



FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Half Year (“1H”) Ended 30 June 2020

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		
	1H 2020	1H 2019	Change
	US\$'000	US\$'000	(%)
Sales	278,212	293,033	(5.1%)
Cost of sales	(164,129)	(208,376)	(21.2%)
Gross profit	114,083	84,657	34.8%
Selling and distribution costs	(30,928)	(21,995)	40.6%
General and administrative expenses	(12,196)	(13,839)	(11.9%)
Other operating expenses	-	(1,028)	n.m.
Profit from operations	70,959	47,795	48.5%
Gains on foreign exchange	655	228	187.3%
Losses on derivative financial instruments	(254)	(760)	(66.6%)
Net financial expenses	(8,576)	(7,689)	11.5%
Other non-operating income	108	1,238	(91.3%)
Profit before tax	62,892	40,812	54.1%
Tax expense	(17,333)	(10,421)	66.3%
Profit for the period	45,559	30,391	49.9%
Profit attributable to:			
Owners of the Company	43,248	29,255	47.8%
Non-controlling interests	2,311	1,136	103.4%
	45,559	30,391	49.9%

n.m. – not meaningful

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

	Group		
	1H 2020	1H 2019	Change
	US\$'000	US\$'000	(%)
Profit for the period	45,559	30,391	49.9%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Fair value losses on cash flow hedges	(18,952)	(4,517)	319.6%
Fair value losses/(gains) on cash flow hedges transferred to the income statement	11,099	(79)	n.m.
Foreign currency translation	(39,174)	31,581	n.m.
Other comprehensive income for the period, net of tax	(47,027)	26,985	n.m.
Total comprehensive income for the period	(1,468)	57,376	n.m.
Total comprehensive income attributable to:			
Owners of the Company	(2,275)	55,028	n.m.
Non-controlling interests	807	2,348	(65.6%)
	(1,468)	57,376	n.m.

n.m. – not meaningful

Additional Information

	Group		
	1H 2020	1H 2019	Change
	US\$'000	US\$'000	(%)
EBITDA			
Profit from operations	70,959	47,795	48.5%
Depreciation and amortisation	35,990	33,749	6.6%
EBITDA	106,949	81,544	31.2%
EBITDA margin	38.4%	27.8%	

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 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Bearer plants	576,542	595,558	-	-
Plasma receivables	74,195	71,842	-	-
Property, plant and equipment	422,558	420,350	2,903	3,246
Land use rights	48,126	50,457	-	-
Investment in subsidiaries	-	-	751,081	751,081
Goodwill	82,027	84,393	-	-
Other intangible assets	29,107	29,950	-	-
Unquoted investment at FVTPL	1,371	1,371	1,371	1,371
Derivative financial assets	865	1,167	865	1,167
Tax recoverable	83,282	81,072	-	-
Deferred tax assets	47,267	59,139	-	-
Loan to subsidiary	-	-	124,125	124,125
Other non-current assets	478	493	-	-
Total non-current assets	1,365,818	1,395,792	880,345	880,990
Current assets				
Biological assets	25,225	25,952	-	-
Plasma receivables	1,281	1,022	-	-
Inventories	86,331	81,721	-	-
Trade receivables	31,956	42,386	-	1,143
Other receivables	2,698	2,812	250	286
Derivative financial assets	790	563	413	306
Advances for purchase of property, plant and equipment	3,237	8,539	-	-
Other advances and prepayments	2,714	3,142	1,110	1,369
Prepaid taxes	32,784	44,996	-	-
Restricted cash balances	1,688	42,989	8	41,849
Cash and cash equivalents *	127,362	59,022	29,051	4,496
Total current assets	316,066	313,144	30,832	49,449
Total assets	1,681,884	1,708,936	911,177	930,439

* As at 30 June 2020, the Group has bank overdrafts amounting to US\$125.8 million (31 December 2019: US\$81.8 million) which have been netted against cash at banks as the Group has the legal rights to set off the overdrafts against the cash at banks, which are with the same banks.

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

	Group		Company	
	30 Jun 2020	31 Dec 2019	30 Jun 2020	31 Dec 2019
	US\$'000	US\$'000	US\$'000	US\$'000
LIABILITIES				
Current liabilities				
Trade payables	22,926	19,159	52	-
Other payables and accruals	26,408	35,136	1,778	3,308
Advances from customers	3,084	2,585	-	-
Loans and borrowings from financial institutions	51,875	48,147	50,010	45,010
Islamic medium term notes	-	146,554	-	146,554
Derivative financial liabilities	3,651	52,029	3,478	51,956
Provision for tax	7,553	10,846	787	787
Total current liabilities	115,497	314,456	56,105	247,615
Non-current liabilities				
Loans and borrowings from financial institutions	314,144	118,986	312,208	116,571
Islamic medium term notes	93,358	97,631	93,358	97,631
Derivative financial liabilities	36,318	27,007	36,318	27,007
Provision for post-employment benefits	27,681	27,425	-	-
Deferred tax liabilities	15,484	21,529	363	373
Total non-current liabilities	486,985	292,578	442,247	241,582
Total liabilities	602,482	607,034	498,352	489,197
Net assets	1,079,402	1,101,902	412,825	441,242
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	(108,957)	(62,040)	202	9,696
Retained earnings	700,033	676,423	17,710	36,633
Equity attributable to owners of the Company	1,021,005	1,044,312	412,825	441,242
Non-controlling interests	58,397	57,590	-	-
Total equity	1,079,402	1,101,902	412,825	441,242

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 2020			As at 31 Dec 2019		
	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	1,865	50,010	51,875	3,137	191,564	194,701
Amount repayable after one year	1,936	405,566	407,502	2,415	214,202	216,617
Total	3,801	455,576	459,377	5,552	405,766	411,318

Details of any collateral

Certain of the Group's bearer plants, land use rights and property plant and equipment are pledged to secure facilities from financial institutions.

As at 30 June 2020, the Group has undrawn committed unsecured credit facilities available of US\$100.0 million, which may be utilised for the Group's general corporate purposes.

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	
	1H 2020	1H 2019
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	62,892	40,812
Adjustments for:		
Depreciation of bearer plants and property, plant and equipment	35,987	32,683
Amortisation of land use rights and intangible assets	3	1,066
Gains on disposal of bearer plants and property, plant and equipment	(107)	(128)
Financial expenses	9,692	8,544
Interest income	(1,116)	(855)
Losses on derivative financial instruments	254	760
Operating cash flows before changes in working capital	107,605	82,882
Changes in working capital:		
Inventories	(6,811)	13,255
Receivables and other assets	16,648	(4,685)
Payables and other liabilities	(1,531)	(3,595)
Unrealised translation differences	(99)	(1,809)
Cash flows generated from operations	115,812	86,048
Financial expenses paid	(10,001)	(8,314)
Interest income received	1,216	836
Tax paid	(14,647)	(38,405)
Net cash generated from operating activities	92,380	40,165

1(c) Statement of cash flows (continued)

	Group	
	1H 2020	1H 2019
	US\$'000	US\$'000
Cash flows from investing activities		
Capital expenditure on bearer plants	(9,717)	(11,346)
Capital expenditure on property, plant and equipment	(35,357)	(23,251)
Decrease/(increase) in advances for purchase of property, plant and equipment	4,959	(8,160)
Increase in plasma receivables	(4,307)	(6,024)
Additions to land use rights	(233)	(459)
Proceeds from disposal of bearer plants and property, plant and equipment	170	143
Net cash used in investing activities	(44,485)	(49,097)
Cash flows from financing activities		
Proceeds from bank loans	227,900	37,713
Repayment of bank loans	(27,500)	(13,750)
Payment of obligations under lease liabilities	(1,579)	(1,713)
Decrease/(increase) in restricted cash balances	41,301	(1,955)
Dividends paid	(19,638)	(23,242)
Repayment of Islamic medium term notes	(198,020)	-
Proceeds from equity contribution by non-controlling interests	-	19
Purchase of treasury shares	(1,394)	-
Net cash generated from/(used in) financing activities	21,070	(2,928)
Net increase/(decrease) in cash and cash equivalents	68,965	(11,860)
Effect of exchange rate changes on cash and cash equivalents	(625)	60
Cash and cash equivalents at the beginning of the financial period	59,022	55,359
Cash and cash equivalents at the end of the financial period	127,362	43,559
Add: Restricted cash balances	1,688	46,495
Total cash and bank balances	129,050	90,054

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 2020	394,913	35,016	(62,040)	676,423	1,044,312	57,590	1,101,902
Profit for the period	-	-	-	43,248	43,248	2,311	45,559
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	(7,853)	-	(7,853)	-	(7,853)
Foreign currency translation	-	-	(37,670)	-	(37,670)	(1,504)	(39,174)
Other comprehensive income for the period, net of tax	-	-	(45,523)	-	(45,523)	(1,504)	(47,027)
Total comprehensive income for the period	-	-	(45,523)	43,248	(2,275)	807	(1,468)
<u>Distributions to owners</u>							
Dividends paid	-	-	-	(19,638)	(19,638)	-	(19,638)
Purchase of treasury shares	-	-	(1,394)	-	(1,394)	-	(1,394)
Total transactions with owners in their capacity as owners	-	-	(1,394)	(19,638)	(21,032)	-	(21,032)
At 30 Jun 2020	394,913	35,016	(108,957)	700,033	1,021,005	58,397	1,079,402
At 1 Jan 2019	394,913	35,016	(115,119)	617,355	932,165	53,850	986,015
Profit for the period	-	-	-	29,255	29,255	1,136	30,391
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	(4,596)	-	(4,596)	-	(4,596)
Foreign currency translation	-	-	30,369	-	30,369	1,212	31,581
Other comprehensive income for the period, net of tax	-	-	25,773	-	25,773	1,212	26,985
Total comprehensive income for the period	-	-	25,773	29,255	55,028	2,348	57,376
<u>Distributions to owners</u>							
Dividends paid	-	-	-	(23,242)	(23,242)	-	(23,242)
<u>Changes in ownership interests in subsidiaries</u>							
Equity contribution by non-controlling interests	-	-	-	-	-	19	19
Total transactions with owners in their capacity as owners	-	-	-	(23,242)	(23,242)	19	(23,223)
At 30 Jun 2019	394,913	35,016	(89,346)	623,368	963,951	56,217	1,020,168

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 2020	394,913	9,696	36,633	441,242
Profit for the period	-	-	715	715
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(8,100)	-	(8,100)
Total comprehensive income for the period	-	(8,100)	715	(7,385)
<u>Distributions to owners</u>				
Dividends paid	-	-	(19,638)	(19,638)
Purchase of treasury shares	-	(1,394)	-	(1,394)
Total transactions with owners in their capacity as owners	-	(1,394)	(19,638)	(21,032)
At 30 Jun 2020	394,913	202	17,710	412,825
At 1 Jan 2019	394,913	12,507	40,877	448,297
Profit for the period	-	-	21,961	21,961
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(4,683)	-	(4,683)
Total comprehensive income for the period	-	(4,683)	21,961	17,278
<u>Distributions to owners</u>				
Dividends paid	-	-	(23,242)	(23,242)
Total transactions with owners in their capacity as owners	-	-	(23,242)	(23,242)
At 30 Jun 2019	394,913	7,824	39,596	442,333

Other Reserves

Group	As at		
	30 Jun 2020	31 Dec 2019	30 Jun 2019
	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	(29,096)
Revaluation reserve	279	279	279
Treasury shares	(1,394)	-	-
Gain on sale of treasury shares	10,322	10,322	10,322
Hedging reserve	(8,872)	(1,019)	(2,804)
Foreign translation reserve	(80,196)	(42,526)	(68,047)
Total other reserves	(108,957)	(62,040)	(89,346)

Company	As at		
	30 Jun 2020	31 Dec 2019	30 Jun 2019
	US\$'000	US\$'000	US\$'000
Treasury shares	(1,394)	-	-
Gain on sale of treasury shares	10,322	10,322	10,322
Hedging reserve	(9,119)	(1,019)	(2,891)
Foreign translation reserve	393	393	393
Total other reserves	202	9,696	7,824

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 the number of shares that may be issued on conversion of all the outstanding convertibles, if any, against the total number of issued shares excluding treasury shares and subsidiary holdings 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. State also the number of shares held as treasury shares and the number of subsidiary holdings, if any, and the percentage of the aggregate number of treasury shares and subsidiary holdings held against the total number of shares outstanding in a class that is listed 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.

	Company	
	30 Jun 2020	30 Jun 2019
Number of issued shares excluding treasury shares and subsidiary holdings of the Company		
At 1 January	1,584,072,969	1,584,072,969
Purchase of treasury shares	(1,388,500)	-
At 30 June	1,582,684,469	1,584,072,969
Number of treasury shares	1,388,500	-

As at 30 June 2020, the number of treasury shares represented 0.09% (30 June 2019: Nil) of the total number of issued shares.

There were no shares that may be issued upon conversion of any outstanding convertibles as at 30 June 2020 and 30 June 2019.

There were no subsidiary holdings as at 30 June 2020 and 30 June 2019.

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 2020 and 31 December 2019 were 1,582,684,469 and 1,584,072,969 respectively.

1(d)(iv) A statement showing all sales, transfers, cancellation and/or use of treasury shares as at the end of the current financial period reported on

Not applicable.

1(d)(v) A statement showing all sales, transfers, cancellation and/or use of subsidiary holdings 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 modifications or emphasis of a matter)

Not applicable.

3A. Where the latest financial statements are subject to an adverse opinion, qualified opinion or disclaimer of opinion:-

(a) Updates on the efforts taken to resolve each outstanding audit issue.

(b) Confirmation from the Board that the impact of all outstanding audit issues on the financial statements have been adequately disclosed.

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 accounting policies and methods of computation applied by the Group and Company are consistent with those used in the previous financial year except for the new and revised standards that are effective for annual periods beginning on or after 1 January 2020. The adoption of these standards has no significant impact to the Group and the Company.

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	
	1H 2020	1H 2019
Weighted average number of shares applicable to basic EPS computation	1,583,213,276	1,584,072,969
Weighted average number of shares based on fully diluted basis	1,583,213,276	1,584,072,969
EPS - basic (US cents)	2.73	1.85
EPS - diluted (US cents)	2.73	1.85

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 2020 US\$	31 Dec 2019 US\$	30 Jun 2020 US\$	31 Dec 2019 US\$
Net asset value per ordinary share	0.65	0.66	0.26	0.28

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

	1H 2020	1H 2019	Change
	Tonne	Tonne	%
Plantations and Palm Oil Mills			
- Crude palm oil	401,827	368,375	9.1%
- Palm kernel	90,599	78,829	14.9%
Refinery and Processing	475,650	563,288	(15.6%)

Note: Sales volume include inter-segment sales

SALES

	1H 2020	1H 2019	Change
	US\$'000	US\$'000	%
Plantations and Palm Oil Mills			
- Crude palm oil	221,357	175,299	26.3%
- Palm kernel	27,906	24,464	14.1%
- Fresh fruit bunches	5,173	7,132	(27.5%)
	254,436	206,895	23.0%
Refinery and Processing	272,362	284,829	(4.4%)
Inter-segment elimination	(248,586)	(198,691)	25.1%
Total Sales	278,212	293,033	(5.1%)

EBITDA

	1H 2020	1H 2019	Change
	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	104,478	67,084	55.7%
Refinery and Processing	9,937	3,042	226.7%
Inter-segment elimination	(7,466)	11,418	n.m.
Total EBITDA	106,949	81,544	31.2%

n.m. – not meaningful

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a 47.8% increase in net profit to US\$43.2 million in 1H2020, and profit from operations of US\$71.0 million as compared to US\$47.8 million in 1H2019. The Group's better financial results in 1H2020 were boosted by the stronger palm oil prices, partially offset by lower sales volumes of palm based products.

Sales

Sales dipped by 5.1% to US\$278.2 million in 1H2020, primarily due to the lower sales volumes of palm based products, partially offset by higher 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 21.2% to US\$164.1 million in 1H2020, mainly due to the lower sales volumes of palm based products.

Gross Profit

Gross profit improved by 34.8% to US\$114.1 million in 1H2020 with gross profit margin coming in at 41.0% (1H2019: 28.9%), mainly due to the higher average selling prices.

Selling and Distribution costs

Selling and distribution expenses increased by 40.6% to US\$30.9 million in 1H2020, mainly due to the higher export taxes.

General and Administrative expenses

General and administrative expenses came in at US\$12.2 million for 1H2020, a decrease of 11.9% against the corresponding period last year, mainly due to the lower employee related costs and other administrative expenses incurred.

EBITDA

The Group's EBITDA increased by 31.2% to US\$106.9 million in 1H2020, mainly driven by the higher average selling prices.

Gains on Foreign Exchange

The Group recorded gains on foreign exchange of US\$0.7 million in 1H2020 as compared to US\$0.2 million in 1H2019. The gains on foreign exchange arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

Losses on Derivative Financial Instruments

The Group recorded losses on derivative financial instruments of US\$0.3 million in 1H2020 (1H2019: US\$0.8 million). These arose primarily from financial instruments entered into by the Group to hedge its exposure to commodity price and foreign currency movements during the course of its business.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

Net Financial Expenses

	1H 2020	1H 2019	Change
	US\$'000	US\$'000	%
Interest expenses and amortisation on loans and borrowings from financial institutions	4,115	2,517	63.5%
Profit distribution and amortisation on Islamic medium term notes	5,577	6,027	(7.5%)
	9,692	8,544	13.4%
Interest income	(1,116)	(855)	30.5%
Net financial expenses	8,576	7,689	11.5%

The Group's net financial expenses increased by 11.5% to US\$8.6 million in 1H2020, mainly due to the increase in interest expenses from drawdown of bank loans, partially offset by the reduction in financial expenses from repayment of Islamic medium term notes.

Tax Expense and Net Profit

Tax expense increased to US\$17.3 million in 1H2020 (1H2019: US\$10.4 million), along with the higher taxable income of the Group. The effective tax rate for the Group included the effects of withholding tax expense on income received from foreign subsidiaries as well as deferred tax adjustments to take into consideration changes in tax rates enacted during the period.

As a result of the foregoing, profit attributable to owners of the Company came in at US\$43.2 million in 1H2020 as compared to US\$29.3 million in 1H2019.

REVIEW OF BALANCE SHEET

Total assets of the Group decreased from US\$1,708.9 million as at 31 December 2019 to US\$1,681.9 million as at 30 June 2020. Non-current assets decreased by 2.1% to US\$1,365.8 million, mainly due the depreciation of Indonesian Rupiah ("IDR") against United States Dollar ("USD") during the period partially offset by the Group's capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment. The Group's current assets increased slightly by 0.9% to US\$316.1 million, mainly contributed by the higher cash and bank balances, partially offset by the lower prepaid taxes and trade receivables.

Total liabilities of the Group decreased marginally by 0.7% from US\$607.0 million as at 31 December 2019 to US\$602.5 million as at 30 June 2020.

Gross borrowings increased by US\$48.1 million to US\$459.4 million as at 30 June 2020 (31 December 2019: US\$411.3 million), mainly due to the drawdown of new bank loans partially offset by the repayment of Islamic medium term notes during the period.

Taking into consideration the increase in cash and bank balances during the period, net borrowings increased from US\$309.3 million as at 31 December 2019 to US\$330.3 million as at 30 June 2020, with net gearing at 0.31x (31 December 2019: 0.28x).

The Group's total equity decreased by 2.0% from US\$1,101.9 million as at 31 December 2019 to US\$1,079.4 million as at 30 June 2020, mainly attributable to the foreign currency translation losses from the depreciation of IDR against USD during the period.

8. Review of Group Performance (continued)

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US\$92.4 million from its operating activities in 1H2020 as compared to US\$40.2 million in 1H2019, mainly due to the higher average selling prices, partially offset by the lower sales volumes.

Net cash used in investing activities amounted to US\$44.5 million in 1H2020 (1H2019: US\$49.1 million), primarily relating to the Group's capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment.

Net cash generated from financing activities during 1H2020 came in at US\$21.1 million, as compared to net cash used of US\$2.9 million in 1H2019. The higher cash generated from financing activities in 1H2020 mainly arose from a net drawdown of bank loans and reduction in restricted cash balances amounting to US\$200.4 million and US\$41.3 million respectively, partially offset by repayment of Islamic medium term notes of US\$198.0 million.

Overall, the Group registered an increase in cash and cash equivalents of US\$69.0 million in 1H2020, bringing the Group's cash and bank balances to US\$129.1 million as at 30 June 2020.

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

Whilst the economic impact from the COVID-19 pandemic continues to be felt globally, the gradual opening of major markets and restocking of palm oil inventories by importing countries have contributed to the recovery in palm oil prices in recent weeks.

Looking forward, the Group expects the supply-demand dynamics of the palm oil industry to be supported by limited industry supply growth and Indonesia's steady realisation of its B30 biodiesel mandate, although macro developments in the US-China trade relations and crude oil market will continue to influence agricultural commodity prices.

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	1.00 Singapore cent
Tax Rate	1-tier tax-exempt

11. Dividends (continued)

(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	0.625 Singapore cents
Tax Rate	1-tier tax-exempt

(c) Date payable

10 September 2020.

(d) Record date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 4 September 2020 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 3 September 2020 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 3 September 2020 will be entitled to the interim dividend.

12. If no dividend has been declared or recommended, a statement to that effect and the reason(s) for the decision

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

Name of Interested Person	Nature of relationship	Aggregate value of all interested person transactions during the financial period under review (excluding transactions less than S\$100,000 and transactions conducted under shareholders' mandate pursuant to Rule 920)	Aggregate value of all interested person transactions conducted under shareholders' mandate pursuant to Rule 920 (excluding transactions less than S\$100,000)
		US\$'000	US\$'000
Eight Capital Advisors Pte. Ltd.	Associate of Eight Capital Inc.	-	160
PT Riau Agung Karya Abadi	Associate of Eight Capital Inc.	-	3,393
PT Marsam Citra Adi Perkasa	Associate of Eight Capital Inc.	110	4,987
PT Ketapang Hijau Lestari	Associate of Eight Capital Inc.	55	2,712
PT Borneo Bhakti Sejahtera	Associate of Eight Capital Inc.	41	8,774
PT Setia Agro Utama	Associate of Eight Capital Inc.	41	-
PT Surya Dumai Industri	Associate of Ciliandra Fangiono & Fang Zhixiang	-	148
Total		247	20,174

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 half year ended 30 June 2020 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. Confirmation of Directors and Executive Officers' Undertakings pursuant to Rule 720(1) of the Listing Manual

The Company hereby confirms that it has procured undertakings from its directors and executive officers under Rule 720(1) of the Listing Manual.

BY ORDER OF THE BOARD

Ciliandra Fangiono

Director and Chief Executive Officer

14 August 2020