



FOR IMMEDIATE RELEASE

First Resources achieves underlying net profit of US\$89.1 million in FY2019 amidst challenging market conditions

- *Proposes a final dividend of 1.725 Singapore cents per share*
- *Resilient performance despite weakness in palm oil prices*

FINANCIAL HIGHLIGHTS (12 months ended 31 December)

US\$' million	FY2019	FY2018	Change
Sales	614.9	633.5	(2.9%)
Gross Profit	227.2	278.8	(18.5%)
EBITDA⁽¹⁾	218.8	257.9	(15.2%)
Net Profit⁽²⁾	89.1	120.0	(25.7%)
Underlying Net Profit⁽³⁾	89.1	122.6	(27.3%)

⁽¹⁾ Profit from operations before depreciation, amortisation, expected credit losses and gains/(losses) 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 expected credit losses and gains/(losses) arising from changes in fair value of biological assets and unquoted investment.

Singapore, 26 February 2020 – First Resources Limited (“First Resources” or the “Group”), reported underlying net profit of US\$89.1 million for the 12 months ended 31 December 2019 (“**FY2019**”) on the back of US\$614.9 million in sales. EBITDA came in at US\$218.8 million, 15.2% lower as compared to a year ago. The weaker FY2019 performance reflected the effects of softer crude palm oil (“**CPO**”) prices, partially mitigated by the higher sales volumes achieved.

During the year, the volume of fresh fruit bunches (“**FFB**”) harvested fell 2.1% to 3,362,364 tonnes as compared to 3,435,159 tonnes in FY2018. FFB yield was also lower at 17.0 tonnes per hectare in FY2019 as compared to 18.0 tonnes per hectare a year ago, while CPO production declined marginally by 1.4% to 811,947 tonnes in FY2019 from 823,679 tonnes in FY2018.

The Group's financial position remains healthy with net gearing ratio at 0.28 times and cash and bank balances of US\$102.0 million as at 31 December 2019.

The Board of Directors has proposed a final dividend of 1.725 Singapore cents per share for the current financial year ended 31 December 2019, which will bring the full year ordinary dividend to 2.350 Singapore cents per share.

Mr Ciliandra Fangiono, CEO of First Resources, said: *"Palm oil prices have rallied in 4Q2019 on expectations of tightening supply growth and drawdown in inventory levels, although recent concerns over the COVID-19 has been an overhang on CPO prices, due to downside risk to demand from China.*

The Group believes that supply-demand dynamics of the palm oil industry remain favourable, contributed by expectations of slowdown in production growth from dry weather and lower fertiliser application last year, as well as the boost from Indonesia's B30 biodiesel mandate. Other macro factors such as developments in the US-China trade deal and the soybean and crude oil markets will continue to influence CPO prices."

First Resources remains focused on strengthening its operational efficiency and keeping costs low in order to capture opportunities and remain resilient through different market conditions. The Group is ramping up its refinery and processing operations with the construction of a second seafront integrated processing complex that will comprise berthing and storage facilities, a kernel crushing plant, as well as a refinery, fractionation and biodiesel plants. The complex is located in the East Kalimantan province of Indonesia and expected to commence operations by 2022.

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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 17 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.

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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