FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Second Quarter ("2Q") and Six Months ("6M") Ended 30 June 2015

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

	Group					
	6M 2015	**6M 2014**	**Change**	**2Q 2015**	**2Q 2014**	**Change**
	US$'000	**US$'000**	**(%)**	**US$'000**	**US$'000**	**(%)**
Sales	215,066	290,089	(25.9%)	118,789	112,186	5.9%
Cost of sales	(96,995)	(154,378)	(37.2%)	(58,766)	(51,242)	14.7%
Gross profit	**118,071**	**135,711**	**(13.0%)**	**60,023**	**60,944**	**(1.5%)**
Selling and distribution costs	(9,856)	(12,670)	(22.2%)	(5,536)	(5,886)	(5.9%)
General and administrative expenses	(14,748)	(11,808)	24.9%	(7,138)	(4,238)	68.4%
Other operating expenses	(793)	(806)	(1.6%)	(392)	(412)	(4.9%)
Profit from operations	**92,674**	**110,427**	**(16.1%)**	**46,957**	**50,408**	**(6.8%)**
Losses on foreign exchange	(2,876)	(634)	353.6%	(1,661)	(1,615)	2.8%
Losses on derivative financial instruments	-	(1,744)	(100.0%)	-	(2,043)	(100.0%)
Net financial expenses	(9,674)	(7,121)	35.9%	(5,009)	(3,388)	47.8%
Other non-operating (expenses)/income	(418)	(1,055)	(60.4%)	559	(2,263)	n.m.
Profit before tax	**79,706**	**99,873**	**(20.2%)**	**40,846**	**41,099**	**(0.6%)**
Tax expense	(21,615)	(25,911)	(16.6%)	(11,558)	(14,183)	(18.5%)
Profit for the period	**58,091**	**73,962**	**(21.5%)**	**29,288**	**26,916**	**8.8%**
Profit attributable to:						
Owners of the Company	56,332	71,085	(20.8%)	28,644	26,091	9.8%
Non-controlling interests	1,759	2,877	(38.9%)	644	825	(21.9%)
	58,091	**73,962**	**(21.5%)**	**29,288**	**26,916**	**8.8%**

n.m. – not meaningful

1(a) An income statement and statement of comprehensive income (continued)

	Group					
	6M 2015	6M 2014	Change	2Q 2015	2Q 2014	Change
	US$'000	US$'000	(%)	US$'000	US$'000	(%)
Profit for the period	58,091	73,962	(21.5%)	29,288	26,916	8.8%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Fair value (losses)/gains on cash flow hedges	(40,552)	10,260	n.m.	(6,267)	4,571	n.m.
Fair value losses/(gains) on cash flow hedges transferred to the income statement	43,204	(12,542)	n.m.	9,131	(9,587)	n.m.
Foreign currency translation adjustments	(96,188)	10,984	n.m.	(25,613)	(75,713)	(66.2%)
Income tax effect	4,243	(1,153)	n.m.	1,150	2,922	(60.6%)
Other comprehensive income for the period, net of tax	(89,293)	7,549	n.m.	(21,599)	(77,807)	(72.2%)
Total comprehensive income for the period	**(31,202)**	**81,511**	n.m.	**7,689**	**(50,891)**	n.m.
Total comprehensive income attributable to:						
Owners of the Company	(29,639)	78,208	n.m.	7,892	(48,394)	n.m.
Non-controlling interests	(1,563)	3,303	n.m.	(203)	(2,497)	(91.9%)
	(31,202)	**81,511**	n.m.	**7,689**	**(50,891)**	n.m.

n.m. – not meaningful

Additional Information

	Group					
	6M 2015	6M 2014	Change	2Q 2015	2Q 2014	Change
	US$'000	US$'000	(%)	US$'000	US$'000	(%)
EBITDA						
Profit from operations	92,674	110,427	(16.1%)	46,957	50,408	(6.8%)
Depreciation and amortisation	15,438	15,243	1.3%	7,719	7,851	(1.7%)
EBITDA	**108,112**	**125,670**	**(14.0%)**	**54,676**	**58,259**	**(6.2%)**
EBITDA margin	50.3%	43.3%		46.0%	51.9%	

1(b)(i) A 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	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Non-current assets				
Biological assets	935,936	961,083	-	-
Plasma plantation receivables	56,692	59,206	-	-
Property, plant and equipment	321,555	338,415	8,619	9,296
Land use rights	42,314	46,139	-	-
Investment in subsidiaries	-	-	452,291	452,291
Goodwill	56,913	60,994	-	-
Other intangible assets	23,179	24,932	249	323
Tax recoverable	14,106	13,431	-	-
Deferred tax assets	19,965	16,652	-	-
Loans to subsidiaries	-	-	440,414	440,881
Other non-current assets	1,009	2,094	-	-
Total non-current assets	**1,471,669**	**1,522,946**	**901,573**	**902,791**
Current assets				
Inventories	62,492	48,563	-	-
Loan to subsidiary	-	-	1,167	934
Trade receivables	22,410	29,769	2,270	1,743
Other receivables	21,119	9,312	3,760	7,401
Advances for purchase of plant, property and equipment	4,313	4,235	-	-
Other advances and prepayments	9,294	2,188	6,037	60
Prepaid taxes	30,573	29,926	-	-
Restricted cash balances	91,809	59,460	91,708	58,438
Cash and cash equivalents	199,372	291,456	49,468	86,013
Total current assets	**441,382**	**474,909**	**154,410**	**154,589**
Total assets	**1,913,051**	**1,997,855**	**1,055,983**	**1,057,380**

1(b)(i) A statement of financial position (continued)

	Group		Company	
	30 Jun 2015	31 Dec 2014	30 Jun 2015	31 Dec 2014
	US$'000	US$'000	US$'000	US$'000
LIABILITIES				
Current liabilities				
Trade payables	32,659	20,075	-	188
Other payables and accruals	27,481	36,884	7,775	10,228
Advances from customers	513	2,071	-	-
Loans and borrowings from financial institutions	2,117	10,946	-	-
Derivative financial liabilities	129	-	-	-
Provision for tax	8,816	18,315	13	43
Total current liabilities	**71,715**	**88,291**	**7,788**	**10,459**
Non-current liabilities				
Loans and borrowings from financial institutions	2,445	2,740	-	-
Islamic medium term notes	525,992	569,433	525,992	569,433
Derivative financial liabilities	132,674	91,198	132,674	91,198
Provision for post-employment benefits	13,369	13,413	-	-
Deferred tax liabilities	109,967	117,030	778	985
Total non-current liabilities	**784,447**	**793,814**	**659,444**	**661,616**
Total liabilities	**856,162**	**882,105**	**667,232**	**672,075**
Net assets	**1,056,889**	**1,115,750**	**388,751**	**385,305**
EQUITY				
Share capital	394,913	394,913	394,913	394,913
Differences arising from restructuring transactions involving entities under common control	35,016	35,016	-	-
Other reserves	(482,337)	(396,366)	(9,942)	(12,723)
Retained earnings	1,058,620	1,029,626	3,780	3,115
Equity attributable to owners of the Company	**1,006,212**	**1,063,189**	**388,751**	**385,305**
Non-controlling interests	50,677	52,561	-	-
Total equity	**1,056,889**	**1,115,750**	**388,751**	**385,305**

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 30 Jun 2015			As at 31 Dec 2014		
	Secured	Unsecured	Total	Secured	Unsecured	Total
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Amount repayable in one year or less, or on demand	2,117	-	2,117	10,946	-	10,946
Amount repayable after one year	2,445	525,992	528,437	2,740	569,433	572,173
Total	**4,562**	**525,992**	**530,554**	**13,686**	**569,433**	**583,119**

Details of any collateral

The secured borrowings are collaterised by certain of the Group's biological assets, land use rights and property, plant and equipment.

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

	Group			
	6M 2015	6M 2014	2Q 2015	2Q 2014
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Profit before tax	79,706	99,873	40,846	41,099
Adjustments for:				
Depreciation of property, plant and equipment	14,477	14,267	7,238	7,341
Amortisation of land use rights and intangible assets	961	976	481	510
Gains on disposal of property, plant and equipment	(94)	-	(63)	-
Financial expenses	11,935	9,454	5,978	4,746
Interest income	(2,261)	(2,333)	(969)	(1,358)
Losses on derivative financial instruments	-	1,744	-	2,043
Operating cash flows before changes in working capital	**104,724**	**123,981**	**53,511**	**54,381**
Changes in working capital:				
Inventories	(18,394)	(5,001)	1,006	(7,902)
Trade receivables	7,047	951	(4,403)	(17,231)
Other receivables	(12,453)	(899)	(5,429)	(2,788)
Advances and prepayments	(7,282)	(562)	(6,083)	1,053
Other non-current assets	454	(27)	(200)	98
Trade payables	14,238	8,173	2,303	(1,922)
Other payables and accruals	(7,666)	(5,331)	(8,051)	(10,884)
Advances from customers	(1,459)	2,394	(73)	3,025
Provision for post-employment benefits	1,188	741	430	259
Unrealised translation differences	7,010	(3,449)	2,463	(992)
Cash flows generated from operations	**87,407**	**120,971**	**35,474**	**17,097**
Financial expenses paid	(11,622)	(9,156)	(7,962)	(5,445)
Interest income received	2,469	2,359	1,195	1,533
Tax paid	(38,132)	(31,242)	(30,660)	(18,627)
Net cash generated from/(used in) operating activities	**40,122**	**82,932**	**(1,953)**	**(5,442)**

1(c) Statement of cash flows (continued)

	Group			
	6M 2015	6M 2014	2Q 2015	2Q 2014
	US$'000	US$'000	US$'000	US$'000
Cash flows from investing activities				
Capital expenditure on biological assets	(41,867)	(57,975)	(18,061)	(24,466)
Capital expenditure on property, plant and equipment	(20,544)	(27,255)	(13,771)	(20,960)
(Increase)/decrease in advances for purchase of property, plant and equipment	(375)	(3,256)	(1,290)	1,208
Decrease/(increase) in plasma plantation receivables	1,079	(11,163)	(1,795)	(6,899)
Acquisition of land use rights	(34)	(1,283)	(9)	-
Acquisition of other intangible assets	(55)	(133)	(26)	(86)
Proceeds from disposal of property, plant and equipment	201	-	151	-
Net cash used in investing activities	**(61,595)**	**(101,065)**	**(34,801)**	**(51,203)**
Cash flows from financing activities				
Repayment of bank loans	(7,711)	-	-	-
Payment of obligations under finance leases	(1,594)	(1,794)	(766)	(918)
(Increase)/decrease in restricted cash balances	(32,349)	11,265	(4,788)	7,406
Dividends paid	(27,659)	(41,249)	(27,659)	(41,249)
Net cash used in financing activities	**(69,313)**	**(31,778)**	**(33,213)**	**(34,761)**
Net decrease in cash and cash equivalents	(90,786)	(49,911)	(69,967)	(91,406)
Effect of exchange rate changes on cash and cash equivalents	(1,298)	394	(236)	(1,005)
Cash and cash equivalents, at the beginning of the financial period	291,456	239,477	269,575	282,371
Cash and cash equivalents, at the end of the financial period (Note A)	**199,372**	**189,960**	**199,372**	**189,960**
Note A				
Reconciliation of cash and cash equivalents:				
Cash at banks and on hand	144,604	126,945	144,604	126,945
Time deposits	54,768	63,015	54,768	63,015
Cash and cash equivalents	**199,372**	**189,960**	**199,372**	**189,960**
Restricted cash balances	91,809	21,410	91,809	21,410
Cash and bank balances	**291,181**	**211,370**	**291,181**	**211,370**

1(d)(i) A 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 Company ----------					Non-controlling interests	Total equity
	Share capital	Differences arising from restructuring transactions involving entities under common control	Other reserves	Retained earnings	Equity attributable to owners of the Company		
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 Jan 2015	394,913	35,016	(396,366)	1,029,626	1,063,189	52,561	1,115,750
Profit for the period	-	-	-	56,332	56,332	1,759	58,091
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	2,664	-	2,664	-	2,664
Foreign currency translation	-	-	(88,635)	-	(88,635)	(3,322)	(91,957)
Other comprehensive income for the period, net of tax	-	-	(85,971)	-	(85,971)	(3,322)	(89,293)
Total comprehensive income for the period	-	-	(85,971)	56,332	(29,639)	(1,563)	(31,202)
Contributions by and distributions to owners							
Dividends paid	-	-	-	(27,338)	(27,338)	(321)	(27,659)
At 30 June 2015	**394,913**	**35,016**	**(482,337)**	**1,058,620**	**1,006,212**	**50,677**	**1,056,889**
At 1 Jan 2014	394,913	35,016	(348,922)	912,472	993,479	46,646	1,040,125
Profit for the period	-	-	-	71,085	71,085	2,877	73,962
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	(2,282)	-	(2,282)	-	(2,282)
Foreign currency translation	-	-	9,405	-	9,405	426	9,831
Other comprehensive income for the period, net of tax	-	-	7,123	-	7,123	426	7,549
Total comprehensive income for the period	-	-	7,123	71,085	78,208	3,303	81,511
Contributions by and distributions to owners							
Dividends paid	-	-	-	(41,249)	(41,249)	-	(41,249)
At 30 June 2014	**394,913**	**35,016**	**(341,799)**	**942,308**	**1,030,438**	**49,949**	**1,080,387**

1(d)(i) Statement of changes in equity (continued)

Group	---------- Attributable to owners of the Company ----------						
	Share capital	Differences arising from restructuring transactions involving entities under common control	Other reserves	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 Apr 2015	394,913	35,016	(461,585)	1,057,314	1,025,658	51,201	1,076,859
Profit for the period	-	-	-	28,644	28,644	644	29,288
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	2,876	-	2,876	-	2,876
Foreign currency translation	-	-	(23,628)	-	(23,628)	(847)	(24,475)
Other comprehensive income for the period, net of tax	-	-	(20,752)	-	(20,752)	(847)	(21,599)
Total comprehensive income for the period	-	-	(20,752)	28,644	7,892	(203)	7,689
Contributions by and distributions to owners							
Dividends paid	-	-	-	(27,338)	(27,338)	(321)	(27,659)
At 30 June 2015	**394,913**	**35,016**	**(482,337)**	**1,058,620**	**1,006,212**	**50,677**	**1,056,889**
At 1 Apr 2014	394,913	35,016	(267,314)	957,466	1,120,081	52,446	1,172,527
Profit for the period	-	-	-	26,091	26,091	825	26,916
Other comprehensive income							
Net change in fair value of cash flow hedges	-	-	(5,016)	-	(5,016)	-	(5,016)
Foreign currency translation	-	-	(69,469)	-	(69,469)	(3,322)	(72,791)
Other comprehensive income for the period, net of tax	-	-	(74,485)	-	(74,485)	(3,322)	(77,807)
Total comprehensive income for the period	-	-	(74,485)	26,091	(48,394)	(2,497)	(50,891)
Contributions by and distributions to owners							
Dividends paid	-	-	-	(41,249)	(41,249)	-	(41,249)
At 30 June 2014	**394,913**	**35,016**	**(341,799)**	**942,308**	**1,030,438**	**49,949**	**1,080,387**

1(d)(i) Statement of changes in equity (continued)

Company	Share capital	Other reserves	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000
At 1 Jan 2015	394,913	(12,723)	3,115	385,305
Profit for the period	-	-	28,003	28,003
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	2,781	-	2,781
Total comprehensive income for the period	-	2,781	28,003	30,784
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(27,338)	(27,338)
At 30 Jun 2015	**394,913**	**(9,942)**	**3,780**	**388,751**
At 1 Jan 2014	394,913	(7,645)	12,052	399,320
Profit for the period	-	-	39,402	39,402
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(2,282)	-	(2,282)
Total comprehensive income for the period	-	(2,282)	39,402	37,120
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(41,249)	(41,249)
At 30 Jun 2014	**394,913**	**(9,927)**	**10,205**	**395,191**
At 1 Apr 2015	394,913	(12,935)	3,244	385,222
Profit for the period	-	-	27,874	27,874
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	2,993	-	2,993
Total comprehensive income for the period	-	2,993	27,874	30,867
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(27,338)	(27,338)
At 30 Jun 2015	**394,913**	**(9,942)**	**3,780**	**388,751**
At 1 Apr 2014	394,913	(4,911)	12,295	402,297
Profit for the period	-	-	39,159	39,159
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(5,016)	-	(5,016)
Total comprehensive income for the period	-	(5,016)	39,159	34,143
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(41,249)	(41,249)
At 30 Jun 2014	**394,913**	**(9,927)**	**10,205**	**395,191**

1(d)(i) Statement of changes in equity (continued)

Other Reserves

	Group			Company		
	As at			As at		
	30 Jun 2015	31 Dec 2014	30 Jun 2014	30 Jun 2015	31 Dec 2014	30 Jun 2014
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
Capital reserve	(29,096)	(29,096)	(29,096)	-	-	-
Revaluation reserve	279	279	279	-	-	-
Gain on sale of treasury shares	10,322	10,322	10,322	10,322	10,322	10,322
Hedging reserve	(20,774)	(23,438)	(20,642)	(20,657)	(23,438)	(20,642)
Foreign translation reserve	(443,068)	(354,433)	(302,662)	393	393	393
Total other reserves	(482,337)	(396,366)	(341,799)	(9,942)	(12,723)	(9,927)

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 issued and paid up share capital in the three months ended 30 June 2015.

	Company	
	30 Jun 2015	30 Jun 2014
Number of issued shares excluding treasury shares	1,584,072,969	1,584,072,969

The Company did not hold any treasury shares and there were no shares that may be issued upon conversion of any outstanding convertibles as at 30 June 2015 and 30 June 2014.

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

The Company's total number of issued shares excluding treasury shares as at 30 June 2015 and 31 December 2014 were 1,584,072,969.

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 auditor.

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 2014 except for the new and revised standards that are effective for annual periods beginning on or after 1 January 2015. The adoption of these standards 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

Please refer to item 4 above.

6. Earnings per ordinary share 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

	Group			
	6M 2015	**6M 2014**	**2Q 2015**	**2Q 2014**
Weighted average number of shares applicable to basic EPS computation	1,584,072,969	1,584,072,969	1,584,072,969	1,584,072,969
Weighted average number of shares based on fully diluted basis	1,584,072,969	1,584,072,969	1,584,072,969	1,584,072,969
EPS - basic (US cents)	3.56	4.49	1.81	1.65
EPS - diluted (US cents)	3.56	4.49	1.81	1.65

7. Net asset value (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

	Group		Company	
	30 Jun 2015	**31 Dec 2014**	**30 Jun 2015**	**31 Dec 2014**
	US$	**US$**	**US$**	**US$**
Net asset value per ordinary share	0.64	0.67	0.25	0.24

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 GROUP FINANCIAL PERFORMANCE BY BUSINESS SEGMENT

SALES VOLUME

	6M 2015	6M 2014	Change	2Q 2015	2Q 2014	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	317,871	297,288	6.9%	170,304	132,417	28.6%
- Palm kernel	73,521	61,494	19.6%	39,929	27,663	44.3%
Refinery and Processing	165,529	226,814	(27.0%)	123,681	98,444	25.6%

Note: Sales volume include inter-segment sales

SALES

	6M 2015	6M 2014	Change	2Q 2015	2Q 2014	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	193,919	215,043	(9.8%)	101,015	92,902	8.7%
- Palm kernel	28,696	27,284	5.2%	15,763	13,689	15.2%
- Fresh fruit bunches	3,693	2,192	68.5%	1,778	2,192	(18.9%)
	226,308	244,519	(7.4%)	118,556	108,783	9.0%
Refinery and Processing	100,105	174,379	(42.6%)	76,817	74,212	3.5%
Inter-segment elimination	(111,347)	(128,809)	(13.6%)	(76,584)	(70,809)	8.2%
Total Sales	**215,066**	**290,089**	**(25.9%)**	**118,789**	**112,186**	**5.9%**

EBITDA

	6M 2015	6M 2014	Change	2Q 2015	2Q 2014	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Plantations and Palm Oil Mills	111,918	108,803	2.9%	59,044	44,424	32.9%
Refinery and Processing	2,283	18,401	(87.6%)	804	15,506	(94.8%)
Inter-segment elimination	(6,089)	(1,534)	296.9%	(5,172)	(1,671)	209.5%
Total EBITDA	**108,112**	**125,670**	**(14.0%)**	**54,676**	**58,259**	**(6.2%)**

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US$56.3 million in 6M2015, down 20.8% against 6M2014 and a 16.1% decrease in profit from operations to US$92.7 million. For 2Q2015, net profit increased by 9.8% to US$28.6 million while profit from operations declined by 6.8% to US$47.0 million. The declines in profit from operations were mainly due to the effects of lower palm oil prices.

Sales

Sales decreased by 25.9% to US$215.1 million in 6M2015, mainly due to the lower average selling prices of palm based products as well as the lower sales volumes from the Refinery and Processing segment. For 2Q2015, sales increased by 5.9% to US$118.8 million, primarily due to the higher sales volumes of palm based products, partially offset by the effects of lower average selling prices.

Cost of Sales

Cost of sales comprises mainly harvesting costs, plantation maintenance costs, plantation general expenses and processing costs, as well as fresh fruit bunches and other palm oil products purchased from plasma farmers or third parties. The Group's cost of sales decreased by 37.2% to US$97.0 million in 6M2015, mainly due to the decrease in purchases of FFB and palm oil products from third parties. For 2Q2015, cost of sales increased by 14.7% to US$58.8 million, primarily due to higher sales volumes of palm based products.

Gross Profit

Gross profit decreased by 13.0% to US$118.1 million in 6M2015 and 1.5% to US$60.0 million in 2Q2015, mainly due to the lower average selling prices.

Gross profit margin came in at 54.9% in 6M2015 as compared to 46.8% in the corresponding period last year. The improvement in gross profit margin in spite of the lower average selling prices was partly contributed by the decrease in purchases of palm oil products from third parties. For 2Q2015, gross profit margin was at 50.5% as compared to 54.3% in 2Q2014, mainly due to the lower average selling prices.

Selling and Distribution costs

Selling and distribution expenses, comprising mainly freight charges and export taxes, totaled US$9.9 million in 6M2015 (6M2014: US$12.7 million) and US$5.5 million in 2Q2015 (2Q2014: US$5.9 million). These decreases were mainly due to the reduction in export tax paid, driven by the lower export taxes applicable during 2015 in view of the lower prevailing palm oil prices.

General and Administrative expenses

General and administrative expenses increased to US$14.7 million in 6M2015 (6M2014: US$11.8 million) and US$7.1 million in 2Q2015 (2Q2014: US$4.2 million), mainly due to the higher costs of remuneration and lower write-back of accruals for employee related expenses in 2015.

EBITDA

The Group's EBITDA came in at US$108.1 million in 6M2015, a decrease of 14.0% as compared to the corresponding period last year. In 2Q2015, EBITDA fell by 6.2% to US$54.7 million as compared to 2Q2014. The declines in EBITDA were mainly due to the lower average selling prices of palm based products as well as a reduction in contribution from the Refinery and Processing segment.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

Losses on Foreign Exchange

The Group recorded losses on foreign exchange of US$2.9 million in 6M2015 (6M2014: US$0.6 million) and US$1.7 million in 2Q2015 (2Q2014: US$1.6 million). The losses on foreign exchange arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

Net Financial Expenses

Net financial expenses comprise interest expenses after deducting interest income. Net financial expenses amounted to US$9.7 million in 6M2015 (6M2014: US$7.1 million) and US$5.0 million in 2Q2015 (2Q2014: US$3.4 million). The higher financial expenses as compared to the corresponding periods last year were mainly due to the fourth issuance of Islamic medium term notes during 4Q2014.

The following table reflects the computation of net financial expenses:

	6M 2015	6M 2014	2Q 2015	2Q 2014
	US$'000	US$'000	US$'000	US$'000
Interest expenses and amortisation on loans and borrowings from financial institutions	46	93	-	40
Profit distribution and amortisation on Islamic medium term notes	11,889	9,361	5,978	4,706
	11,935	**9,454**	**5,978**	**4,746**
Interest income	(2,261)	(2,333)	(969)	(1,358)
Net financial expenses	**9,674**	**7,121**	**5,009**	**3,388**

Tax Expense and Net profit

Tax expenses came in at US$21.6 million in 6M2015 (6M2014: US$25.9 million) and US$11.6 million in 2Q2015 (2Q2014: US$14.2 million), along with the lower taxable income of the Group in 6M2015 and 2Q2015. The higher effective tax rate of the Group in 6M2015 as compared to the corresponding period last year included the impact of withholding tax expense on income received from foreign subsidiaries.

As a result of the foregoing, profit attributable to owners of the Company decreased by 20.8% to US$56.3 million in 6M2015 and increased by 9.8% to US$28.6 million in 2Q2015.

REVIEW OF BALANCE SHEET

Total assets of the Group decreased from US$1,997.9 million as at 31 December 2014 to US$1,913.1 million as at 30 June 2015. Non-current assets decreased by US$51.3 million to US$1,471.7 million, mainly due to the weakening of Indonesian Rupiah against United States Dollar ("USD") during the period. This was partially offset by the Group's capital expenditure on biological assets and property, plant and equipment. The Group's current assets decreased by 7.1% to US$441.4 million, mainly due to the reduction in cash and bank balances, partially offset by the higher inventories from build-up in palm based products inventory volumes as well as the increase in advances and deposits for investments.

Total liabilities of the Group decreased by 2.9% from US$882.1 million as at 31 December 2014 to US$856.2 million as at 30 June 2015.

8. Review of Group Performance (continued)

REVIEW OF BALANCE SHEET (continued)

Gross borrowings decreased by 9.0% to US$530.6 million as at 30 June 2015 (31 December 2014: US$583.1 million), mainly due to the foreign currency revaluation of the Ringgit-denominated Islamic medium term notes ("IMTN"). The reduction in carrying value of the IMTN is broadly offset by the change in fair value of the cross currency swaps entered into with financial institutions to swap the Ringgit-denominated IMTN indebtedness effectively into USD liabilities.

Taking into consideration the reduction in cash and bank balances during the period, net borrowings increased from US$232.2 million as at 31 December 2014 to US$239.4 million as at 30 June 2015, with net gearing remaining at a healthy level of 0.23x (31 December 2014: 0.21x).

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US$40.1 million from its operating activities in 6M2015 as compared to US$82.9 million in 6M2014, mainly due to the lower average selling prices of palm based products. In 2Q2015, net cash used in operating activities amounted to US$2.0 million as compared to US$5.4 million in 2Q2014.

Net cash used in investing activities amounted to US$61.6 million in 6M2015 (6M2014: US$101.1 million) and US$34.8 million in 2Q2015 (2Q2014: US$51.2 million), primarily relating to the Group's continued capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment.

Net cash used in financing activities in 6M2015 amounted to US$69.3 million as compared to US$31.8 million in 6M2014. The higher cash used in financing activities in 6M2015 included an increase in restricted cash balances amounting to US$32.3 million and repayment of bank loans of US$7.7 million, partially offset by a reduction in the amount of dividends paid. For 2Q2015, net cash used in financing activities amounted to US$33.2 million as compared to US$34.8 million in 2Q2014.

Overall, the Group registered a decrease in cash and cash equivalents of US$90.8 million in 6M2015, bringing the Group's cash and bank balances to US$291.2 million as at 30 June 2015.

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

In the near term, palm oil prices will continue to be impacted by subdued demand as well as low prices of crude oil and other edible oils. Notwithstanding current weakness in palm oil prices and uncertainties in the global economy, the long-term outlook of the palm oil industry remains positive, supported by underlying demand growth from emerging markets, as well as the higher biodiesel blending mandate in Indonesia.

Production growth is expected to continue for the rest of the year, as the Group enters the production up-cycle that typically takes place in the third and fourth quarters.

11. Dividends

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim dividend
Dividend Type	Cash
Dividend Amount per Share	1.25 Singapore cents
Tax Rate	1-tier tax-exempt

(b) Corresponding period of the immediately preceding financial year

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

Yes.

Name of Dividend	Interim dividend
Dividend Type	Cash
Dividend Amount per Share	1.25 Singapore cents
Tax Rate	1-tier tax-exempt

(c) Date payable

18 September 2015.

(d) Books closure date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 3 September 2015 for the preparation of dividend warrants.

Duly completed registrable transfers received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, up to 5.00 p.m. on 2 September 2015 will be registered to determine shareholders' entitlements to the interim dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 2 September 2015 will be entitled to the interim dividend.

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

Not applicable.

13. If the Group has obtained a general mandate from shareholders for IPTs, the aggregate value of such transactions as required under Rule 920(1)(a)(ii). If no IPT mandate has been obtained, a statement to that effect

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative Confirmation by the Board Pursuant to Rule 705(5)

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 30 June 2015 to be false or misleading in any material aspect.

On behalf of the Board of Directors

Lim Ming Seong	**Ciliandra Fangiono**
Chairman	Director and Chief Executive Officer

15. Events after the balance sheet date

On 22 July 2015, the Company announced that it has acquired 100% of the share capital of Pacific Agri Resources Pte. Ltd. ("Pacific Agri"). Pacific Agri is an investment holding company incorporated in Singapore and it owns 95% interest in PT Falcon Agri Persada ("PT Falcon"). The remaining 5% interest in PT Falcon has also been acquired by the Company's indirect subsidiary, PT Pancasurya Agrindo. PT Falcon is incorporated in Indonesia and principally engaged in the oil palm plantation business in West Kalimantan.

Following the acquisitions, Pacific Agri and PT Falcon are now direct and indirect subsidiaries of the Company respectively.

BY ORDER OF THE BOARD

Ciliandra Fangiono
Director and Chief Executive Officer
13 August 2015