



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

	Group					
	Six months ended			Three months ended		
	30.06.2008	30.06.2007	Change	30.06.2008	30.06.2007	Change
	Rp.'million	Rp.'million	(%)	Rp.'million	Rp.'million	(%)
Sales	1,453,910	760,566	91.2%	719,999	427,137	68.6%
Cost of sales	(443,952)	(403,487)	10.0%	(245,701)	(237,465)	3.5%
<b>Gross profit</b>	<b>1,009,958</b>	<b>357,079</b>	<b>182.8%</b>	<b>474,298</b>	<b>189,672</b>	<b>150.1%</b>
Gains arising from changes in fair value of biological assets	298,959	204,624	46.1%	298,959	204,624	46.1%
Other operating income	2,297	4	57,325.0%	2,097	2,160	(2.9%)
Selling and distribution costs	(106,183)	(11,133)	853.8%	(58,944)	(5,784)	919.1%
General and administrative expenses	(55,763)	(23,982)	132.5%	(29,355)	(15,214)	92.9%
Gains/ (losses) on foreign exchange	(7,710)	(4,206)	83.3%	(28,247)	5,189	n.m
<b>Profit from operations</b>	<b>1,141,558</b>	<b>522,386</b>	<b>118.5%</b>	<b>658,808</b>	<b>380,647</b>	<b>73.1%</b>
Financial expenses	(83,721)	(57,409)	45.8%	(54,605)	(32,783)	66.6%
Financial income	25,060	737	3,300.2%	5,933	(1,716)	n.m
Share of results of associate	-	13,371	(100.0%)	-	11,310	(100.0%)
<b>Profit before taxation</b>	<b>1,082,897</b>	<b>479,085</b>	<b>126.0%</b>	<b>610,136</b>	<b>357,458</b>	<b>70.7%</b>
Tax expense	(331,337)	(142,302)	132.8%	(188,740)	(106,316)	77.5%
<b>Profit for the period</b>	<b>751,560</b>	<b>336,783</b>	<b>123.2%</b>	<b>421,396</b>	<b>251,142</b>	<b>67.8%</b>
<b>Attributable to :</b>						
Equity holders of the Company	701,620	217,581	222.5%	390,247	161,672	141.4%
Minority interests	49,940	119,202	(58.1%)	31,149	89,470	(65.2%)
	<b>751,560</b>	<b>336,783</b>	<b>123.2%</b>	<b>421,396</b>	<b>251,142</b>	<b>67.8%</b>

n.m – not meaningful



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**Additional Information**

**(A) Earnings before tax, minority interests, interest on borrowings, depreciation and amortisation (“EBITDA”)**

	Group					
	Six months ended			Three months ended		
	30.06.2008	30.06.2007	Change	30.06.2008	30.06.2007	Change
	Rp.'million	Rp.'million	(%)	Rp.'million	Rp.'million	(%)
Profit from operations	1,141,558	522,386	118.5%	658,808	380,647	73.1%
Add: Depreciation and amortisation	38,945	32,699	19.1%	17,473	14,786	18.2%
Less: Gains from changes in fair value of biological assets	(298,959)	(204,624)	46.1%	(298,959)	(204,624)	46.1%
<b>EBITDA</b>	<b>881,544</b>	<b>350,461</b>	<b>151.5%</b>	<b>377,322</b>	<b>190,809</b>	<b>97.7%</b>
EBITDA Margin	60.6%	46.1%		52.4%	44.7%	

**(B) Profit before taxation is arrived at after charging/(crediting) the following significant items**

	Group			
	Six months ended		Three months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
Depreciation of property, plant and equipment	35,481	29,214	18,207	14,656
Interest expense on USD notes to note holders	43,981	55,476	15,374	29,840
Interest expense on Rupiah bond to bond holders	28,726	-	14,317	-
Gains on net settlement of cross currency swap	(10,137)	-	(5,080)	-
Mark-to market losses of cross currency swap	28,109	-	28,109	-
Foreign exchange (gains)/losses arising from cross currency swap	(116)	-	6,828	-



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**1(b)(i) A balance sheet (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	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
<b>Non-current assets</b>				
Biological assets-plantations	3,646,360	3,257,804	-	-
Property, plant and equipment	1,268,845	981,365	3,454	967
Land use rights	78,872	78,275	-	-
Plasma plantation receivables	110,185	97,065	-	-
Investment in subsidiaries	-	-	1,740,140	1,740,140
Tax recoverable	813	7,334	-	-
Deferred tax assets	8,833	9,211	-	-
Intangible assets	1,910	1,910	-	-
Advance for purchase of fixed assets	24,170	260	-	-
Other non-current assets	208	208	-	-
<b>Total non-current assets</b>	<b>5,140,196</b>	<b>4,433,432</b>	<b>1,743,594</b>	<b>1,741,107</b>
<b>Current assets</b>				
Inventories	205,572	150,936	1,200	-
Trade receivables	95,045	36,945	-	-
Other receivables	30,100	26,411	3,009	1,937
Advances and prepayments	58,141	17,509	128	5,055
Prepaid taxes	34,910	23,427	-	-
Due from subsidiaries	-	-	266	888
Cash and bank balances	1,562,486	1,558,077	670,485	673,564
<b>Total current assets</b>	<b>1,986,254</b>	<b>1,813,305</b>	<b>675,088</b>	<b>681,444</b>
<b>Total assets</b>	<b>7,126,450</b>	<b>6,246,737</b>	<b>2,418,682</b>	<b>2,422,551</b>



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**1(b)(i) Balance Sheets (continued)**

	Group		Company	
	As at		As at	
	30.06.2008	31.12.2007	30.06.2008	31.12.2007
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
<b>Current liabilities</b>				
Trade payables	147,553	88,172	2	-
Other payables and accruals	179,071	158,323	3,487	5,634
Due to immediate holding company	-	3,534	-	4,422
Loans and borrowings from financial institutions	11,614	14,545	117	98
Provision for taxation	176,412	177,237	-	-
<b>Total current liabilities</b>	<b>514,650</b>	<b>441,811</b>	<b>3,606</b>	<b>10,154</b>
<b>Non-current liabilities</b>				
Loans and borrowings from financial institutions	7,798	9,602	572	648
Bonds payable	491,149	490,263	-	-
Notes payable	1,383,176	1,455,946	-	-
Provision for post employment benefits	28,183	26,801	-	-
Deferred tax liabilities	610,386	511,925	-	-
Derivative financial liability	31,795	3,747	-	-
<b>Total non-current liabilities</b>	<b>2,552,487</b>	<b>2,498,284</b>	<b>572</b>	<b>648</b>
<b>Total liabilities</b>	<b>3,067,137</b>	<b>2,940,095</b>	<b>4,178</b>	<b>10,802</b>
<b>Net assets</b>	<b>4,059,313</b>	<b>3,306,642</b>	<b>2,414,504</b>	<b>2,411,749</b>
<b>Attributable to equity holders of the Company</b>				
Share capital	2,350,605	2,350,605	2,350,605	2,350,605
Differences arising from restructuring transactions involving entities under common control	314,410	314,410	-	-
Capital reserve	(274,056)	(274,056)	-	-
Revaluation reserve	2,565	2,565	-	-
Translation reserve	66,177	65,066	66,177	65,066
Retained earnings/(accumulated losses)	1,448,874	747,254	(2,278)	(3,922)
	3,908,575	3,205,844	2,414,504	2,411,749
<b>Minority interests</b>	150,738	100,798	-	-
<b>Total equity</b>	<b>4,059,313</b>	<b>3,306,642</b>	<b>2,414,504</b>	<b>2,411,749</b>



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

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

	Group					
	As at 30.06.2008			As at 31.12.2007		
	Rp.'million			Rp.'million		
	Secured	Unsecured	Total	Secured	Unsecured	Total
Amount repayable in one year or less, or on demand	-	11,614	11,614	-	14,545	14,545
Amount repayable after one year	1,874,325	7,798	1,882,123	1,946,209	9,602	1,955,811
<b>Total</b>	<b>1,874,325</b>	<b>19,412</b>	<b>1,893,737</b>	<b>1,946,209</b>	<b>24,147</b>	<b>1,970,356</b>

**Details of any collateral**

(1) Notes payable are secured by :

- (i) a security interest in a prefunded interest reserve account;
- (ii) a security interest in the escrow account;
- (iii) a security interest in the new biodiesel plant to be constructed by a subsidiary - PT Ciliandra Perkasa ("PT CLP");
- (iv) a security interest in all moveable assets of PT CLP and its restricted subsidiaries, whether located in republic of Indonesia or Singapore, including cash accounts, but excluding accounts receivable and inventories;
- (v) a pledge by Ciliandra Perkasa Finance Company Pte. Ltd. of its rights in the intercompany loans made with the net proceeds of the notes; and
- (vi) pledges by the shareholders of PT CLP of 100% of the share capital of PT CLP and a pledge by PT CLP and any restricted subsidiary holding the shares of another restricted subsidiary of all such shares held.

(2) Bonds payable are secured by :

- (i) biological assets and fixed assets on the land on which land utilization rights have been issued to PT Meridan Sejatisurya Plantation amounting to Rp 500 billion.



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

	Group			
	Six months ended		Three months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
<b>Cash flows from operating activities</b>				
Cash receipt from customers (Note A)	1,424,832	756,732	746,894	439,985
Cash payments to suppliers and employees	(652,752)	(453,989)	(377,864)	(240,740)
Effects of exchange rates	964	-	(13,614)	(10,133)
<b>Cash generated from operations</b>	<b>773,044</b>	<b>302,743</b>	<b>355,416</b>	<b>189,112</b>
Receipts from :				
Interest income	26,964	9,181	15,967	6,728
Income tax refunds	6,860	-	6,860	-
Payments for :				
Interest expenses	(128,933)	(80,159)	(114,930)	(80,159)
Income tax	(219,946)	(53,171)	(54,288)	(14,717)
Income tax penalties	(1,190)	-	(1,190)	-
<b>Net cash generated from operating activities</b>	<b>456,799</b>	<b>178,594</b>	<b>207,835</b>	<b>100,964</b>
<b>Cash flow from investing activities</b>				
Advance payment for property, plant and equipment	(24,170)	(260)	(24,170)	(260)
Acquisition of property, plant and equipment	(319,860)	(188,670)	(248,981)	(39,959)
Payment for development of oil palm plantations	(46,975)	(92,631)	(29,691)	(54,138)
Payment for development of plasma plantations-net	(13,119)	(23,209)	(6,534)	(8,000)
Acquisition of intangible assets	-	(1,012)	-	(1,012)
Dividend received from an associate	-	250	-	250
Proceed from sale of property, plant and equipment	-	142	-	142
Increase in deferred charges	(129)	(8,798)	(129)	(8,798)
<b>Net cash used in investing activities</b>	<b>(404,253)</b>	<b>(314,188)</b>	<b>(309,505)</b>	<b>(111,775)</b>



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**1(c) Consolidated Cash Flow Statement (continued)**

	Group			
	Six months ended		Three months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
<b>Cash flows from financing activities</b>				
Repayment of share allotment monies received from shareholders	-	(731)	-	(731)
Proceeds from issuance of shares, net of issuance costs	-	2,955	-	2,955
Release of restricted funds	150,000	710,778	150,000	474,673
Net cash proceeds from cross currency swap transactions	10,193	-	10,193	-
Redemption of bonds payable	-	(90,315)	-	(315)
Redemption of notes payable	(46,170)	-	(46,170)	-
Payment to related parties, net	(1,067)	(55,440)	(3,775)	(51,690)
Payment of obligations under capital leases	(3,499)	(2,651)	(1,634)	(1,250)
Payment of consumer financing loans	(7,594)	(2,933)	(6,560)	(2,069)
<b>Net cash generated from financing activities</b>	<b>101,863</b>	<b>561,663</b>	<b>102,054</b>	<b>421,573</b>
Net increase in cash on hand and in banks	154,409	426,069	384	410,762
Cash on hand and in banks, at the beginning of the financial period	1,408,077	34,700	1,562,102	50,007
<b>Cash on hand and in banks, at the end of the financial period</b>	<b>1,562,486</b>	<b>460,769</b>	<b>1,562,486</b>	<b>460,769</b>
Represented by:				
Cash on hand and in banks in cash flow statement	1,562,486	460,769	1,562,486	460,769
Restricted funds	-	303	-	303
<b>Cash and cash equivalents in balance sheet</b>	<b>1,562,486</b>	<b>461,072</b>	<b>1,562,486</b>	<b>461,072</b>

<u>Note A</u>				
The reconciliation of cash receipts from customers is as follows:				
Sales	1,453,910	760,566	719,999	427,137
Increase in trade receivables	(66,022)	(18,892)	(66,801)	(1)
Increase in advance from customers	36,944	15,058	93,696	12,849
	<b>1,424,832</b>	<b>756,732</b>	<b>746,894</b>	<b>439,985</b>



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**1(d) (i) A statement (for the issuer and group) showing either all changes in equity or 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 Items	----- Attributable to Equity Holders of the Company -----							Minority interests Rp.'million	Total equity Rp.'million
	Share capital	Differences arising from restructuring transactions involving entities under common control	Capital reserve	Revaluation reserve	Foreign translation reserves	Retained earnings	Total share capital and reserves		
	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million	Rp.'million		
<b>2008</b>									
At 1 January 2008	2,350,605	314,410	(274,056)	2,565	65,066	747,254	3,205,844	100,798	3,306,642
Profit for the period	-	-	-	-	-	311,373	311,373	18,791	330,164
Foreign currency translation adjustments	-	-	-	-	19,729	-	19,729	-	19,729
<b>At 31 March 2008</b>	<b>2,350,605</b>	<b>314,410</b>	<b>(274,056)</b>	<b>2,565</b>	<b>84,795</b>	<b>1,058,627</b>	<b>3,536,946</b>	<b>119,589</b>	<b>3,656,535</b>
Profit for the period	-	-	-	-	-	390,247	390,247	31,149	421,396
Foreign currency translation adjustments	-	-	-	-	(18,618)	-	(18,618)	-	(18,618)
<b>At 30 June 2008</b>	<b>2,350,605</b>	<b>314,410</b>	<b>(274,056)</b>	<b>2,565</b>	<b>66,177</b>	<b>1,448,874</b>	<b>3,908,575</b>	<b>150,738</b>	<b>4,059,313</b>
<b>2007</b>									
At January 1, 2007	330,487	324,959	-	-	(100)	315,997	971,343	624,738	1,596,081
Profit for the period	-	-	-	-	-	55,909	55,909	29,732	85,641
Foreign currency translation adjustments	-	-	-	-	(8,470)	-	(8,470)	-	(8,470)
<b>At 31 March 2007</b>	<b>330,487</b>	<b>324,959</b>	<b>-</b>	<b>-</b>	<b>(8,570)</b>	<b>371,906</b>	<b>1,018,782</b>	<b>654,470</b>	<b>1,673,252</b>
Issuance of ordinary shares	114,327	-	-	-	-	-	114,327	-	114,327
Repayment of application monies	-	-	-	-	-	-	-	(109,740)	(109,740)
Profit for the period	-	-	-	-	-	161,672	161,672	89,470	251,142
Foreign currency translation adjustments	-	-	-	-	1,645	-	1,645	-	1,645
<b>At 30 June 2007</b>	<b>444,814</b>	<b>324,959</b>	<b>-</b>	<b>-</b>	<b>(6,925)</b>	<b>533,578</b>	<b>1,296,426</b>	<b>634,200</b>	<b>1,930,626</b>





**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**1(d) (i) Statement of Changes in Equity (continued)**

Company	Attributable to equity holders of the Company			
	Share capital	Retained earnings (Accumulated losses)	Foreign translation reserves	Total
	Rp.'million	Rp.'million	Rp.'million	Rp.'million
<b>2008</b>				
Balance as at 1 January 2008	2,350,605	(3,922)	65,066	2,411,749
Profit for the period	-	5,620	-	5,620
Foreign currency translation adjustments	-	-	17,713	17,713
<b>Balance as at 31 March 2008</b>	<b>2,350,605</b>	<b>1,698</b>	<b>82,779</b>	<b>2,435,082</b>
Loss for the period	-	(3,976)	-	(3,976)
Foreign currency translation adjustments	-	-	(16,602)	(16,602)
<b>Balance as at 30 June 2008</b>	<b>2,350,605</b>	<b>(2,278)</b>	<b>66,177</b>	<b>2,414,504</b>
<b>2007</b>				
Balance as at 1 January 2007	330,487	(89)	(100)	330,298
Loss for the period	-	(242)	-	(242)
Foreign currency translation adjustments	-	-	(8,397)	(8,397)
<b>Balance as at 31 March 2007</b>	<b>330,487</b>	<b>(331)</b>	<b>(8,497)</b>	<b>321,659</b>
Issuance of additional shares	114,327	-	-	114,327
Loss for the period	-	(338)	-	(338)
Foreign currency translation adjustments	-	-	2,217	2,217
<b>Balance as at 30 June 2007</b>	<b>444,814</b>	<b>(669)</b>	<b>(6,280)</b>	<b>437,865</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**

Please refer to 1(d)(iii)



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**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**

	Group and Company	
	30.06.2008	31.12.2007
The total number of shares at beginning of the period/year	1,468,459,221	58,023,865
Issued to offset against debts owing to immediate holding company ( <i>Note 1</i> )	-	18,010,327
Issued pursuant to a loan and novation agreement ( <i>Note 2</i> )	-	769,150
Issued to immediate holding company ( <i>Note 3</i> )	-	500,000
Additional share issuance pursuant to share split 1 by 15 ( <i>Note 4</i> )	-	1,082,246,788
Issued pursuant to initial public offering	-	175,000,000
Issued for acquisition of minority interest	-	133,909,091
<b>Total number of shares at end of the period/year</b>	<b>1,468,459,221</b>	<b>1,468,459,221</b>

Explanatory Notes:

- (1) 18,010,327 ordinary shares issued fully paid on 16 May 2007 pursuant to offset against all debts amounting to S\$18,010,327 owing by the Company to Eight Capital Inc.
- (2) 769,150 ordinary shares issued fully paid on 30 June 2007 pursuant to a loan assignment agreement and a novation agreement dated 4 June 2007
- (3) 500,000 ordinary shares issued and fully paid on 30 June 2007
- (4) The share split of one ordinary share to 15 ordinary shares was approved by the shareholders at an Extraordinary General Meeting on 14 November 2007.

As at 30 June 2008, the Company did not hold any treasury shares.

**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**

Not applicable.

**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.



**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**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 2007 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 2008. 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**

Not applicable.

**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 the equity holders of the Company 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 30 June 2007 and 30 June 2008.

Items	Group			
	Six months ended		Three months ended	
	30.06.2008	30.06.2007	30.06.2008	30.06.2007
Earnings per ordinary share for the period (in Rupiah) :				
(i) Basic	477.79	3,112.08	265.75	2,312.41
(ii) Fully diluted	477.79	3,112.08	265.75	2,312.41
Weighted average number of shares applicable to basic and fully diluted earnings per share	1,468,459,221	69,914,894	1,468,459,221	69,914,894



**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**6. Earnings Per Ordinary Share (continued)**

The change in the weight average number of shares used to compute the earnings per share was due to the capital restructuring that occurred before the Company’s initial public offering, including a share split, and the new ordinary shares issued pursuant to the initial public offering.

**7. Net Asset Value Per Ordinary Share (NAV) (for the issuer and group) per ordinary share based on issued share capital 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 30.06.2008	As at 31.12.2007	As at 30.06.2008	As at 31.12.2007
Net asset value per ordinary share based on existing issued share capital as at the end of the latest period presented (in Rupiah)	2,661.68	2,183.13	1,644.24	1,642.37

**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**

**INCOME STATEMENT**

For the three months (“2Q2008”) and six months (“1H2008”) ended 30 June 2008, the Group’s income statements included the results of PT Meridan Sejatisurya Plantation (“PT MSSP”), which effectively became a 94%-owned subsidiary after acquisitions of additional interest in July and December 2007. For the three months (“2Q2007”) and six months (“1H2007”) ended 30 June 2007, the Group only equity-accounted for PT MSSP as it was a 25%-owned associate at that time. Furthermore, the acquisition of minority interests in PT Panca Surya Agrindo (“PT PSA”) in December 2007 also resulted in a smaller proportion of results being shared with minority shareholders in 2Q2008/1H2008 as compared to 2Q2007/1H2007.



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

**Sales**

2Q2008: Our sales increased by 68.6% from Rp427.1 billion in 2Q2007 to Rp720.0 billion in 2Q2008 due to the increased sales from crude palm oil (“CPO”) and palm kernel (“PK”). Our sales of CPO increased by 59.9% from Rp388.4 billion to Rp621.0 billion due to increase in sales volume as well as higher average selling prices. The increase in sales volume was primarily a result of improved CPO extraction rates and higher production volumes of fresh fruit bunches from our plantations. This was partially offset by lower CPO purchase-and-resale activity in 2Q2008 as compared to 2Q2007. Our sales of PK also increased by 155.6% from Rp38.7 billion to Rp99.0 billion due to an increase in sales volumes as well as higher selling prices.

1H2008: The above, together with sales registered in 1Q2008, contributed to the increase in sales by 91.2% from Rp760.6 billion in 1H2007 to Rp1,453.9 billion in 1H2008.

Sales	2Q2008	2Q2007	Change	1H2008	1H2007	Change
	Rp.'million	Rp.'million	%	Rp.'million	Rp.'million	%
Crude Palm Oil	621,033	388,411	59.9%	1,264,601	669,377	88.9%
Palm Kernel	98,966	38,726	155.6%	189,309	69,819	171.1%
Fresh Fruit Bunches	-	-	-	-	21,370	(100.0%)
<b>Total Sales</b>	<b>719,999</b>	<b>427,137</b>	<b>68.6%</b>	<b>1,453,910</b>	<b>760,566</b>	<b>91.2%</b>

Sales Volume	2Q2008	2Q2007	Change	1H2008	1H2007	Change
	Ton	Ton	%	Ton	Ton	%
Crude Palm Oil	75,742	71,525	5.9%	159,899	132,872	20.3%
Palm Kernel	19,420	12,331	57.5%	39,341	24,954	57.7%
Fresh Fruit Bunches	-	-	-	-	20,517	(100.0%)



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

## **Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

#### **Cost of Sales**

2Q2008: Our cost of sales increased by 3.5% from Rp237.5 billion in 2Q2007 to Rp245.7 billion in 2Q2008. This is primarily a result of increased costs in producing and purchasing fresh fruit bunches, processing costs, freight charges and factory general expenses. This was partially offset by lower CPO purchases in 2Q2008 as compared to 2Q2007.

Cost of producing fresh fruit bunches increased primarily as a result of increase in plantation general expenses and maintenance costs. Plantation general expenses increased as a result of an increase in the minimum wage levels throughout Indonesia and in particular the Riau province, as well as an increase in the cost of diesel fuel. Maintenance costs increased as a result of higher costs in fertilisers, and road and drainage maintenance.

Cost of purchasing fresh fruit bunches increased primarily due to an increase in the average price and volume of fresh fruit bunches purchased from plasma farmers. The prices for plasma fresh fruit bunches are set regularly by the regional government, based on market prices of CPO. As a result of an increase in CPO prices, the average prices for plasma fresh fruit bunches were higher in 2Q2008 as compared to 2Q2007.

Processing costs, freight charges and factory general expenses increased as a result of an increase in the volume of fresh fruit bunches processed and an increase in the cost of diesel fuel, a principal cost item for these activities.

1H2008: The above, together with cost of sales registered in 1Q2008, contributed to the increase in cost of sales by 10.0% from Rp403.5 billion in 1H2007 to Rp444.0 billion in 1H2008.

#### **Gross Profit**

2Q2008: As a result of the foregoing, our gross profit increased by 150.1% from Rp189.7 billion in 2Q2007 to Rp474.3 billion in 2Q2008. Gross profit margin increased from 44.4% in 2Q2007 to 65.9% in 2Q2008.

1H2008: Gross profit increased by 182.8% from Rp357.1 billion in 1H2007 to Rp1,010.0 billion in 1H2008. Gross profit margin increased from 46.9% in 1H2007 to 69.5% in 1H2008.



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

**Net Gain from Changes in Fair Value of Biological Assets**

In accordance with FRS 41 and the Group's accounting policy, the Group performs valuation of its biological assets on a half-yearly basis. Gains arising from changes in fair value of biological assets increased by 46.1%, from Rp204.6 billion in 2Q2007 to Rp299.0 billion in 2Q2008. This gain is primarily a result of an increase in the forecast prices of CPO and PK used in the valuation assumptions.

Remarks	Group	
	2008 Rp. 'million	2007 Rp. 'million
<b>At fair value</b>		
On 1 January	3,257,804	2,255,098
Additions	89,597	114,518
	3,347,401	2,369,616
Gains arising from biological assets valuation	298,959	204,624
On 30 June	3,646,360	2,574,240

**Operating Expenses**

- **Selling and distribution costs**

2Q2008: Selling and distribution costs increased by 919.1% from Rp5.8 billion in 2Q2007 to Rp58.9 billion in 2Q2008. This significant increase was mainly due to higher export taxes incurred as a result of an increase in Indonesia's export taxes levied on CPO and an increase in our CPO export volume.

1H2008: The above, together with the costs registered in 1Q2008, contributed to the increase in selling and distribution costs by 853.8% from Rp11.1 billion in 1H2007 to Rp106.2 billion in 1H2008.

- **General and administrative expenses**

2Q2008: General and administrative expenses increased by 92.9% from Rp15.2 billion in 2Q2007 to Rp29.4 billion in 2Q2008. This was mainly due to increases in salaries.

1H2008: The above, together with the expenses registered in 1Q2008, contributed to the increase in general and administrative expenses by 132.5% from Rp24.0 billion in 1H2007 to Rp55.8 billion in 1H2008.



## **FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

### **Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

##### **Gains / (Losses) on Foreign Exchange**

2Q2008: We recorded a loss of Rp28.2 billion on foreign exchange, compared to a gain of Rp5.2 billion in 2Q2007. The loss was primarily due to exchange differences arising from the group's sales and purchases.

1H2008: The above, together with the gain registered in 1Q2008, contributed to the cumulative loss on foreign exchange of Rp7.7 billion in 1H2008.

##### **Financial Expenses, Net**

Net financial expenses comprise interest expenses after deducting interest income, other finance charges and unrealized losses/ gains arising from changes in foreign exchange.

2Q2008: Net financial expenses increased by 41.1% from Rp34.5 billion in 2Q2007 to Rp48.7 billion in 2Q2008. The increase is mainly due to the issuance of our IDR bond in November 2007, as well as marked-to-market losses on the Group's cross currency swap. There was no cross currency swap in 2Q2007.

1H2008: The above, together with the net expenses registered in 1Q2008, contributed to the increase in net financial expenses by 3.5% from Rp56.7 billion in 1H2007 to Rp58.7 billion in 1H2008.

##### **Tax Expense**

2Q2008: Tax expense increased by 77.5% from Rp106.3 billion in 2Q2007 to Rp188.7 billion in 2Q2008. This increase was mainly due to higher current taxes resulting from increased profit before taxation as well as higher deferred taxes resulting mainly from net gain from changes in fair value of biological assets.

1H2008: The above, together with the expenses registered in 1Q2008, contributed to the increase in tax expense by 132.8% from Rp142.3 billion in 1H2007 to Rp331.3 billion in 1H2008.

##### **Profit for the Period**

2Q2008: As a result of the foregoing, profit for the period increased by 67.8% from Rp251.1 billion in 2Q2007 to Rp421.4 billion in 2Q2008.

1H2008: Profit for the period increased by 123.2% from Rp336.8 billion in 1H2007 to Rp751.6 billion in 1H2008.





**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

**Minority Interest**

2Q2008: The significant decrease in minority interest expense from Rp89.5 billion in 2Q2007 to Rp31.1 billion in 2Q2008 was mainly due to the acquisition of a 38% interest of PT PSA shares from minority shareholders in December 2007. This increased the Group's effective shareholding in PT PSA from 59% as at 30 June 2007 to 95% as at 30 June 2008.

1H2007: For the same reason as above, minority interests expense decreased from Rp119.2 billion in 1H2007 to Rp49.9 billion in 1H2008.

**BALANCE SHEET**

As at 30 June 2008, biological assets grew by Rp388.6 billion from 31 December 2007 mainly due to our maintenance capex for our immature plantings, our new plantings and gains arising from biological assets valuation. Net book value of property, plant and equipment rose by Rp287.5 billion from 31 December 2007. The increase was mainly attributed to our capital expenditure in a new biodiesel plant and a new CPO mill.

The increase in inventory by Rp54.6 billion is mainly attributed to increase in fertilizer and seedlings. The increase in fertilizer inventory is due to increases in volumes and prices of fertilizers. The increase in seedling inventory is attributed to the Group's expansion plans. The increase in trade receivables by Rp58.1 billion is in line with higher sales of CPO and PK. As at 30 June 2008, we had cash on hand and in banks amounting to Rp1,562.5 billion, an increase of Rp4.4 billion from Rp1,558.1 billion as at 31 December 2007.

As of 30 June 2008, we had total non-current liabilities of Rp2,552.5 billion, which included deferred tax liabilities, notes payable, bonds payable and loans and borrowings from financial institutions. Notes payable reduced by Rp72.8 billion as a result of our redemption of US\$5 million of our outstanding USD notes. Deferred tax liabilities increased by Rp98.5 billion in line with gains arising from biological assets valuation.

We also had Rp0.5 billion of current liabilities including provision for taxation, trade and other payables and accruals, and loans and borrowings from financial institutions. Trade payables increased by Rp59.4 billion in line with higher purchases incurred.

With the Group recording strong performances, coupled with share capital increase by the issue of 175,000,000 new shares in the IPO and the issuance of 133,909,091 new shares for the acquisition of interest in PT PSA, our total equity increased to Rp4,059.3 billion as at 30 June 2008. Capital reserve relates to premium paid on acquisition of minority interest in PT PSA.



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

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

**CASH FLOW STATEMENT**

**Cash Flows from Operating Activities**

2Q2008: Our net cash generated from operating activities increased 105.9%, from Rp101.0 billion in 2Q2007 to Rp207.8 billion in 2Q2008. This increase was primarily due to an increase in cash receipts from customers by 69.8% from Rp440.0 billion in 2Q2007 to Rp746.9 billion in 2Q2008, which was attributable mainly to increased net sales. This increase was partially offset by an increase in cash payments to suppliers and employees by 57.0% from Rp240.7 billion in 2Q2007 to Rp377.9 billion in 2Q2008, arising primarily from increased expenses for purchases of fresh fruit bunches from plantations under the Plasma Program and the KKPA Program, and an increase in corporate income tax payments of 268.9%, from Rp14.7 billion in 2Q2007 to Rp54.3 billion in 2Q2008, arising from higher taxable income.

1H2008: The above, together with the cash flows registered in 1Q2008, increased our net cash generated from operating activities by 155.8%, from Rp178.6 billion in 1H2007 to Rp456.8 billion in 1H2008.

**Cash Flows from Investing Activities**

2Q2008: Our net cash used in investing activities increased by 176.9%, from Rp111.8 billion in 2Q2007 to Rp309.5 billion in 2Q2008. This increase was attributable to an increase in acquisitions of property, plant and equipment by 523.1%, from Rp40.0 billion in 2Q2007 to Rp249.0 billion in 2Q2008.

1H2008: The above, together with the cash flows registered in 1Q2008, increased our net cash used in investing activities by 28.7%, from Rp314.2 billion in 1H2007 to Rp404.3 billion in 1H2008.

**Cash Flows from Financing Activities**

2Q2008: Our net cash generated from financing activities decreased by 75.8% from Rp421.6 billion in 2Q2007 to Rp102.1 billion in 2Q2008. This change was mainly due to release in restricted funds amounting to Rp474.7 billion in 2Q2007 compared to only Rp150.0 billion released in 2Q2008. For cash flow statement purposes, cash and cash equivalents exclude restricted funds.

1h2008: The above, together with the cash flows registered in 1Q2008, decreased our net cash used in financing activities by 81.9% from Rp561.7 billion in 1H2007 to Rp101.9 billion in 1H2008.

As a result of the foregoing, the Group's cash and cash equivalent as of 30 June 2008 increased to Rp1,562.5 billion.



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

- 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**

Being an operator in the Indonesian palm oil sector, the Group's performance is influenced by a number of factors, including the seasonality yields of fresh fruit bunches, climatic conditions, international CPO prices, foreign exchange movements, and changes in the Indonesian regulatory environment, in particular the CPO export tax.

Despite recent volatilities in CPO prices, the palm oil industry remains supported by favourable fundamentals. The Group will continue its growth strategies in the form of new plantings and productivity gains.



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**11. Dividends**

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

Any dividend declared for the current financial period reported on?

Yes

Name of dividend:	Interim tax-exempt
Dividend type:	Cash
Dividend amount per Share (in cents):	1.4 Singapore cents per ordinary share
Par value of shares (not applicable for a Singapore incorporated company):	Not applicable
Tax rate:	Tax-exempt 1-tier

**(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**

10 September 2008

**(d) Books closure date**

Notice is hereby given that the Register of Members and Register of Transfer Books of the Company will be closed on 2 September 2008 for the preparation of dividend warrants.

Registrable transfers received by the Company's Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 up to 5.00pm on 1 September 2008 will be registered before entitlements to the dividend are determined.

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

Not applicable

\*\*\*\*\*



**FIRST RESOURCES LIMITED** (REG. NO. 200415931M)

**Unaudited Financial Statements for the Second Quarter Ended 30 June 2008**

**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 Board of Directors of the Company that, to the best of their knowledge, nothing has come to the attention of the Board of Directors of the Company which may render the second quarter ended 30 June 2008 financial results to be false or misleading.

**On behalf of the Board of Directors**

**Lim Ming Seong**  
Chairman

**Ciliandra Fangiono**  
Director and Chief Executive Officer

13 August 2008

*Note:*

*Citigroup Global Markets Singapore Pte. Ltd. was the Sole Global Coordinator, Bookrunner, Issue Manager and Underwriter for First Resources’ IPO and assumes no responsibility for the contents of this announcement.*