the total number of issued ordinary shares in the capital of the Company at the Maximum Price as defined in the Appendix to the Notice of this meeting dated 5 April 2022.

Details of the Share Purchase Mandate set out in pages 11 to 26 of the Appendix dated 5 April 2023 were highlighted.

The motion in relation to Ordinary Resolution 10 set out as follows was duly proposed and seconded:

"That:

(a) for the purposes of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the "**Shares**") not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:

(i) an on-market purchase ("**Market Purchase**") effected on the SGX-ST through the ready market, which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or

(ii) an off-market purchase ("**Off-Market Purchase**") effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "**Share Purchase Mandate**");

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution relating to the Share Purchase Mandate and expiring on:

(i) the date on which the next AGM of the Company is held or required by law to be held, whichever is earlier;

(ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting; or

(iii) the date on which the Share Purchase has been carried out to the full extent mandated;

whichever is the earliest;

(c) in this Resolution relating to the Share Purchase Mandate:

"**Maximum Limit**" means that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed in relation to the Share Purchase Mandate, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be taken to be the total number of Shares as altered after such capital reduction (excluding any treasury shares and subsidiary holdings, as may be held by the Company from time to time);

"**Relevant Period**" means the period commencing from the date of resolution passed in relation to the Share Purchase Mandate and expiring on the date on which the next AGM is held or required by law to be held, whichever is the earlier, unless prior thereto, the Share Purchase has been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting;

"**Maximum Price**", in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Highest Last Dealt Price;

where:

"**Average Closing Price**" means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately before the day on which the purchase or acquisition of Shares is made, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchase or acquisition of Shares is made;

"**Highest Last Dealt Price**" means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

"**day of the making of the offer**" means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

"**Market Day**" means a day on which the SGX-ST is open for securities trading;

(d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and

(e) the Directors and/or any of them be and are/is hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution relating to the Share Purchase Mandate."

The result of Ordinary Resolution 10 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,437,971,127	1,437,934,818	100.00	36,309	0.00*

* Less than 0.005%

Accordingly, Ordinary Resolution 10 tabled at the Meeting was carried.

CONCLUSION

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed at 3.17 p.m..

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

CHANG SEE HIANG
CHAIRMAN

Appendix A to AGM Minutes

First Resources Limited

Annual General Meeting
27 April 2023

Delivering Growth and Returns

Table of Contents

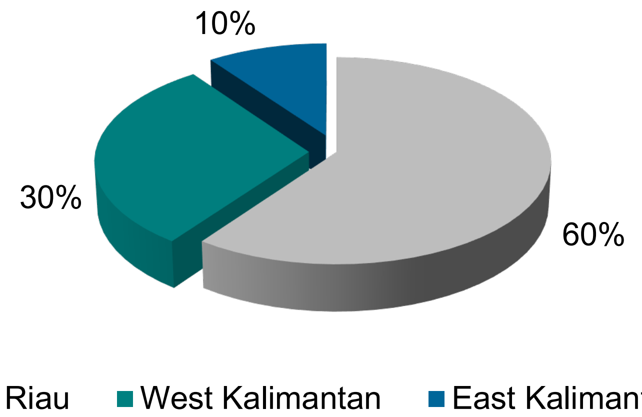
Group Overview

About First Resources

Locations

Assets

Oil palm plantations are located in the Riau, West Kalimantan and East Kalimantan provinces of Indonesia



211,409 ha
of Oil Palm Plantations

45 to 90
FFB tonnes per hour of Mill Capacity

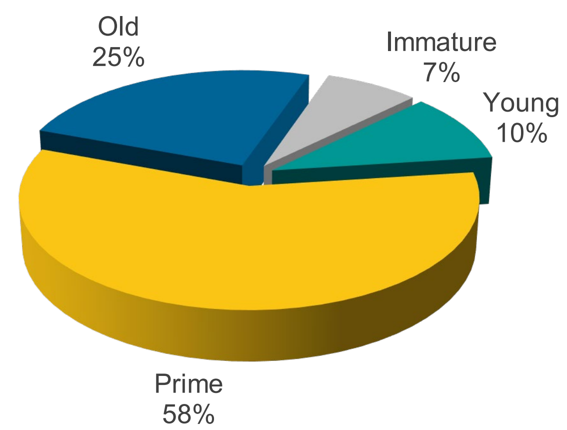
850,000
tonnes per annum of Processing Capacity

Data as at 31 Dec 2022

Plantation Age Profile

Age	As at 31 Dec 2022	
	Area (ha)	% of Total
0-3 years (Immature)	15,834	7%
4-7 years (Young)	21,633	10%
8-17 years (Prime)	121,737	58%
≥ 18 years (Old)	52,205	25%
Total	**211,409**	**100%**

Age Profile



Weighted average age of ~ 13 years

Growth Strategy: Building on our Core Expertise

Upstream Agri-Business Focus

- Develop and maintain high-quality plantation assets and ensure optimal milling capacity in line with FFB production growth
- To achieve sustainable production growth

Active Cost Containment

- Maintain our low-cost structure through best-in-class operational efficiency and stringent cost management
- To achieve superior margins and greater resilience to price cycles by being at the low end of the industry cost curve

Responsible Cultivation

- Continuously strengthen our multi-faceted sustainability policy across the Group's entire operations
- To maximise market access through sustainable palm oil production

Dividend

- **Proposing final dividend of 12.00 Singapore cents per share**
  - Interim dividend of 2.50 Singapore cent per share paid in September 2022, bringing full-year ordinary dividends to 14.50 Singapore cents per share

Dividend History	FY2022	FY2021	FY2020	FY2019	FY2018
Interim (SGD cents per share)	2.50	1.25	1.00	0.625	1.25
Final (SGD cents per share)	12.00	5.10	2.00	1.725	2.00
Total (SGD cents per share)	14.50	6.35	3.00	2.350	3.25
% of Underlying Net Profit	50%	50%	37%	31%	31%

2022 Financial and Operational Highlights

Executive Summary – FY2022

Best Performance since SGX Listing

- **Record Financial Performance**
  - EBITDA of US$508.8 million, an increase of 62.6%
  - Underlying net profit of US$334.2 million, an increase of 123.9%
  - Robust financial performance driven by higher average selling prices

- **Strong Operational Performance**
  - Fruit bunches (FFB) harvested increased by 5.9%
  - CPO production volumes increased by 1.4%
  - Cash cost of production for nucleus CPO came in at US$276 per tonne (FY2021: US$250)

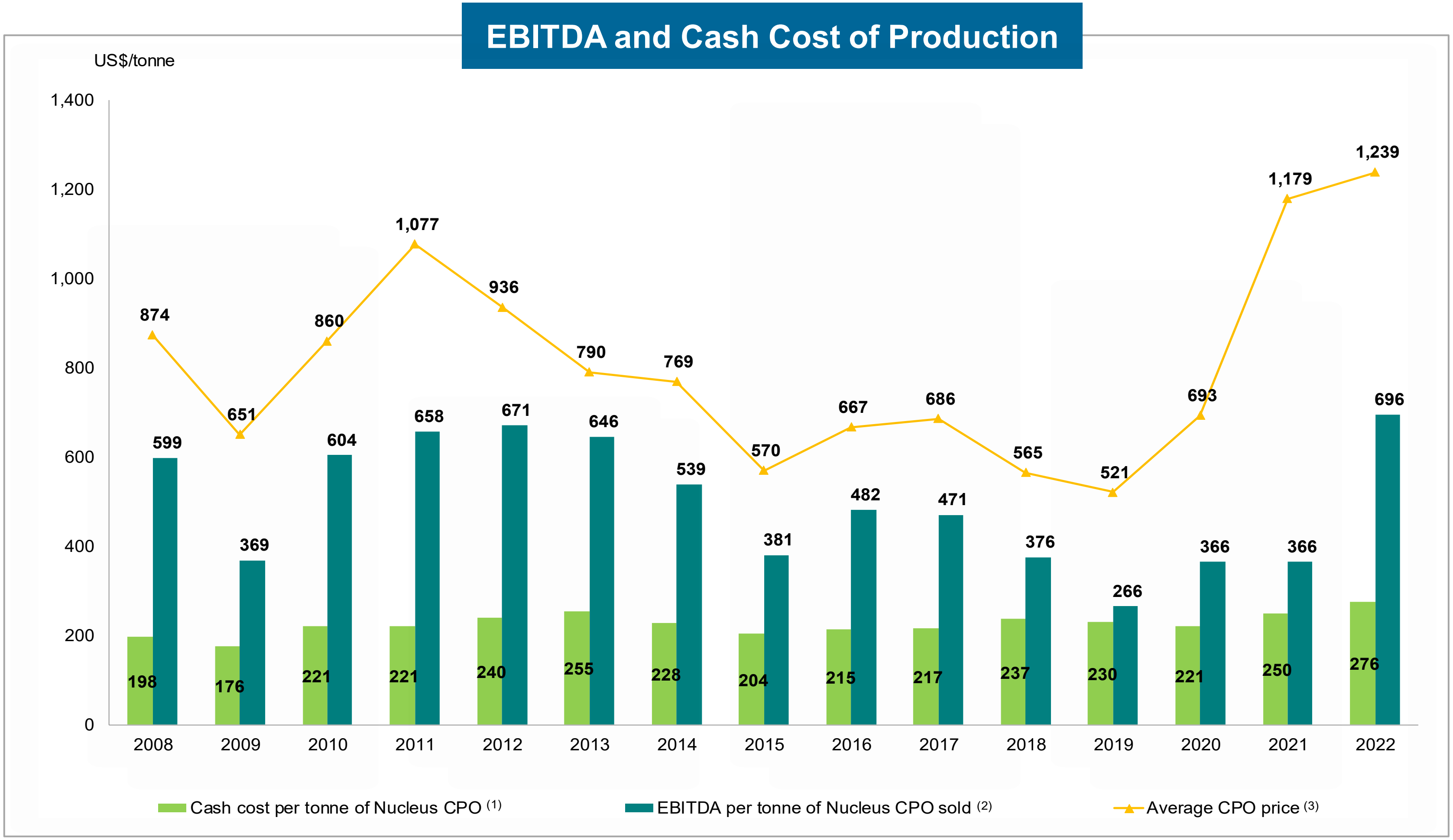
Income Statement Highlights

US$' million	FY2022	FY2021	*Change*
Sales	1,225.4	1,032.3	*18.7%*
Cost of sales	(596.1)	(570.7)	*4.5%*
Gross profit	629.3	461.6	*36.3%*
(Loss)/gain arising from changes in fair value of biological assets	(11.5)	16.0	*n.m.*
EBITDA(1)	508.8	312.9	*62.6%*
Net profit(2)	325.2	161.1	*101.8%*
Underlying net profit(3)	334.2	149.2	*123.9%*
Gross profit margin	51.4%	44.7%	⬆
EBITDA margin	41.5%	30.3%	⬆

- Overall improvement in sales and margins driven by higher average selling prices achieved
- Indonesia's export levy suspension from mid-July to mid-November 2022 also contributed to the increase in EBITDA and underlying net profit

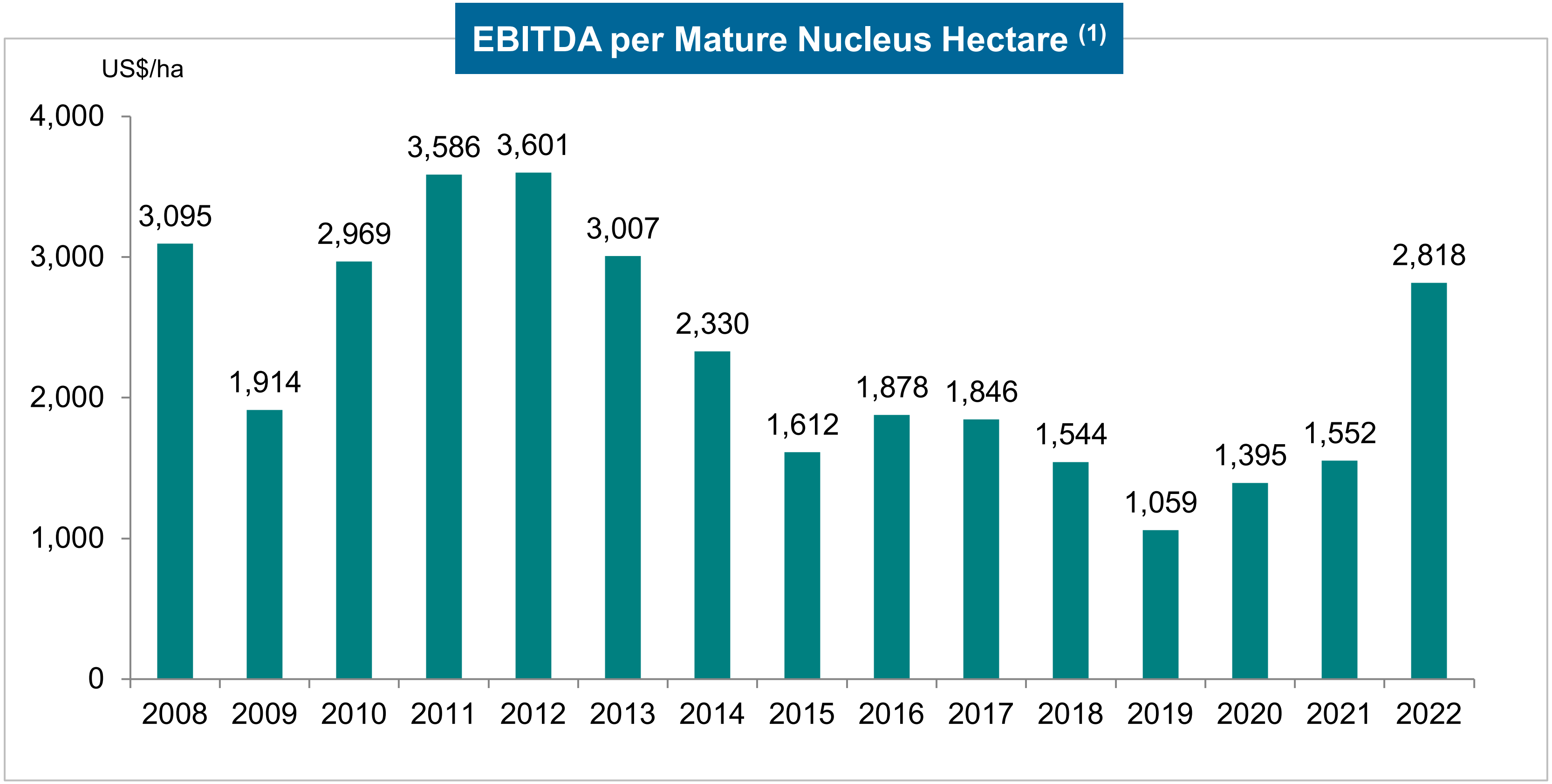
(1) Profit from operations before depreciation, amortisation, expected credit losses and gains/(losses) arising from changes in fair value of biological assets
(2) Profit attributable to owners of the Company
(3) Profit attributable to owners of the Company excluding expected credit losses and gains/(losses) arising from changes in fair value of biological assets

Key Performance Metrics



(1) Derived using total cash cost of producing nucleus CPO and PK (before selling & distribution expenses and general & administrative expenses), divided by the production volume of nucleus CPO
(2) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA
(3) Based on Indonesia FOB Crude Palm Oil spot prices published by Refinitiv Eikon

Key Performance Metrics



Improved unit EBITDA in FY2022 on stronger CPO prices

(1) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA

Balance Sheet Highlights

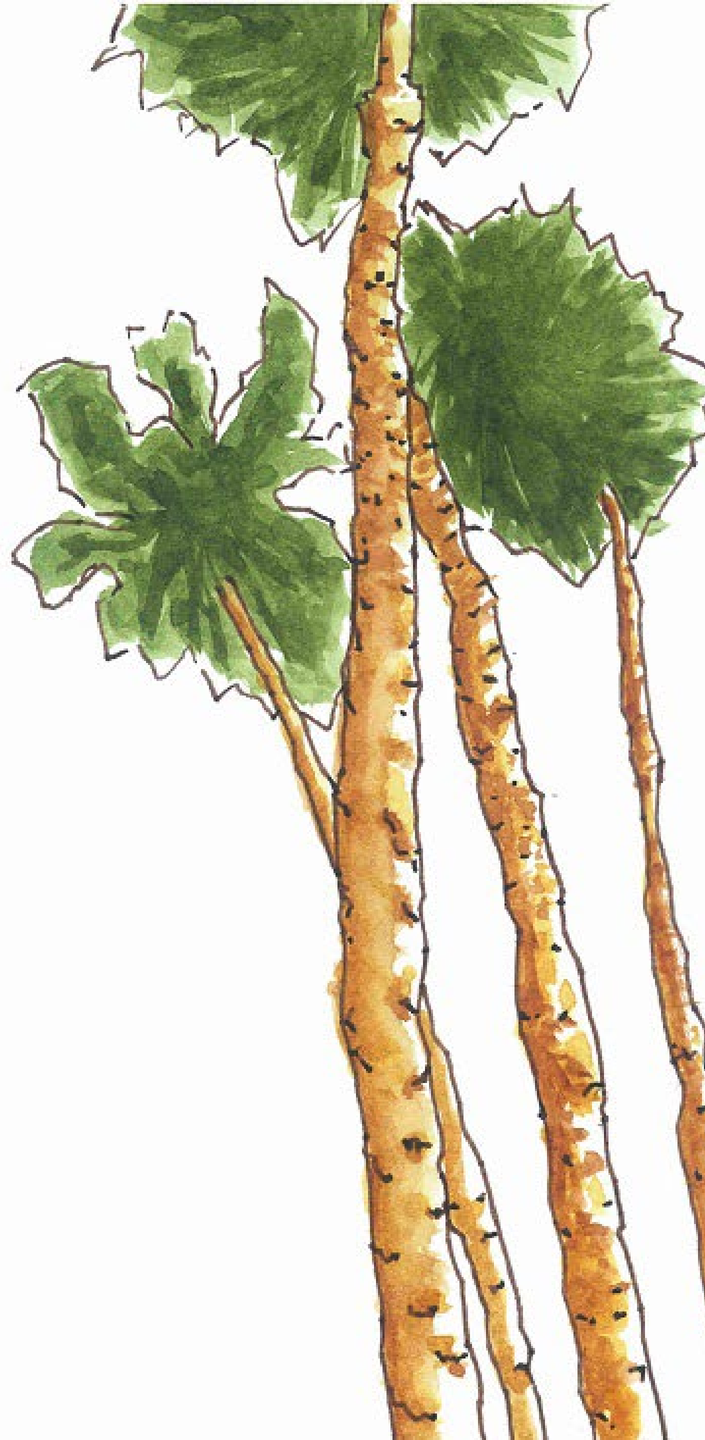
US$' million	31 Dec 2022	31 Dec 2021
Total Assets	1,832.7	1,873.6
Cash and bank balances	440.3	381.5
Total Liabilities	433.8	602.5
Borrowings and debt securities(1)	295.7	406.7
Total Equity	1,398.9	1,271.1
Net (Cash)/Debt	(144.6)	25.2
Gross gearing ratio	0.21x	0.32x
Net gearing ratio	(0.10x)	0.02x
Gross debt(1) to EBITDA ratio	0.58x	1.30x
Net (cash)/debt(2) to EBITDA ratio	(0.28x)	0.08x
EBITDA to interest(3) coverage	54.6x	22.8x

(1) Sum of borrowings from financial institutions
(2) Borrowings and debt securities less cash and bank balances
(3) Total interest paid/payable on borrowings and debt securities

Operational Highlights

		FY2022	FY2021	*Change*
Production				
FFB harvested	(tonnes)	3,566,191	3,367,668	*5.9%*
• Nucleus		3,055,203	2,940,434	*3.9%*
• Plasma		510,988	427,234	*19.6%*
CPO	(tonnes)	881,062	869,241	*1.4%*
PK	(tonnes)	197,620	197,384	*0.1%*
Efficiency				
FFB Yield	(tonnes/ha)	18.2	17.2	↑
CPO Yield	(tonnes/ha)	4.1	3.9	↑
CPO Extraction Rate	(%)	22.3	22.7	↓
PK Extraction Rate	(%)	5.0	5.2	↓

Group Updates



Capital Investments in 2023

- **Plantation Development**
  - Replanting of oil palms
  - Maintenance of immature oil palm plantations
- **Property, Equipment and Others**
  - Infrastructure for plantation management
- **CPO Mills**
  - Upgrading and maintenance of existing CPO mills
- **Processing Facilities**

Expected capital expenditure ~ US$170 million

Updates

- **RSPO Certifications**
  - In 2022, the Group received RSPO (Roundtable on Sustainable Palm Oil) certifications for four mills, covering 40,263 hectares of plantations in Riau.
  - As at December 2022, we have received RSPO certifications for eight of our subsidiaries covering six mills and more than 59,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 34% of the Group's nucleus planted area.
  - We are committed to progressing in our certification process and have set ourselves a goal to achieve 100% RSPO certification by 2026.

Question & Answer

Thank You

Contact Information

If you need further information, please contact:

Investor Relations
investor@first-resources.com

First Resources Limited
7 Temasek Boulevard
#24-01 Suntec Tower One
Singapore 038987
Tel: +65 6602 0200
Fax: +65 6333 6711
Website: www.first-resources.com

Disclaimer

This presentation has been prepared by First Resources Limited ("Company") for informational purposes, and may contain projections and forward-looking statements that reflect the Company's current views with respect to future events and financial performance. These views are based on current assumptions which are subject to various risks and which may change over time. No assurance can be given that future events will occur, that projections will be achieved, or that the Company's assumptions are correct.

The information is current only as of its date and shall not, under any circumstances, create any implication that the information contained therein is correct as of any time subsequent to the date thereof or that there has been no change in the financial condition or affairs of the Company since such date. Opinions expressed herein reflect the judgement of the Company as of the date of this presentation and may be subject to change. This presentation may be updated from time to time and there is no undertaking by the Company to post any such amendments or supplements on this presentation.

The Company will not be responsible for any consequences resulting from the use of this presentation as well as the reliance upon any opinion or statement contained herein or for any omission.

FIRST RESOURCES LIMITED
(Incorporated in Singapore)
(Company Registration No. 200415931M)

RESPONSES TO QUESTIONS RECEIVED FOR THE ANNUAL GENERAL MEETING 2023

The following questions were received from shareholders of First Resources Limited (the "**Company**", and together with its subsidiaries, the "**Group**") and the Securities Investors Association (Singapore) ("**SIAS**") for the Company's Annual General Meeting on 27 April 2023. Accordingly, please find below the responses from the Company.

Question 1
Does the company intend to go downstream or maintain its upstream focus in the foreseeable future?

The Company's Response:

The Group has budgeted approximately US$170 million of capital expenditure for FY2023, of which a significantly bigger portion will be spent on the expansion of our downstream processing capabilities. The rest of the projected capital expenditure will be put into replanting as part of our efforts to maintain a favourable age profile across our plantations, as well as the ongoing maintenance of immature oil palm plantations, other infrastructure needed in our upstream plantation operations, and the upgrading and maintenance of existing crude palm oil ("CPO") mills.

Looking forward, the Group will continue to look at downstream investment as an avenue to value add to our upstream operations, while continuing to ensure that the quality of our upstream assets is well maintained.

Question 2
Please comment on the competitiveness of palm oil relative to other edible oils currently.

The Company's Response:

The price competitiveness of palm oil versus other edible oils is driven by the supply and demand dynamics for the different oils, which is influenced by many factors including changes in import and export policies in various countries, global economic conditions and weather conditions in the producing countries, amongst others.

Palm oil is generally considered to be one of the most price competitive edible oils wherein its price is typically lower than that of other vegetable oils such as soybean oil, rapeseed oil and sunflower oil. That said, fluctuations in the prices of palm and other competing oils causes the price spreads between palm and other competing oils to be dynamic, varying almost daily, with current spreads having come down from the highs reached in 2022.

<u>Question 3</u>

Please provide more information on the company's Domestic Market Obligation in Indonesia. Does it come in the form of a fixed volume or percentage of the company's total CPO production?

<u>The Company's Response:</u>

Since 2022, the Indonesian government has imposed Domestic Market Obligation ("DMO") on its palm oil producers in an attempt to bring down palm cooking oil prices for the masses, and made several modifications to the DMO policy along the way.

Based on the current DMO policy, every tonne of DMO local sales done will allow us to receive a predetermined multiple of export rights, which are required in order to export restricted products, such as CPO, refined, bleached and deodorised ("RBD") palm oil and RBD palm olein. In other words, depending on the volume of restricted products we want to export, the Company will have to do a commensurate volume of DMO local sales.

<u>Question 4</u>

Would fertiliser costs impact the company's cash cost of production more significantly in the year ahead?

<u>The Company's Response:</u>

Hindered by the overly wet weather over Southeast Asia, application of fertilisers by the Group was less than optimal during FY2022 due to concerns of the applied fertilisers being washed off by the rains. We target to achieve normal fertilisation rates in FY2023 and therefore expect cash cost of production to be higher than that of the previous year.

<u>Question 5</u>

Can the company provide a breakdown of its export markets (e.g. revenue by region)?

<u>The Company's Response:</u>

As disclosed in Note 43 of the audited financial statements on page 148 of our FY2022 Annual Report, US$510 million of the Group's export sales was billed to customers based in Singapore, US$85 million to customers in Europe and US$79 million to customers in China, with US$462 million recorded as domestic sales within Indonesia.

<u>Question 6</u>

For the financial year ended 31 December 2022, the group achieved underlying net profit of US$334.2 million, an increase of 123.9%. The strong financial performance was driven by higher average selling prices of US$1,239 per tonne despite unprecedented volatility in Crude palm oil (CPO) prices in 2022.

Fresh fruit bunches (FFB) production reached a new high of 3.566 million tonnes, while CPO and palm kernel production also hit highs of 881,062 tonnes and 197,620 tonnes respectively. There was a net inventory build-up of 40,000 tonnes in FY2022, as opposed to a drawdown of 30,000 tonnes in FY2021.

(i) What were the reasons for the lower sales volume (863,019 tonnes vs 911,239 tonnes)? Was the decline in sales volume due to a deliberate strategy by management to hold back sales and build up inventory to optimise selling prices and profit, or were there other factors such as logistics or operational challenges that affected sales volume?

<u>The Company's Response:</u>

The lower sales volume was not a deliberate strategy by management to hold back sales and build up inventory. Any inventory build-up/drawdown as at quarter-end is merely a result of the timing of delivery of goods to our buyers. Our export sales are recognised upon loading of our cargo onto the vessels. Sometimes, when the vessel appointed by buyer arrive later than expected, delivery slips into the next quarter.

The cash cost of production of each tonne of nucleus CPO on an ex-mill basis was approximately US$276 (2021: US$250) due to increase in wages and infrastructure maintenance. The increase in cash cost of production was offset by sub-optimal application of fertilisers due to adverse weather conditions.

(ii) What is the estimated impact of missed/lower fertiliser application on the FFB yield going forward?

<u>The Company's Response:</u>

The impact of missed or lower fertiliser application on fresh fruit bunches ("FFB") yield can vary, depending on factors such as the type and amount of fertiliser used, weather conditions and other agronomic practices. In general, lack of nutrients from proper fertilisation can negatively impact the growth of the oil palms and quality of the fruits, leading to lower FFB yields in the ensuing 12 to 18 months, or even up till 36 months if the nutrient deficiency persists.

With the fading off of La Nina after the first quarter of 2023, the Group is targeting to achieve normal fertilisation rates in FY2023 and henceforth, to ensure that any nutrient deficiency from under fertilisation in the previous year is addressed to maintain the healthy growth and productivity of our oil palms.

In the message to shareholders, there was an in-depth discussion on CPO prices and the policy impact on prices (pages 10 & 11). The chairman and CEO further added that the group believes that the combined demand and supply dynamics will keep CPO prices at sufficiently remunerative levels, although they expect the average prices in 2023 to moderate from the high base recorded in 2022.

(iii) Can management also share its thoughts on hedging CPO prices and/or entering into (more) forward sales?

<u>The Company's Response:</u>

As part of our ongoing risk management policy, the Group can hedge a certain proportion of our forecasted production by way of forward sales. This serves as a form of downside price protection on the hedged volumes whilst still allowing some upside from increases in CPO prices on the unhedged volumes.

In times when CPO prices are on a downward trend, the Group will benefit from the realisation of forward sales and lower export levies from the weakening market prices, and vice versa.

Management will closely monitor developments in the regulatory and macro environment, as well as prevailing supply and demand conditions impacting the prices of palm oil and other competing oils, when hedging CPO prices and/or entering into forward sales.

(iv) To what extent can management leverage technology, such as sensors and drones, to mitigate the negative effects of El Nino?

The Company's Response:

El Nino is typically associated with droughts and water scarcity in Asia. During episodes of El Nino, prolonged shortage of rainfall can lead to moisture deficiency for the palm trees, impacting fruit formation and typically resulting in lower FFB yields between six to 18 months post the El Nino event.

Given the scale of our plantation operations and the technology available, there is currently no efficacious and cost-effective technology as yet to negate the effects of El Nino.

Question 7

The planned capital expenditure (capex) for FY2023 will be approximately US$170 million. Apart from replanting, the group will expand its processing capabilities and carry out ongoing maintenance of immature oil palm plantations and other upstream infrastructure, and upgrade and maintain its mills.

The age profile of the group's plantations is shown on page 15 of the company annual report.

(i) What is the desired age distribution of plantations that the group is striving to attain?

The Company's Response:

In line with our continuous replanting efforts to rejuvenate the Group's older plantations in a measured approach, we have replanted 3,000 hectares of oil palm estates during 2022, and plan to consistently replant a certain percentage of our oil palm trees annually in order to smooth out the Group's overall plantation maturity profile.

(ii) Are the individual capex projects approved based on normalised CPO prices, or were any of them brought forward due to higher-than-expected CPO prices seen in 2022?

The Company's Response:

Capex plans are determined by a variety of factors including the Group's strategic objectives and operational requirements and have not been accelerated due to higher CPO prices experienced in 2022. In terms of growth and investments, the Group continually explores suitable opportunities that can value-add to our existing palm oil value chain.

(iii) What guidance has the board given to management to ensure that the group invests and expands at a prudent pace while still capitalising on good opportunities that arise?

The Company's Response:

The Board is responsible for governing risks and ensuring that Management maintains a sound system of risk management and internal controls to safeguard shareholders' interests and the Company's assets.

In addition to the formal quarterly Board meetings, the Board also organises Board strategy meetings periodically for in-depth discussions on strategic issues and direction of the Group.

The Board thoroughly evaluates investment plans presented by Management during Board meetings. For investment projects which require the Board's decision outside such meetings, Board papers will be circulated for the Board's consideration, with discussions and clarifications taking place between members of the Board and Management directly, before approval is granted.

Question 8

As mentioned in the message to shareholders, the group received Roundtable on Sustainable Palm Oil (RSPO) certifications for an additional four mills, covering 40,263 hectares of plantations.

As at December 2022, the group has received RSPO certifications for eight of the subsidiaries covering six mills and more than 59,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 34% of the group's nucleus planted area.

Compare that to the situation about 2.5 years ago at the onset of the COVID pandemic, as of May 2020, RSPO certifications were obtained for three of its subsidiaries covering three mills and more than 27,000 hectares of plantations located in the province of Riau. The group is committed to achieving 100% RSPO certification across its operations by 2026.

(i) **Can management provide an update on the group's RSPO certifications, specifically if any certifications have expired or been revoked?**

The Company's Response:

In 2022, we met our 2022 RSPO certification target of four mills which encompasses more than 40,000 hectares of plantations. As of 31 December 2022, we have received RSPO certifications for six mills and more than 59,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 34% of the Group's nucleus planted area. We also successfully renewed all our existing certificates.

(ii) **Has the pandemic caused the group to delay achieving 100% RSPO certification by 2 years (to 2026)?**

The Company's Response:

The COVID-19 pandemic resulted in travel restrictions which affected on-site RSPO audits and hampered our progress to meet our target to certify all mills and plantations by 2024.

We have reviewed and since updated our target to achieve full RSPO certification target by 2026. With restrictions lifted on domestic and international travel in 2022, the significant progress made in 2022 have been encouraging and have placed us on track to meeting our 2026 target.

(iii) **What are the main challenges the group is facing in obtaining RSPO certification, now that the pandemic is under control?**

The Company's Response:

The RSPO certification process involves on-site audits conducted by an RSPO accredited certification body to assess compliance with the RSPO Principles and Criteria for Sustainable Palm Oil Production. Based on the audit findings, the certification body prepares a report that identifies any non-conformities with the RSPO Standards which must be addressed through a corrective action plan developed by the auditee. Once the certification body verifies that the corrective action plan has been implemented, a certificate of compliance is issued. The RSPO certification process is rigorous and can take several months to complete.

On an annual basis, surveillance audits are also conducted to ensure compliance with the RSPO Standards and recertification audits are carried out every five years for renewal of the RSPO certifications.

Having gone through the RSPO audit process, the Group is familiar with the requirements of RSPO Standards. The Group will prepare for and continue to work towards renewing our existing certificates and certifying another three mills integrated with plantations and two kernel crushing plants in FY2023, subject to the availability and schedule of the auditors from the RSPO accredited certification bodies.

(iv) How does RSPO certification impact the group's sales and marketing efforts? Is RSPO certification becoming a basic requirement in the industry?

The Company’s Response:

Consumers have become increasingly interested in knowing where their products come from and how they were processed, and are more inclined to support companies that are committed to ethical and sustainable practices.

However, RSPO or other forms of certification is not a necessary nor sufficient condition for buyers in the industry. Rather, many of our major customers have their own supplier program which focuses on engaging and cooperating with suppliers like us in ensuring the traceability and sustainability of their value chain.

BY ORDER OF THE BOARD
FIRST RESOURCES LIMITED

Eunice Hooi
Company Secretary
21 April 2023

FIRST RESOURCES LIMITED
(Incorporated in Singapore)
(Company Registration No. 200415931M)

APPENDIX "C" TO THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 27 APRIL 2023: QUESTIONS RAISED

Question	:	The performance this year, which is attributed to the high selling price of palm oil, is probably one-off. What drives palm oil prices and what is the possibility of high palm oil prices occurring in the next two years?
Answer	:	Crude palm oil ("CPO") price is dependent on many factors such as the prices of other competing oils, weather, etc. Whilst we have no control over CPO prices, we are optimistic that CPO prices will remain at sufficiently remunerative levels as compared to our cost of production. As highlighted in our earlier presentation, our cash cost of production in FY2022 was at US$276 per tonne while the average CPO price was above US$1,200 per tonne. Over the years, our cash cost of production has remained comfortably below the average CPO price, giving us the resilience and the ability to capture the upside when palm oil prices trend higher.
Question	:	There was an export ban in 2022 imposed by the Indonesia Government. What is the situation now?
Answer	:	In 2022, the Indonesian Government imposed an export ban which lasted for approximately 3 weeks. After the export ban was lifted in May 2022, the Indonesian Government has continued to actively manage its domestic palm cooking oil situation through the Domestic Market Obligation ("DMO"), under which exporters are required to sell a portion of their palm oil production domestically before being granted export permits. The DMO policy has been in place since 2022 till to-date, even though there have been some modifications made to the policy along the way.
Question	:	In 2022, CPO price reached about RM7,100 per tonne and is at approximately RM3,500 per tonne currently. With the sharp decline in palm oil prices, what is the strategic planning of the Company and coordination with other palm oil exporters to deal with a situation like this?

Answer	:	The record high CPO prices of above RM7,000 per tonne in 2022 was when the Indonesian export ban was in place, which means that producers like us were not able to export at those high prices. Even though prices were very volatile last year, we are an upstream plantation company and as mentioned earlier in the presentation, have managed to keep our cash cost of production comfortably below the fluctuating market CPO prices over the years. In addition, with the support of the government, Indonesia has implemented a very successful biodiesel policy over the years. The Indonesia market is expected to consume more than 10 million tonnes of palm oil for the use of biodiesel in 2023 and this accounts for approximately 12.5% of the worldwide production of palm oil of about 80 million tonnes. Whilst the biodiesel policy does not take away all the market volatility, it is an essential element of market demand in terms of boosting palm oil consumption within Indonesia.
Question	:	Facing inflation, interest rate hikes, recession, war etc., what are the challenges faced by the Company and the plan(s) to manage these challenges, in particular, is there any potential liquidity squeeze? Whilst it is comfortable to know that the Company is in a cash position, is there any situation which would result in a liquidity issue?
Answer	:	As seen in the balance sheet from the earlier presentation, we are in a net cash position of approximately US$145 million. Hence, liquidity is not of the utmost concern to us at this moment. Although palm oil prices have moderated from the highs last year, it is still well above our cash cost of production. For every tonne of palm oil that we are producing, processing and selling, we are generating additional cashflow even though we are also reinvesting for growth.
Question	:	Just now you mentioned that 50% of the profits have been declared as dividends. Is this going to be the guideline for future dividend payouts?
Answer	:	We have a dividend policy to pay up to 50% of the Group’s underlying profits as dividends. The FY2022 dividends are reflective of the dividend policy adopted by the Board and there is no reason to change the dividend policy at this juncture. We will inform shareholders accordingly should there be any change to the dividend policy going forward.