

Production Highlights

Quarterly Production – 1Q2020

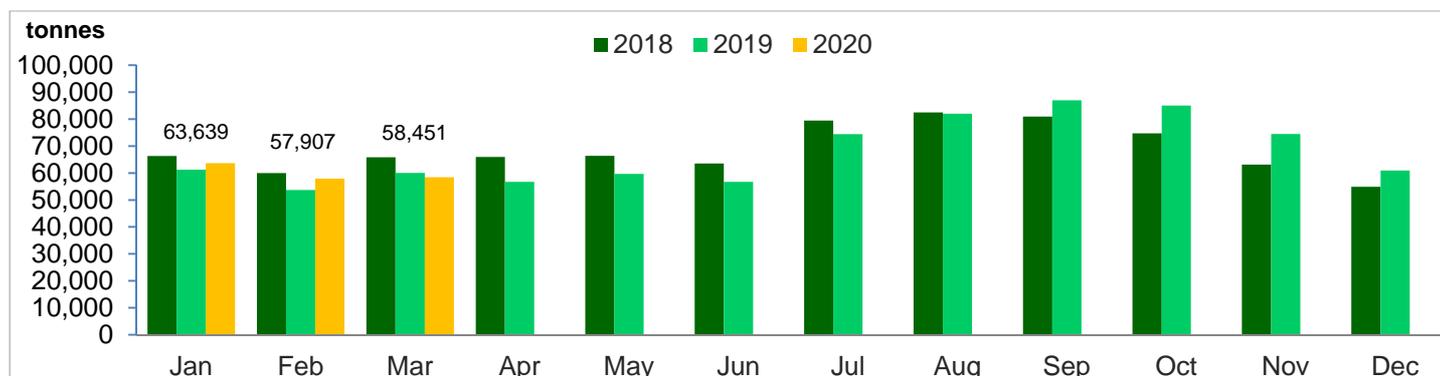
		1Q2020	1Q2019	Change
Production				
FFB harvested	(tonnes)	709,977	724,306	(2.0%)
Nucleus		628,978	654,202	(3.9%)
Plasma		80,999	70,104	15.5%
Crude Palm Oil	(tonnes)	179,997	174,957	2.9%
Palm Kernel	(tonnes)	40,534	40,620	(0.2%)
Efficiency				
FFB Yield	(tonnes/ha)	3.5	3.6	↓
CPO Yield	(tonnes/ha)	0.8	0.9	↓
CPO Extraction Rate	(%)	23.7	23.4	↑
PK Extraction Rate	(%)	5.3	5.4	↓

Monthly Production in 2020 ('000 tonnes)

	Jan	Feb	Mar
FFB Harvested	253	230	227
Nucleus	223	205	201
Plasma	30	25	26
CPO	64	58	58
PK	14	14	13

Figures may not sum due to rounding.

CPO Production Trend



Notes:

- FFB: Fresh Fruit Bunches
Nucleus: Plantations owned by the Group
Plasma: Plantations developed by the Group for the benefit of smallholders. The Group buys FFB from these plasma plantations at prices determined by the Indonesian Government
Yields: FFB yield and CPO yield are for the reported period and not annualised

FIRST RESOURCES LIMITED

(Company Registration No. 200415931M)

(Incorporated in Singapore with limited liability)

**Financial Highlights⁽¹⁾ (3 months ended 31 March)**

US\$' million	1Q2020	1Q2019	Change
Sales	140.4	149.6	(6.2%)
EBITDA⁽²⁾	53.7	38.8	38.4%
Net Profit⁽³⁾	22.2	12.3	80.9%
	31 Mar 2020	31 Dec 2019	Change
Equity⁽³⁾	839.2	1,044.3	(19.6%)

⁽¹⁾ The figures presented have been not audited or reviewed by the Company's auditor.

⁽²⁾ Profit from operations before depreciation and amortisation.

⁽³⁾ Attributable to owners of the Company.

Singapore, 22 May 2020 – First Resources Limited (“First Resources” or the “Group”), posted a net profit of US\$22.2 million for the three months ended 31 March 2020 (“1Q2020”), up 80.9% against 1Q2019. EBITDA also came in stronger at US\$53.7 million, 38.4% higher as compared to a year ago. The Group's better financial results in the first quarter were boosted by the higher average selling prices in 1Q2020 as compared to 1Q2019.

Notwithstanding the higher average selling prices achieved, sales dipped by 6.2% to US\$140.4 million from a decline in sales volumes. Overall sales volumes were impacted by lower purchases of CPO from third parties and a net inventory build-up of 8,000 tonnes in 1Q2020, as compared to a drawdown of 17,000 tonnes in 1Q2019.

Equity attributable to owners of the Company decreased by 19.6% from US\$1,044.3 million as at 31 December 2019 to US\$839.2 million as at 31 March 2020, mainly due to the foreign currency translation losses arising from the depreciation of Indonesian Rupiah against United States Dollar during the quarter.

The Group's financial position remains healthy with net gearing ratio at 0.31 times and cash and bank balances of US\$103.9 million as at 31 March 2020. In addition, the Group has undrawn committed unsecured credit facilities available of US\$330.0 million, which can be used for the partial or full refinancing of the Islamic medium term notes due in June 2020 as well as the Group's general corporate purposes.

COVID-19 has affected demand in major markets like China and India, impacting CPO prices which have since fallen over 30% from its peak in January this year, and prices are expected to remain weak in the short to medium term. In the longer term, while Indonesia's B30 biodiesel mandate has been one of the key demand drivers for palm oil, faltering oil prices and lower fuel consumption may present challenges to the programme. Nonetheless, the Indonesian government and industry have to-date shown commitment to the realisation of the B30 mandate. Being a staple used in dining establishments and food processing industries, a recovery in palm oil demand can also be expected as lockdown measures ease globally. Modest inventories and limited industry supply growth will likewise be supportive of prices.

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Responding to the COVID-19 Pandemic

- Amidst the COVID-19 pandemic, First Resources has implemented measures in line with advisories from the relevant government agencies whilst ensuring minimal impact to our business operations in Singapore and Indonesia.
- For the corporate and regional offices, such measures include restrictions against overseas travel, postponement of large-scale events, conducting meetings via video conferencing and activating work-from-home arrangements.
- In Indonesia, large-scale social restrictions (*PSBB*) was first imposed in Jakarta on 10 April 2020 before being expanded to other regencies, municipalities and provinces across the country.
- The Group's plantations, mills and processing plants in Indonesia have remained in full operation during this period. Based on the guidelines and restrictions under the *PSBB*, First Resources has put in place a set of health and safety protocols governing the Group's operations in Indonesia, including the following:
 - Employees are regularly educated and reminded on the preventive measures to be taken against the spread of COVID-19 during morning briefings as well as via the installation of banners and posters in strategic locations around the estates. These include encouraging employees to improve their personal hygiene by washing their hands regularly and properly.
 - Social distancing rules have been put in place wherein employees are required to wear a mask and maintain a distance of more than one metre from one another at all times when they are outside their homes.
 - Any employees showing symptoms of COVID-19 are either sent to the nearest hospital or quarantined in segregated housing units for close monitoring until they are cleared by a doctor to be free of COVID-19.
 - To prevent the importation of COVID-19 into the estates, access restrictions into and out of the estates have been imposed and assistance is provided to workers to facilitate their procurement of groceries and daily necessities. Any new arrivals at the estates are also required to self-isolate at home for 14 days before starting work in the estates.
 - In line with the Indonesia government's nationwide ban on the annual Hari Raya Idul Fitri exodus (*mudik*) to curb the spread of the virus, employees are not allowed to travel back to their hometowns during Hari Raya and are strongly encouraged to conduct all religious activities at home.
- We will continue to prioritise workplace safety and the health of our workers as we build on our strong foundation to grow our business thereafter.

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About First Resources Limited

Established in 1992 and listed on the Singapore Exchange since 2007, First Resources is one of the leading palm oil producers in the region, managing over 200,000 hectares of oil palm plantations across the Riau, East Kalimantan and West Kalimantan provinces of Indonesia.

Our core business activities include cultivating oil palms, harvesting the fresh fruit bunches (“FFB”) and milling them into crude palm oil (“CPO”) and palm kernel (“PK”). In addition to plantations and palm oil mills, the Group through its refinery, fractionation, biodiesel and kernel crushing plants, 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. This enables the Group to extract maximum value out of our upstream plantation assets. Our products are sold to both local and international markets.

First Resources is committed to the production of sustainable palm oil. Our sustainability strategy is centered upon maximising output while minimising adverse environmental and social impact from our operations. We will constantly strengthen our sustainability framework through regular benchmarking against industry standards and best practices.

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