



# FIRST RESOURCES LIMITED

## Unaudited Financial Statements for the Third Quarter (“3Q”) and Nine Months (“9M”) Ended 30 September 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					
	9M 2015	9M 2014	Change	3Q 2015	3Q 2014	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Sales	322,816	438,852	(26.4%)	107,750	148,763	(27.6%)
Cost of sales	(134,316)	(217,446)	(38.2%)	(37,321)	(63,068)	(40.8%)
<b>Gross profit</b>	<b>188,500</b>	<b>221,406</b>	<b>(14.9%)</b>	<b>70,429</b>	<b>85,695</b>	<b>(17.8%)</b>
Selling and distribution costs	(18,462)	(18,231)	1.3%	(8,606)	(5,561)	54.8%
General and administrative expenses	(22,144)	(19,793)	11.9%	(7,396)	(7,985)	(7.4%)
Other operating expenses	(1,163)	(1,277)	(8.9%)	(370)	(471)	(21.4%)
<b>Profit from operations</b>	<b>146,731</b>	<b>182,105</b>	<b>(19.4%)</b>	<b>54,057</b>	<b>71,678</b>	<b>(24.6%)</b>
Losses on foreign exchange	(5,650)	(1,119)	404.9%	(2,774)	(485)	472.0%
Losses on derivative financial instruments	-	(2,966)	(100.0%)	-	(1,222)	(100.0%)
Net financial expenses	(15,677)	(10,771)	45.5%	(6,003)	(3,650)	64.5%
Other non-operating (expenses)/income	(903)	(554)	63.0%	(485)	501	n.m.
<b>Profit before tax</b>	<b>124,501</b>	<b>166,695</b>	<b>(25.3%)</b>	<b>44,795</b>	<b>66,822</b>	<b>(33.0%)</b>
Tax expense	(33,326)	(47,087)	(29.2%)	(11,711)	(21,176)	(44.7%)
<b>Profit for the period</b>	<b>91,175</b>	<b>119,608</b>	<b>(23.8%)</b>	<b>33,084</b>	<b>45,646</b>	<b>(27.5%)</b>
<b>Profit attributable to:</b>						
Owners of the Company	88,076	114,225	(22.9%)	31,744	43,140	(26.4%)
Non-controlling interests	3,099	5,383	(42.4%)	1,340	2,506	(46.5%)
	<b>91,175</b>	<b>119,608</b>	<b>(23.8%)</b>	<b>33,084</b>	<b>45,646</b>	<b>(27.5%)</b>

n.m. – not meaningful

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

	Group					
	9M 2015	9M 2014	Change	3Q 2015	3Q 2014	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
<b>Profit for the period</b>	91,175	119,608	(23.8%)	33,084	45,646	(27.5%)
<b>Other comprehensive income:</b>						
<b>Items that may be reclassified subsequently to profit or loss</b>						
Fair value (losses)/gains on cash flow hedges	(126,120)	8,758	n.m.	(85,568)	(1,502)	5,596.9%
Fair value losses/(gains) on cash flow hedges transferred to the income statement	122,163	(4,097)	n.m.	78,959	8,445	835.0%
Foreign currency translation	(231,106)	(17,930)	1,188.9%	(134,918)	(28,914)	366.6%
Income tax effect	12,085	120	9,970.8%	7,842	1,273	516.0%
Other comprehensive income for the period, net of tax	(222,978)	(13,149)	1,595.8%	(133,685)	(20,698)	545.9%
<b>Total comprehensive income for the period</b>	<b>(131,803)</b>	<b>106,459</b>	<b>n.m.</b>	<b>(100,601)</b>	<b>24,948</b>	<b>n.m.</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	(126,920)	101,387	n.m.	(97,281)	23,179	n.m.
Non-controlling interests	(4,883)	5,072	n.m.	(3,320)	1,769	n.m.
	<b>(131,803)</b>	<b>106,459</b>	<b>n.m.</b>	<b>(100,601)</b>	<b>24,948</b>	<b>n.m.</b>

n.m. – not meaningful

**Additional Information**

	Group					
	9M 2015	9M 2014	Change	3Q 2015	3Q 2014	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
<b>EBITDA</b>						
Profit from operations	146,731	182,105	(19.4%)	54,057	71,678	(24.6%)
Depreciation and amortisation	23,011	23,005	0.0%	7,573	7,762	(2.4%)
<b>EBITDA</b>	<b>169,742</b>	<b>205,110</b>	<b>(17.2%)</b>	<b>61,630</b>	<b>79,440</b>	<b>(22.4%)</b>
EBITDA margin	52.6%	46.7%		57.2%	53.4%	

**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 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
<b>ASSETS</b>				
<b>Non-current assets</b>				
Biological assets	900,015	961,083	-	-
Plasma plantation receivables	53,870	59,206	-	-
Property, plant and equipment	303,447	338,415	8,299	9,296
Land use rights	38,142	46,139	-	-
Investment in subsidiaries	-	-	480,905	452,291
Goodwill	79,949	60,994	-	-
Other intangible assets	21,091	24,932	210	323
Tax recoverable	13,214	13,431	-	-
Deferred tax assets	23,567	16,652	-	-
Loans to subsidiaries	-	-	321,501	440,881
Other non-current assets	918	2,094	-	-
<b>Total non-current assets</b>	<b>1,434,213</b>	<b>1,522,946</b>	<b>810,915</b>	<b>902,791</b>
<b>Current assets</b>				
Inventories	80,641	48,563	-	-
Loan to subsidiary	-	-	934	934
Trade receivables	17,321	29,769	3,031	1,743
Other receivables	11,050	9,312	6,394	7,401
Derivative financial assets	384	-	-	-
Advances for purchase of plant, property and equipment	4,109	4,235	-	-
Other advances and prepayments	3,450	2,188	263	60
Prepaid taxes	41,112	29,926	-	-
Advance subscription for shares in subsidiary	-	-	42,540	-
Restricted cash balances	161,558	59,460	161,457	58,438
Cash and cash equivalents	83,637	291,456	31,990	86,013
<b>Total current assets</b>	<b>403,262</b>	<b>474,909</b>	<b>246,609</b>	<b>154,589</b>
<b>Total assets</b>	<b>1,837,475</b>	<b>1,997,855</b>	<b>1,057,524</b>	<b>1,057,380</b>

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

	Group		Company	
	30 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
	US\$'000	US\$'000	US\$'000	US\$'000
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Trade payables	33,498	20,075	47	188
Other payables and accruals	30,527	36,884	10,567	10,228
Advances from customers	1,519	2,071	-	-
Loans and borrowings from financial institutions	39,361	10,946	-	-
Derivative financial liabilities	31	-	-	-
Provision for tax	10,232	18,315	51	43
<b>Total current liabilities</b>	<b>115,168</b>	<b>88,291</b>	<b>10,665</b>	<b>10,459</b>
<b>Non-current liabilities</b>				
Loans and borrowings from financial institutions	2,460	2,740	-	-
Islamic medium term notes	447,632	569,433	447,632	569,433
Derivative financial liabilities	218,741	91,198	218,741	91,198
Provision for post-employment benefits	12,386	13,413	-	-
Deferred tax liabilities	99,666	117,030	298	985
<b>Total non-current liabilities</b>	<b>780,885</b>	<b>793,814</b>	<b>666,671</b>	<b>661,616</b>
<b>Total liabilities</b>	<b>896,053</b>	<b>882,105</b>	<b>677,336</b>	<b>672,075</b>
<b>Net assets</b>	<b>941,422</b>	<b>1,115,750</b>	<b>380,188</b>	<b>385,305</b>
<b>EQUITY</b>				
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	(611,362)	(396,366)	(17,034)	(12,723)
Retained earnings	1,076,350	1,029,626	2,309	3,115
<b>Equity attributable to owners of the Company</b>	<b>894,917</b>	<b>1,063,189</b>	<b>380,188</b>	<b>385,305</b>
Non-controlling interests	46,505	52,561	-	-
<b>Total equity</b>	<b>941,422</b>	<b>1,115,750</b>	<b>380,188</b>	<b>385,305</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 30 Sep 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	15,229	24,132	39,361	10,946	-	10,946
Amount repayable after one year	2,460	447,632	450,092	2,740	569,433	572,173
<b>Total</b>	<b>17,689</b>	<b>471,764</b>	<b>489,453</b>	<b>13,686</b>	<b>569,433</b>	<b>583,119</b>

**Details of any collateral**

The secured borrowings are collateralised 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**

	<b>Group</b>			
	<b>9M 2015</b>	<b>9M 2014</b>	<b>3Q 2015</b>	<b>3Q 2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from operating activities</b>				
Profit before tax	124,501	166,695	44,795	66,822
Adjustments for:				
Depreciation of property, plant and equipment	21,576	21,452	7,099	7,185
Amortisation of land use rights and intangible assets	1,435	1,553	474	577
Gains on disposal of property, plant and equipment	(99)	(59)	(5)	(59)
Financial expenses	18,354	14,324	6,419	4,870
Interest income	(2,677)	(3,553)	(416)	(1,220)
Losses on derivative financial instruments	-	2,966	-	1,222
<b>Operating cash flows before changes in working capital</b>	<b>163,090</b>	<b>203,378</b>	<b>58,366</b>	<b>79,397</b>
Changes in working capital:				
Inventories	(45,638)	(12,287)	(27,244)	(7,286)
Trade receivables	11,955	5,998	4,908	5,047
Other receivables	(2,945)	(7,047)	9,508	(6,148)
Advances and prepayments	(1,720)	443	5,562	1,005
Other non-current assets	172	(95)	(282)	(68)
Trade payables	17,970	10,578	3,732	2,405
Other payables and accruals	(10,808)	(634)	(3,142)	4,697
Advances from customers	(283)	2,158	1,176	(236)
Provision for post-employment benefits	1,107	1,086	(81)	345
Unrealised translation differences	4,916	(1,999)	(1,923)	1,450
<b>Cash flows generated from operations</b>	<b>137,816</b>	<b>201,579</b>	<b>50,580</b>	<b>80,608</b>
Financial expenses paid	(15,625)	(12,846)	(4,003)	(3,690)
Interest income received	2,963	3,746	494	1,387
Tax paid	(52,648)	(57,167)	(14,516)	(25,925)
<b>Net cash generated from operating activities</b>	<b>72,506</b>	<b>135,312</b>	<b>32,555</b>	<b>52,380</b>

**1(c) Statement of cash flows (continued)**

	<b>Group</b>			
	<b>9M 2015</b>	<b>9M 2014</b>	<b>3Q 2015</b>	<b>3Q 2014</b>
	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>	<b>US\$'000</b>
<b>Cash flows from investing activities</b>				
Capital expenditure on biological assets	(57,761)	(87,675)	(15,894)	(29,700)
Capital expenditure on property, plant and equipment	(32,260)	(52,979)	(11,716)	(25,724)
(Increase)/decrease in advances for purchase of property, plant and equipment	(526)	(207)	(151)	3,049
Decrease/(increase) in plasma plantation receivables	185	(4,080)	(894)	7,083
Acquisition of land use rights	(38)	(1,884)	(4)	(601)
Acquisition of other intangible assets	(138)	(164)	(83)	(31)
Proceeds from disposal of property, plant and equipment	281	195	80	195
Net cash outflow on acquisition of subsidiaries	(71,624)	-	(71,624)	-
<b>Net cash used in investing activities</b>	<b>(161,881)</b>	<b>(146,794)</b>	<b>(100,286)</b>	<b>(45,729)</b>
<b>Cash flows from financing activities</b>				
Proceeds from bank loans	39,212	-	39,212	-
Repayment of bank loans	(7,540)	-	-	-
Payment of obligations under finance leases	(2,342)	(2,706)	(748)	(912)
(Increase)/decrease in restricted cash balances	(102,098)	10,544	(69,749)	(721)
Dividends paid	(42,525)	(57,633)	(14,866)	(16,384)
<b>Net cash used in financing activities</b>	<b>(115,293)</b>	<b>(49,795)</b>	<b>(46,151)</b>	<b>(18,017)</b>
Net decrease in cash and cash equivalents	(204,668)	(61,277)	(113,882)	(11,366)
Effect of exchange rate changes on cash and cash equivalents	(3,151)	2,432	(1,853)	2,038
Cash and cash equivalents, at the beginning of the financial period	291,456	239,477	199,372	189,960
<b>Cash and cash equivalents, at the end of the financial period (Note A)</b>	<b>83,637</b>	<b>180,632</b>	<b>83,637</b>	<b>180,632</b>
<u>Note A</u>				
Reconciliation of cash and cash equivalents:				
Cash at banks and on hand	83,637	99,242	83,637	99,242
Time deposits	-	81,390	-	81,390
<b>Cash and cash equivalents</b>	<b>83,637</b>	<b>180,632</b>	<b>83,637</b>	<b>180,632</b>
Restricted cash balances	161,558	22,131	161,558	22,131
<b>Cash and bank balances</b>	<b>245,195</b>	<b>202,763</b>	<b>245,195</b>	<b>202,763</b>

**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		
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	-	-	-	88,076	88,076	3,099	91,175
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	(3,993)	-	(3,993)	-	(3,993)
Foreign currency translation	-	-	(211,003)	-	(211,003)	(7,982)	(218,985)
Other comprehensive income for the period, net of tax	-	-	(214,996)	-	(214,996)	(7,982)	(222,978)
Total comprehensive income for the period	-	-	(214,996)	88,076	(126,920)	(4,883)	(131,803)
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(41,352)	(41,352)	(1,173)	(42,525)
<b>At 30 Sep 2015</b>	<b>394,913</b>	<b>35,016</b>	<b>(611,362)</b>	<b>1,076,350</b>	<b>894,917</b>	<b>46,505</b>	<b>941,422</b>
At 1 Jan 2014	394,913	35,016	(348,922)	912,472	993,479	46,646	1,040,125
Profit for the period	-	-	-	114,225	114,225	5,383	119,608
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	4,661	-	4,661	-	4,661
Foreign currency translation	-	-	(17,499)	-	(17,499)	(311)	(17,810)
Other comprehensive income for the period, net of tax	-	-	(12,838)	-	(12,838)	(311)	(13,149)
Total comprehensive income for the period	-	-	(12,838)	114,225	101,387	5,072	106,459
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(57,098)	(57,098)	(535)	(57,633)
<b>At 30 Sep 2014</b>	<b>394,913</b>	<b>35,016</b>	<b>(361,760)</b>	<b>969,599</b>	<b>1,037,768</b>	<b>51,183</b>	<b>1,088,951</b>



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

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		
At 1 Jul 2015	394,913	35,016	(482,337)	1,058,620	1,006,212	50,677	1,056,889
Profit for the period	-	-	-	31,744	31,744	1,340	33,084
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	(6,657)	-	(6,657)	-	(6,657)
Foreign currency translation	-	-	(122,368)	-	(122,368)	(4,660)	(127,028)
Other comprehensive income for the period, net of tax	-	-	(129,025)	-	(129,025)	(4,660)	(133,685)
Total comprehensive income for the period	-	-	(129,025)	31,744	(97,281)	(3,320)	(100,601)
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(14,014)	(14,014)	(852)	(14,866)
<b>At 30 Sep 2015</b>	<b>394,913</b>	<b>35,016</b>	<b>(611,362)</b>	<b>1,076,350</b>	<b>894,917</b>	<b>46,505</b>	<b>941,422</b>
At 1 Jul 2014	394,913	35,016	(341,799)	942,308	1,030,438	49,949	1,080,387
Profit for the period	-	-	-	43,140	43,140	2,506	45,646
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	6,943	-	6,943	-	6,943
Foreign currency translation	-	-	(26,904)	-	(26,904)	(737)	(27,641)
Other comprehensive income for the period, net of tax	-	-	(19,961)	-	(19,961)	(737)	(20,698)
Total comprehensive income for the period	-	-	(19,961)	43,140	23,179	1,769	24,948
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(15,849)	(15,849)	(535)	(16,384)
<b>At 30 Sep 2014</b>	<b>394,913</b>	<b>35,016</b>	<b>(361,760)</b>	<b>969,599</b>	<b>1,037,768</b>	<b>51,183</b>	<b>1,088,951</b>

### 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	-	-	40,546	40,546
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(4,311)	-	(4,311)
Total comprehensive income for the period	-	(4,311)	40,546	36,235
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(41,352)	(41,352)
<b>At 30 Sep 2015</b>	<b>394,913</b>	<b>(17,034)</b>	<b>2,309</b>	<b>380,188</b>
At 1 Jan 2014	394,913	(7,645)	12,052	399,320
Profit for the period	-	-	49,537	49,537
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	4,661	-	4,661
Total comprehensive income for the period	-	4,661	49,537	54,198
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(57,098)	(57,098)
<b>At 30 Sep 2014</b>	<b>394,913</b>	<b>(2,984)</b>	<b>4,491</b>	<b>396,420</b>
At 1 Jul 2015	394,913	(9,942)	3,780	388,751
Profit for the period	-	-	12,543	12,543
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(7,092)	-	(7,092)
Total comprehensive income for the period	-	(7,092)	12,543	5,451
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(14,014)	(14,014)
<b>At 30 Sep 2015</b>	<b>394,913</b>	<b>(17,034)</b>	<b>2,309</b>	<b>380,188</b>
At 1 Jul 2014	394,913	(9,927)	10,205	395,191
Profit for the period	-	-	10,135	10,135
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	6,943	-	6,943
Total comprehensive income for the period	-	6,943	10,135	17,078
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(15,849)	(15,849)
<b>At 30 Sep 2014</b>	<b>394,913</b>	<b>(2,984)</b>	<b>4,491</b>	<b>396,420</b>

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

### Other Reserves

	Group			Company		
	As at			As at		
	30 Sep 2015	31 Dec 2014	30 Sep 2014	30 Sep 2015	31 Dec 2014	30 Sep 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	(27,431)	(23,438)	(13,699)	(27,749)	(23,438)	(13,699)
Foreign translation reserve	(565,436)	(354,433)	(329,566)	393	393	393
Total other reserves	(611,362)	(396,366)	(361,760)	(17,034)	(12,723)	(2,984)

**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 September 2015.

	Company	
	30 Sep 2015	30 Sep 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 September 2015 and 30 September 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 September 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			
	9M 2015	9M 2014	3Q 2015	3Q 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)	5.56	7.21	2.00	2.72
EPS - diluted (US cents)	5.56	7.21	2.00	2.72

**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 Sep 2015	31 Dec 2014	30 Sep 2015	31 Dec 2014
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.56	0.67	0.24	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:-
- 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
  - 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

	9M 2015	9M 2014	Change	3Q 2015	3Q 2014	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	481,149	481,956	(0.2%)	163,278	184,668	(11.6%)
- Palm kernel	111,578	98,414	13.4%	38,057	36,920	3.1%
Refinery and Processing	302,725	410,108	(26.2%)	137,196	183,294	(25.1%)

Note: Sales volume include inter-segment sales

### SALES

	9M 2015	9M 2014	Change	3Q 2015	3Q 2014	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	275,060	336,836	(18.3%)	81,141	121,793	(33.4%)
- Palm kernel	39,661	44,357	(10.6%)	10,965	17,073	(35.8%)
- Fresh fruit bunches	4,911	3,913	25.5%	1,218	1,721	(29.2%)
	319,632	385,106	(17.0%)	93,324	140,587	(33.6%)
Refinery and Processing	184,119	305,764	(39.8%)	84,014	131,385	(36.1%)
Inter-segment elimination	(180,935)	(252,018)	(28.2%)	(69,588)	(123,209)	(43.5%)
<b>Total Sales</b>	<b>322,816</b>	<b>438,852</b>	<b>(26.4%)</b>	<b>107,750</b>	<b>148,763</b>	<b>(27.6%)</b>

### EBITDA

	9M 2015	9M 2014	Change	3Q 2015	3Q 2014	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	163,243	188,743	(13.5%)	51,325	79,940	(35.8%)
Refinery and Processing	16,644	27,454	(39.4%)	14,361	9,053	58.6%
Inter-segment elimination	(10,145)	(11,087)	(8.5%)	(4,056)	(9,553)	(57.5%)
<b>Total EBITDA</b>	<b>169,742</b>	<b>205,110</b>	<b>(17.2%)</b>	<b>61,630</b>	<b>79,440</b>	<b>(22.4%)</b>

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

### **REVIEW OF INCOME STATEMENT**

#### **Overview**

The Group recorded a net profit of US\$88.1 million in 9M2015, down 22.9% against 9M2014 and a 19.4% decrease in profit from operations to US\$146.7 million. For 3Q2015, net profit decreased by 26.4% to US\$31.7 million while profit from operations declined by 24.6% to US\$54.1 million. The declines in profit from operations were mainly due to the effects of lower palm oil prices.

#### **Sales**

Sales decreased by 26.4% to US\$322.8 million in 9M2015 and 27.6% to US\$107.8 million in 3Q2015. These were 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.

#### **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 ("FFB") and other palm oil products purchased from plasma farmers or third parties. The Group's cost of sales decreased by 38.2% to US\$134.3 million in 9M2015 and 40.8% to US\$37.3 million in 3Q2015, mainly due to the lower purchases of FFB and palm oil products from third parties.

#### **Gross Profit**

Gross profit decreased by 14.9% to US\$188.5 million in 9M2015 and 17.8% to US\$70.4 million in 3Q2015, mainly due to the lower average selling prices.

Gross profit margin came in at 58.4% in 9M2015 as compared to 50.5% in the corresponding period last year, mainly due to the reduction in purchases of palm oil products from third parties. For 3Q2015, gross profit margin was at 65.4% as compared to 57.6% in 3Q2014, mainly driven by increased contribution from the Refinery and Processing segment.

#### **Selling and Distribution costs**

Selling and distribution expenses, comprising mainly freight charges and export taxes, totaled US\$18.5 million in 9M2015 (9M2014: US\$18.2 million) and US\$8.6 million in 3Q2015 (3Q2014: US\$5.6 million). The increase in 3Q2015 was mainly due to the higher export taxes incurred during 3Q2015 from the imposition of the new palm oil export levy starting July 2015.

#### **General and Administrative expenses**

General and administrative expenses came in at US\$22.1 million in 9M2015 (9M2014: US\$19.8 million) and US\$7.4 million in 3Q2015 (3Q2014: US\$8.0 million). The increase during 9M2015 was 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\$169.7 million in 9M2015, a decrease of 17.2% as compared to the corresponding period last year. In 3Q2015, EBITDA fell by 22.4% to US\$61.6 million as compared to 3Q2014. The declines in EBITDA were mainly due to the lower average selling prices of palm based products.

#### **Losses on Foreign Exchange**

The Group recorded losses on foreign exchange of US\$5.7 million in 9M2015 (9M2014: US\$1.1 million) and US\$2.8 million in 3Q2015 (3Q2014: US\$0.5 million). The losses on foreign exchange arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

## 8. Review of Group Performance (continued)

### REVIEW OF INCOME STATEMENT (continued)

#### Net Financial Expenses

Net financial expenses comprise interest expenses after deducting interest income. Net financial expenses amounted to US\$15.7 million in 9M2015, up 45.5% as compared to the corresponding period last year. In 3Q2015, net financial expenses amounted to US\$6.0 million, an increase of 64.5% from 3Q2014. 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:

	9M 2015	9M 2014	3Q 2015	3Q 2014
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses and amortisation on loans and borrowings from financial institutions	423	204	377	111
Profit distribution and amortisation on Islamic medium term notes	17,931	14,120	6,042	4,759
	<b>18,354</b>	<b>14,324</b>	<b>6,419</b>	<b>4,870</b>
Interest income	(2,677)	(3,553)	(416)	(1,220)
<b>Net financial expenses</b>	<b>15,677</b>	<b>10,771</b>	<b>6,003</b>	<b>3,650</b>

#### Tax Expense and Net Profit

Tax expenses came in at US\$33.3 million in 9M2015 (9M2014: US\$47.1 million) and US\$11.7 million in 3Q2015 (3Q2014: US\$21.2 million), along with the lower taxable income of the Group in 9M2015 and 3Q2015.

As a result of the foregoing, profit attributable to owners of the Company decreased by 22.9% to US\$88.1 million in 9M2015 and 26.4% to US\$31.7 million in 3Q2015.

### REVIEW OF BALANCE SHEET

Total assets of the Group decreased from US\$1,997.9 million as at 31 December 2014 to US\$1,837.5 million as at 30 September 2015. Non-current assets decreased by US\$88.7 million to US\$1,434.2 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 15.1% to US\$403.3 million, mainly due to the reduction in cash and bank balances and trade receivables, partially offset by the higher inventories from build-up in palm based products inventory volumes.

Total liabilities of the Group increased marginally by 1.6% from US\$882.1 million as at 31 December 2014 to US\$896.1 million as at 30 September 2015.

Gross borrowings decreased by 16.1% to US\$489.5 million as at 30 September 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 by 5.2% from US\$232.2 million as at 31 December 2014 to US\$244.3 million as at 30 September 2015, with net gearing remaining at a healthy level of 0.26x (31 December 2014: 0.21x).

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

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

The Group generated net cash of US\$72.5 million from its operating activities in 9M2015 as compared to US\$135.3 million in 9M2014. In 3Q2015, net cash generated from operating activities amounted to US\$32.6 million as compared to US\$52.4 million in 3Q2014. The declines in cash flows from operating activities were mainly due to the lower average selling prices of palm based products.

Net cash used in investing activities amounted to US\$161.9 million in 9M2015 (9M2014: US\$146.8 million) and US\$100.3 million in 3Q2015 (3Q2014: US\$45.7 million), primarily relating to the Group's continued capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment. In addition, the higher cash used in investing activities in 9M2015 and 3Q2015 also included US\$71.6 million of net cash outflow on acquisition of subsidiaries.

Net cash used in financing activities in 9M2015 amounted to US\$115.3 million as compared to US\$49.8 million in 9M2014. For 3Q2015, net cash used in financing activities amounted to US\$46.2 million as compared to US\$18.0 million in 3Q2014. The higher cash used in financing activities in 9M2015 and 3Q2015 included an increase in restricted cash balances of US\$102.1 million and US\$69.7 million respectively, partially offset by proceeds from bank loans of US\$39.2 million.

Overall, the Group registered a decrease in cash and cash equivalents of US\$204.7 million in 9M2015, bringing the Group's cash and bank balances to US\$245.2 million as at 30 September 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**

Recent recovery in palm oil prices was driven mainly by concerns over the current dry weather that could potentially disrupt supply. Coupled with the implementation of Indonesia's biodiesel policy, the Group expects a moderate recovery in palm oil prices. On the production front, the Group expects production to decline seasonally in the fourth quarter as production has peaked in the third quarter.

### **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.



**11. Dividends (continued)**

**(d) Books closure date**

Not applicable.

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

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

**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 third quarter ended 30 September 2015 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

**15. Events after the balance sheet date**

On 26 October 2015, the Company announced that its indirect subsidiary, PT Pancasurya Agrindo, has acquired 100% of the share capital of PT Karya Tama Bakti Mulia ("PT KTBM"). PT KTBM is incorporated in Indonesia and principally engaged in the plantation business in the Riau province of Indonesia.

Following the acquisition, PT KTBM is now an indirect subsidiary of the Company.

**BY ORDER OF THE BOARD**

**Ciliandra Fangiono**

Director and Chief Executive Officer

13 November 2015