



**Unaudited Financial Statements for the First Quarter Ended 31 March 2010**

**1(a) Income statement (for the group) together with a comparative statement for the corresponding period of the immediately preceding financial year**

	Group		
	Three months ended		
	31.03.2010	31.03.2009	Change
	US\$'000	US\$'000	(%)
Sales	64,072	37,163	72.4%
Cost of sales	(25,949)	(18,890)	37.4%
<b>Gross profit</b>	<b>38,123</b>	<b>18,273</b>	<b>108.6%</b>
Selling and distribution costs	(320)	(678)	(52.8%)
General and administrative expenses	(2,971)	(2,384)	24.6%
Other operating expenses	(227)	(122)	86.1%
<b>Profit from operations</b>	<b>34,605</b>	<b>15,089</b>	<b>129.3%</b>
Gains/(losses) on foreign exchange, net	2,010	(290)	n.m.
Gains/(losses) on cross currency swap	4,099	(2,115)	n.m.
Net financial expenses	(7,068)	(3,431)	106.0%
Other non-operating income	583	222	162.6%
<b>Profit before taxation</b>	<b>34,229</b>	<b>9,475</b>	<b>261.3%</b>
Tax expense	(7,838)	(3,970)	97.4%
<b>Profit for the period</b>	<b>26,391</b>	<b>5,505</b>	<b>379.4%</b>
<b>Attributable to :</b>			
Owners of the parent	25,451	5,257	384.1%
Minority interests	940	248	279.0%
	<b>26,391</b>	<b>5,505</b>	<b>379.4%</b>

n.m. – not meaningful

## Statement of comprehensive income

	Group		
	Three months ended		
	31.03.2010	31.03.2009	Change
	US\$'000	US\$'000	(%)
<b>Profit for the period</b>	26,391	5,505	379.4%
<b>Other comprehensive income</b>			
Foreign currency translation adjustments	18,429	(20,918)	n.m.
Write-back of fair value gain on disposal of available-for-sale financial assets	88	-	n.m.
<b>Total comprehensive income for the period</b>	<b>44,908</b>	<b>(15,413)</b>	<b>n.m.</b>
<b>Total comprehensive income attributable to :</b>			
Owners of the parent	43,968	(15,661)	n.m.
Minority interests	940	248	279.0%
	<b>44,908</b>	<b>(15,413)</b>	<b>n.m.</b>

n.m. – not meaningful

## Additional Information

	Group		
	Three months ended		
	31.03.2010	31.03.2009	Change
	USD'000	USD'000	(%)
Profit from operations	34,605	15,089	129.3%
Depreciation of property, plant and equipment	3,072	1,802	70.5%
Amortisation of land use rights and intangible assets	227	130	74.6%
<b>EBITDA</b>	<b>37,904</b>	<b>17,021</b>	<b>122.7%</b>
EBITDA margin	59.2%	45.8%	

**1(b)(i) Statement of financial position (for the issuer and group), together with a comparative statement as at the end of the immediately preceding financial year**

	Group		Company	
	As at		As at	
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Biological assets	563,528	534,953	-	-
Plasma plantation receivables	14,131	16,166	-	-
Property, plant and equipment	200,622	186,287	343	297
Land use rights	20,582	19,236	-	-
Investment in subsidiaries	-	-	249,829	249,829
Goodwill	7,073	7,073	-	-
Other intangible assets	31,546	30,489	-	-
Tax recoverable	1,400	278	-	-
Deferred tax assets	1,507	2,743	116	132
Available-for-sale financial assets	-	7,977	-	7,977
Derivative financial assets	981	-	-	-
Other non-current assets	22	132	525	525
<b>Total non-current assets</b>	<b>841,392</b>	<b>805,334</b>	<b>250,813</b>	<b>258,760</b>
<b>Current assets</b>				
Inventories	13,016	15,395	-	-
Trade receivables	2,326	8	-	-
Other receivables	3,798	3,848	914	1,233
Advance for purchase of plant, property and equipment	2,940	2,123	-	-
Other advances and prepayments	6,088	2,956	14	12
Prepaid taxes	3,216	3,356	-	-
Advance subscription for shares in subsidiary	-	-	49,530	37,980
Due from subsidiary	-	-	1,724	-
Cash and bank balances	192,992	179,598	92,419	98,954
<b>Total current assets</b>	<b>224,376</b>	<b>207,284</b>	<b>144,601</b>	<b>138,179</b>
<b>Total assets</b>	<b>1,065,768</b>	<b>1,012,618</b>	<b>395,414</b>	<b>396,939</b>

**1(b)(i) Statement of financial position (continued)**

	Group		Company	
	As at		As at	
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
	US\$'000	US\$'000	US\$'000	US\$'000
<b>EQUITY AND LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	11,993	11,043	-	-
Other payables and accruals	21,503	18,196	2,137	2,814
Advances from customers	4,663	4,275	-	-
Loans and borrowings from financial institutions	11,714	10,929	12	12
Provision for taxation	12,761	12,882	163	157
<b>Total current liabilities</b>	<b>62,634</b>	<b>57,325</b>	<b>2,312</b>	<b>2,983</b>
<b>Non-current liabilities</b>				
Loans and borrowings from financial institutions	2,636	1,453	45	49
Notes payable	137,966	137,743	-	-
Rupiah bonds payable	52,654	51,252	-	-
Liability component of convertible bonds	84,869	83,923	84,869	83,923
Derivative financial liabilities	-	2,536	-	-
Provision for post employment benefits	4,592	4,306	-	-
Deferred tax liabilities	82,218	80,789	-	16
Other non-current liabilities	500	500	500	500
<b>Total non-current liabilities</b>	<b>365,435</b>	<b>362,502</b>	<b>85,414</b>	<b>84,488</b>
<b>Total liabilities</b>	<b>428,069</b>	<b>419,827</b>	<b>87,726</b>	<b>87,471</b>
<b>Net assets</b>	<b>637,699</b>	<b>592,791</b>	<b>307,688</b>	<b>309,468</b>
<b>Equity attributable to owners of the parent</b>				
Share capital	288,735	288,735	288,735	288,735
Treasury shares	(6,816)	(6,816)	(6,816)	(6,816)
Differences arising from restructuring transactions involving entities under common control	35,066	35,066	-	-
Other reserves	(334)	(18,851)	393	305
Equity component of convertible bonds	13,971	13,971	13,971	13,971
Retained earnings	277,024	251,573	11,405	13,273
	607,646	563,678	307,688	309,468
Minority interests	30,053	29,113	-	-
<b>Total equity</b>	<b>637,699</b>	<b>592,791</b>	<b>307,688</b>	<b>309,468</b>

**1(b)(ii) Aggregate amount of group's borrowings and debt securities:**

- amount repayable in one year or less, or on demand
- amount repayable after one year

	Group					
	As at 31.03.2010			As at 31.12.2009		
	US\$'000			US\$'000		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	-	11,714	11,714	-	10,929	10,929
Amount repayable after one year	190,620	101,476	292,096	188,995	99,347	288,342
<b>Total</b>	<b>190,620</b>	<b>113,190</b>	<b>303,810</b>	<b>188,995</b>	<b>110,276</b>	<b>299,271</b>

**Details of any collateral**

- (1) Notes payable are secured by certain assets of the Group including biological assets, land use rights, biodiesel plant and other property, plant and equipment.
- (2) Rupiah bonds payable are secured by certain assets of a subsidiary including biological assets, land use rights and property, plant and equipment.

**1(c) Statement of cash flow (for the group), together with a comparative statement for the corresponding period of the immediately preceding financial year**

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>		
Cash receipts from customers (Note A)	62,142	36,969
Cash payments to suppliers and employees	(27,945)	(13,341)
Effects of exchange rates	3,234	(3,400)
<b>Cash generated from operations</b>	<b>37,431</b>	<b>20,228</b>
Receipts from :		
Interest income	304	169
Income tax refunds	-	(3,039)
Payments for :		
Interest expenses	(4,836)	(1,353)
Income tax	(10,865)	(850)
<b>Net cash generated from operating activities</b>	<b>22,034</b>	<b>15,155</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(10,572)	(7,374)
Payments for development of oil palm plantations	(8,446)	(5,950)
Reimbursement/(payments) for development of plasma plantations - net	2,500	(663)
Disposal of available-for-sale financial assets	7,960	-
Acquisition of land use rights	(996)	-
Acquisition of intangible assets	-	(65)
<b>Net cash used in investing activities</b>	<b>(9,554)</b>	<b>(14,052)</b>
<b>Cash flows from financing activities</b>		
Net cash proceeds from settlement of cross currency swap transactions	545	210
Redemption of Rupiah bonds payable	(199)	-
Payments of obligations under capital leases	(319)	(82)
Payments of consumer financing loans	(117)	(278)
Receipts from biodiesel swap	497	-
<b>Net cash generated from/(used in) financing activities</b>	<b>407</b>	<b>(150)</b>

1(c) Statement of cash flow (continued)

	<b>Group</b>	
	<b>Three months ended</b>	
	<b>31.03.2010</b>	<b>31.03.2009</b>
	<b>US\$'000</b>	<b>US\$'000</b>
Net increase in cash and cash equivalents	12,887	953
Cash and cash equivalents, at the beginning of the financial period	168,999	99,739
Effect of exchange rate on cash and cash equivalents	176	(938)
<b>Cash and cash equivalents, at the end of the financial period (Note B)</b>	<b>182,062</b>	<b>99,754</b>
<b>Note A</b>		
Reconciliation of cash receipts from customers are as follows:		
Sales	64,072	37,163
(Increase)/decrease in trade receivables	(2,318)	3,711
Increase/(decrease) in advance from customers	388	(3,905)
<b>Cash receipts from customers</b>	<b>62,142</b>	<b>36,969</b>
<b>Note B</b>		
Reconciliation of cash and cash equivalents are as follows:		
Cash on hand and in banks, unsecured	37,229	26,748
Time deposits, unsecured	144,833	<b>73,006</b>
<b>Cash and cash equivalents in cash flow statement</b>	<b>182,062</b>	<b>99,754</b>
Cash in banks, secured	10,930	-
<b>Cash and bank balances in balance sheet</b>	<b>192,992</b>	<b>99,754</b>

**1(d) (i) Statement (for the issuer and group) showing either (i) all changes in equity or (ii) changes in equity other than those arising from capitalisation issues and distributions to shareholders, together with a comparative statement for the corresponding period of the immediately preceding financial year**

Group	----- Attributable to owners of the Parent-----								Total equity
	Share capital	Treasury shares	Differences arising from restructuring transactions involving entities under common control	Other reserves	Equity component of convertible bonds	Retained earnings	Total share capital and reserves	Minority interests	
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	
At 1 January 2010	288,735	(6,816)	35,066	(18,851)	13,971	251,573	563,678	29,113	592,791
Total comprehensive income for the period	-	-	-	18,517	-	25,451	43,968	940	44,908
<b>At 31 March 2010</b>	<b>288,735</b>	<b>(6,816)</b>	<b>35,066</b>	<b>(334)</b>	<b>13,971</b>	<b>277,024</b>	<b>607,646</b>	<b>30,053</b>	<b>637,699</b>
At 1 January 2009	277,056	(6,886)	35,066	(80,954)	-	149,285	373,567	22,840	396,407
Total comprehensive income for the period	-	-	-	(20,918)	-	5,257	(15,661)	248	(15,413)
<b>At 31 March 2009</b>	<b>277,056</b>	<b>(6,886)</b>	<b>35,066</b>	<b>(101,872)</b>	<b>-</b>	<b>154,542</b>	<b>357,906</b>	<b>23,088</b>	<b>380,994</b>

Company	----- Attributable to owners of the Company -----					
	Share capital	Treasury shares	Other reserves	Equity component of convertible bonds	Retained earnings (Accumulated losses)	Total
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
At 1 January 2010	288,735	(6,816)	305	13,971	13,273	309,468
Total comprehensive income for the period	-	-	88	-	(1,868)	(1,780)
<b>At 31 March 2010</b>	<b>288,735</b>	<b>(6,816)</b>	<b>393</b>	<b>13,971</b>	<b>11,405</b>	<b>307,688</b>
At 1 January 2009	277,056	(6,886)	(4,229)	-	2,857	268,798
Total comprehensive income for the period	-	-	(1,696)	-	1,306	(390)
<b>At 31 March 2009</b>	<b>277,056</b>	<b>(6,886)</b>	<b>(5,925)</b>	<b>-</b>	<b>4,163</b>	<b>268,408</b>

**Other Reserves**

	Group			Company		
	As at			As at		
	31.03.2010	31.12.2009	31.03.2009	31.03.2010	31.12.2009	31.03.2009
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	(29,096)	-	-	-
Foreign translation reserve	28,483	10,054	(73,055)	393	393	(5,925)
Revaluation reserve	279	279	279	-	-	-
Available-for-sale reserve	-	(88)	-	-	(88)	-
<b>Total other reserves</b>	<b>(334)</b>	<b>(18,851)</b>	<b>(101,872)</b>	<b>393</b>	<b>305</b>	<b>(5,925)</b>



**1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares of the issuer, as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year**

There were no changes to the company's share capital in the three months ended 31 March 2010.

	Company	
	As at	
	31.03.2010	31.03.2009
Number of shares held as treasury shares	15,000,000	15,000,000
Number of issued shares excluding treasury shares	1,453,459,221	1,453,459,221
Total number of issued shares	1,468,459,221	1,468,459,221
Number of shares that may be issued on conversion of outstanding convertible bonds	116,078,086	n.a.

**1(d)(iii) To show the total number of issued shares excluding treasury shares as at the end of the current financial period and as at the end of the immediately preceding year**

	Company	
	As at	
	31.03.2010	31.12.2009
Number of issued shares excluding treasury shares	1,453,459,221	1,453,459,221

**1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares as at the end of the current financial period reported on**

There were no treasury shares which were sold, transferred, disposed, cancelled or used in the current financial period.

**2. Whether the figures have been audited, or reviewed and in accordance with which auditing standard or practice**

The financial statements presented above have not been audited or reviewed by the Company's auditors.

**3. Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter)**

Not applicable.

**4. Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied**

The Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2009 except for the adoption of the Financial Reporting Standards (FRS) and Interpretation of FRS (INT FRS) that are mandatory for the financial years beginning on or after 1 January 2010. The adoption of these FRS and INT FRS has no significant impact to the Group.

**5. If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change**

The Group has changed its presentation currency from Indonesian Rupiah ("IDR") to United States Dollars ("USD") with effect from 1 January 2010. The functional currency of the underlying subsidiaries in Indonesia remains as IDR and the functional currency of the Company remains as USD. The Company has changed its functional currency from Singapore Dollars ("SGD") to USD in 3Q2009. The change of the presentation currency resulted in the following effects:

	Group		Company	
	As at 31.12.2009			
	Restated	Previously Reported	Restated	Previously Reported
	US\$'000	Rp 'million	USD\$'000	Rp 'million
<b>Balance Sheets</b>				
Share capital	288,735	2,793,775	288,735	2,793,775
Retained earnings	251,573	2,773,676	13,273	128,052
Translation reserve	10,054	(344,758)	393	3,582
Minority interest	29,113	240,259	-	-
Equity attributable to owners of the parent	563,678	5,334,225	309,468	2,994,022
Total equity	592,791	5,574,484	309,468	2,994,022

**6. Earnings Per Ordinary Share (EPS) of the group for the current financial period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends**

Basic earnings per share amounts are calculated by dividing earnings for the corresponding periods attributable to owners of the parent by the weighted average number of ordinary shares outstanding at the end of the respective financial period. Diluted earnings per share is calculated on the same basis as the basic earnings per share except that the weighted average number of shares outstanding during the period is adjusted for the effect of all dilutive potential ordinary shares. The Company has no dilutive potential ordinary shares as at 31 March 2010 and 31 March 2009.

Items	Group	
	Three months ended	
	31.03.2010	31.03.2009
Weighted average number of shares applicable to basic EPS computation	1,453,459,221	1,453,459,221
EPS - basic (US cents)	1.75	0.36
EPS - diluted (US cents)	n.a.	n.a.

7. **Net Asset Value Per Ordinary Share (NAV) (for the issuer and group) per ordinary share based on the total number of issued shares excluding treasury shares of the issuer at the end of the:**

- (a) **current financial period reported on; and**  
(b) **immediately preceding financial year**

Items	Group		Company	
	As at	As at	As at	As at
	31.03.2010	31.12.2009	31.03.2010	31.12.2009
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.42	0.39	0.21	0.21

8. **A review of the performance of the group, to the extent necessary for a reasonable understanding of the group's business. It must include a discussion of the following:**

- (a) **any significant factors that affected the turnover, costs, and earnings of the group for the current financial period reported on, including (where applicable) seasonal or cyclical factors; and**  
(b) **any material factors that affected the cash flow, working capital, assets or liabilities of the group during the current financial period reported on**

**REVIEW OF INCOME STATEMENT**

**Sales**

Sales increased by 72.4% from US\$37.2 million in 1Q2009 to US\$64.1 million in 1Q2010. This was due to increases in average selling prices of palm oil and palm kernel and an increase in sales volume for palm oil. This was partially offset by the decrease in sales volume for palm kernel.

The sales volume for palm oil in 1Q2010 increased despite a decrease in production volume due to drawdown from inventory. In contrast, the decrease in sales volume of palm kernel was consistent with the lower production volume.

The following tables provide breakdowns of our sales, sales volume and average selling prices:

Sales	1Q2010	1Q2009	Change
	US\$'000	US\$'000	%
Palm oil	57,802	32,694	76.8%
Palm kernel	6,270	4,469	40.3%
<b>Total sales</b>	<b>64,072</b>	<b>37,163</b>	<b>72.4%</b>

Sales Volume	1Q2010	1Q2009	Change
	Tonne	Tonne	%
Palm oil	81,866	78,517	4.3%
Palm kernel	17,151	20,353	(15.7%)

Average Selling Price/tonne	1Q2010	1Q2009	Change
	US\$'000	US\$'000	%
Palm oil	706.1	416.4	69.6%
Palm kernel	365.6	219.6	66.5%

## **8. Review of Group Performance (continued)**

### **Cost of Sales**

Cost of sales comprises mainly harvesting costs, plantation maintenance costs, FFB purchases from plasma farmers, plantation general expenses and mill processing costs. Cost of sales increased by 37.4% from US\$18.9 million in 1Q2009 to US\$25.9 million in 1Q2010. This was mainly due to the higher sales volume of palm oil and increases in the value of FFB purchases (due to higher market prices of crude palm oil). There were also increases in depreciation of property, plant and equipment, increases in maintenance costs (due to larger mature hectareage) and increases in harvesting costs (due to increase in minimum wage rate).

### **Gross Profit**

Gross profit increased by 108.6% from US\$18.3 million in 1Q2009 to US\$38.1 million in 1Q2010. Correspondingly, gross margin increased from 49.2% in 1Q2009 to 59.5% in 1Q2010.

### **Selling and distribution costs**

Selling and distribution expenses, comprising mainly freight charges, warehousing charges and export taxes, decreased by 52.8% from US\$0.7 million in 1Q2009 to US\$0.3 million in 1Q2010. This significant decrease was mainly due to lower freight charges and warehousing charges incurred in 1Q2010 compared to 1Q2009, as the Group had more ex-mill sales than FOB sales in 1Q2010.

### **General and administrative expenses**

General and administrative expenses, comprising professional fees, remuneration of office staff, licences and software fees, increased by 24.6% from US\$2.4 million in 1Q2009 to US\$3.0 million in 1Q2010, mainly due to appreciation of IDR and SGD against the USD.

### **Gains/(losses) on Foreign Exchange, net**

We recorded a gain of US\$2.0 million on foreign exchange in 1Q2010, compared to a loss of US\$0.3 million in 1Q2009. The gain recorded in 1Q2010 was primarily due to translation gains on the Group's USD notes. This was partially offset by the translation losses on the Group's USD and SGD denominated cash balances. Both were due to the appreciation of the IDR against the USD and SGD from 31 December 2009 to end 31 March 2010. In contrast, the IDR depreciated against the USD and SGD from 31 December 2008 to 31 March 2009.

## 8. Review of Group Performance (continued)

### Net Financial Expenses

Net financial expenses comprise interest expenses after deducting interest income and other financial gains/losses. Part of the interest expenses are capitalised to our immature plantations and property, plant and equipment.

The following table reflects the computation of net financial expenses:

	1Q2010	1Q2009	Change
	US\$'000	US\$'000	%
Interest expenses and amortisation on:			
- notes payable	5,048	4,403	14.6%
- Rupiah bonds payable	1,530	1,310	16.8%
- convertible bonds payable	2,352	-	n.m.
- loans and borrowings from financial institutions	204	-	n.m.
	<b>9,134</b>	<b>5,713</b>	<b>59.9%</b>
Less:			
Capitalised to biological assets	(971)	(1,169)	(16.9%)
Capitalised to property, plant and equipment	(840)	(950)	(11.6%)
<b>Interest expense recognised in profit or loss</b>	<b>7,323</b>	<b>3,594</b>	<b>103.8%</b>
Gain on redemption of Rupiah bonds	(17)	-	n.m.
Interest and other financial income	(238)	(163)	<b>46.0%</b>
<b>Net financial expenses</b>	<b>7,068</b>	<b>3,431</b>	<b>106.0%</b>

n.m. – not meaningful

There was a net financial expense of US\$7.1 million in 1Q2010, an increase of 106.0% from US\$3.4 million in 1Q2009. The significant increase in net financial expense in 1Q2010 was due mainly to the issuance of 5.625% US\$100 million convertible bonds in 3Q2009.

### Gains / (Losses) on Cross Currency Swap

We have entered into a cross currency swap to convert our 11.50% Rp500 billion bond (issued in November 2007) into a 7.40% US\$53.4 million liability. Changes in the mark-to-market position as at the end of every balance sheet date will be booked in profit or loss.

In 1Q2010, there was a gain of US\$4.1 million due to improvements in the mark-to-market position of the swap. In contrast, there was a mark-to-market loss of US\$2.1 million in 1Q2009.

### Tax Expense

Tax expense increased by 97.4% from US\$4.0 million in 1Q2009 to US\$7.8 million in 1Q2010. This increase was mainly due to higher taxable profit.

### Profit for the Period

As a result of the foregoing, profit for the period increased by 379.4% from US\$5.5 million in 1Q2009 to US\$26.4 million in 1Q2010.

## **8. Review of Group Performance (continued)**

### **REVIEW OF BALANCE SHEET**

Total assets of the Group increased from US\$1,012.6 million as at 31 December 2009 to US\$1,065.8 million as at 31 March 2010. Current assets increased by US\$17.1 million as a result of higher cash and bank balances. Non-current assets increased by US\$36.1 million mainly from increased values of biological assets and of property, plant and equipment as the Group continued to invest in new productive assets.

Total liabilities of the Group increased by 2.0% from US\$419.8 million as at 31 December 2009 to US\$428.1 million as at 31 March 2010. The increase is mainly due to increase in other payables and accruals.

### **REVIEW OF CASH FLOW STATEMENT**

There was an increase in cash generated from operating activities from US\$15.2 million in 1Q2009 to US\$22.0 million in 1Q2010. This was mainly due to the Group's improved performance resulting in an increase in cash receipts from customers, partially offset by an increase in cash paid to suppliers and tax authorities.

Net cash used in investing activities decreased by 32.0%, from US\$14.1 million in 1Q2009 to US\$9.6 million in 1Q2010. This is mainly due to proceeds from disposal of available-for-sale financial assets, offset partially by increases in payments for purchase of property, plant and equipment and payments for development of oil palm plantations.

For financing activities, the Group generated net cash inflow amounting to US\$0.4 million in 1Q2010, compared to a net cash outflow of US\$0.2 million in 1Q2009.

As a result of the foregoing, the Group registered an overall increase in cash and bank balances of US\$13.4 million in 1Q2010, bringing the Group's cash balance to US\$193.0 million as at 31 March 2010.

## **9. Where a forecast, or a prospect statement, has been previously disclosed to shareholders, any variance between it and the actual results**

Not applicable

## **10. A commentary at the date of the announcement of the significant trends and competitive conditions of the industry in which the group operates and any known factors or events that may affect the group in the next reporting period and the next 12 months**

The Group's performance has been aided by stronger palm oil prices in 2010. The Group's palm oil production so far in 2010 has been lower due to usual seasonality patterns as well as biological tree stress phenomenon. The Group does not expect production volume to recover before the second half of the year. The Group believes that the lower production in the industry has supported palm prices. However, among other factors, expected large soybean harvest from Latin America and continued uncertainty in the world financial markets suggest that palm prices will continue to be volatile. The Group expects to buffer price volatility by continually focusing on cost management and maintaining its position as a cost-competitive producer.

**11. Dividends**

**(a) Current financial period reported on**

**Any dividend declared for the current financial period reported on?**

No

**(b) Corresponding period of the immediately preceding financial year**

**Any dividend declared for the corresponding period of the immediately preceding financial year?**

No

**(c) Date payable**

Not applicable

**(d) Books closure date**

Not applicable

**12. If no dividend has been declared/recommendeded, a statement to that effect**

No dividend has been declared or recommended for the current financial period.

**13. Confirmation by the Board Pursuant to Rule 705(4)**

We, Lim Ming Seong and Ciliandra Fangiono, being two directors of First Resources Limited (the "Company"), do hereby confirm on behalf of the directors of the Company that, to the best of our knowledge, nothing has come to the attention of the board of directors of the Company which may render the financial statements for the second quarter ended 31 March 2010 to be false or misleading in any material aspect.

**On behalf of the Board of Directors**

**Lim Ming Seong**  
Chairman

**Ciliandra Fangiono**  
Director and Chief Executive Officer

**BY ORDER OF THE BOARD**

**Ciliandra Fangiono**  
Director and Chief Executive Officer  
11 May 2010