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First Resources achieves double digit growth in sales and net profit in FY2016

- Sales up 26.8% to US\$575.2 million while net profit increased 31.1% to US\$125.4 million
- Improved financial performance driven by higher palm oil prices
- Proposed a final dividend of 2.375 Singapore cents per share, taking total FY2016 dividend to three Singapore cents per share

FINANCIAL HIGHLIGHTS (12 months ended 31 December)

US\$' million	FY2016	FY2015⁽⁴⁾	Change
Sales	575.2	453.7	26.8%
Gross Profit	267.3	231.7	15.3%
EBITDA⁽¹⁾	251.3	219.1	14.7%
Net Profit⁽²⁾	125.4	95.7	31.1%
Underlying Net Profit⁽³⁾	115.5	95.1	21.4%

(1) Profit from operations before depreciation, amortisation and gains arising from changes in fair value of biological assets

(2) Profit attributable to owners of the Company

(3) Profit attributable to owners of the Company excluding net gains arising from changes in fair value of biological assets

(4) Restated to take into account the effects from the adoption of the amendments to FRS 16 and FRS 41

Singapore, 27 February 2017 – First Resources Limited (“First Resources” or the “Group”), achieved a 31.1% increase in net profit to US\$125.4 million while underlying net profit rose 21.4% to US\$115.5 million for the 12 months ended 31 December 2016 (“FY2016”) as compared to the corresponding period in 2015 (“FY2015”). This was on the back of sales which grew 26.8% year-on-year (“yoy”) to US\$575.2 million during the year under review.

The double digit improvement in both top and bottom lines was largely due to stronger palm oil prices in 2016 as the residual effects of the 2015 El Nino continued to impact the industry's overall production and cause supply disruptions during the year.

The Group continued to maintain its healthy financial position with a low net gearing ratio at 0.20 times and cash and bank balances of US\$258.2 million as at 31 December 2016.

In line with its improved performance in FY2016, First Resources has proposed a final dividend of 2.375 Singapore cents per share, which brings the total dividend for FY2016 to three Singapore cents, translating to an annual dividend payout ratio of 29% of underlying net profit.

On the production front, the Group harvested 2.7 million tonnes of fresh fruit bunches (“FFB”) in FY2016, a 5.1% decline compared to FY2015, while production of crude palm oil (“CPO”) dipped 7.6% yoy to 634,941 tonnes. Overall yields for the year also weakened with FFB yield at 16.8 tonnes per hectare compared to 19.0 tonnes per hectare in FY2015.

First Resources expects production volumes to improve in 2017 as signs of recovery had already started to show in the fourth quarter ended 31 December 2016 (“4Q2016”). FFB harvested during the quarter had increased 16.2% to 863,143 tonnes, while production of CPO increased 19.0% to 205,534 tonnes. FFB yield also increased to 5.4 tonnes per hectare in 4Q2016 compared to 5.0 tonnes per hectare in the corresponding quarter in 2015. Going forward, the Group’s future production growth will continue to be supported by its young plantations. With yield recovery and contribution from newly mature plantations, production is expected to strengthen in 2017.

Mr Ciliandra Fangiono, CEO of First Resources said, *“Although palm oil prices have moderated in recent weeks, continued low inventories in both producing and importing countries should continue to provide some support to prices. In the longer-term, the Indonesian biodiesel mandate and underlying demand growth from emerging markets will continue to underpin the positive outlook of the palm oil industry.”*

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About First Resources Limited

First Resources Limited is one of the leading palm oil producers in the region, managing more than 200,000 hectares of oil palm plantations and 14 palm oil mills across the Riau, East Kalimantan and West Kalimantan provinces of Indonesia.

The Group's primary activities are cultivating oil palms, harvesting the fruits and milling them into crude palm oil (CPO) and palm kernel (PK) for sale to the local and export markets. With its integrated processing facilities, the Group also processes its CPO and PK into higher value palm-based products such as biodiesel, refined, bleached and deodorised (RBD) olein, RBD stearin, palm kernel oil and palm kernel expeller.

The Group has a young plantation age profile, with fifty percent of its plantations in their young or immature ages. This favourable age profile positions the Group well for strong production growth over the next few years as these plantations mature into prime-yielding ages.

First Resources is committed to sustainable palm oil production. As part of its business strategy, the Group will focus on growing and maintaining its high quality plantation assets in a responsible manner.

For more information, please visit www.first-resources.com.

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