



FOR IMMEDIATE RELEASE

First Resources' 1H2020 net profit grew 48% to US\$43.2 million on stronger palm oil prices

- Overall results boosted by higher average selling prices achieved
- Declares an interim dividend of 1.00 Singapore cent per share

FINANCIAL HIGHLIGHTS (Half year ended 30 June)

US\$ 'million	1H2020	1H2019	Change
Sales	278.2	293.0	(5.1%)
Gross Profit	114.1	84.7	34.8%
EBITDA⁽¹⁾	106.9	81.5	31.2%
Net Profit⁽²⁾	43.2	29.3	47.8%

(1) Profit from operations before depreciation and amortisation.

(2) Profit attributable to owners of the Company.

Singapore, 14 August 2020 – First Resources Limited (“First Resources” or the “Group”), today announced a 48% year-on-year (“yoy”) surge in net profit to US\$43.2 million for the half year ended 30 June 2020 (“1H2020”), while EBITDA over the period rose 31.2% to US\$106.9 million. This was despite a slight 5.1% dip in sales to US\$278.2 million.

First Resources attributed its better financial performance for the first half of the year to the higher average selling prices achieved for its crude palm oil (“CPO”) and refined products, despite a decline in sales volumes.

The Group maintained its healthy balance sheet position with net gearing ratio at 0.31 times and cash and bank balances of US\$129.1 million as at 30 June 2020. On the back of its strong financial position, First Resources has declared an interim dividend of 1.00 Singapore cent per share.

Production volumes of fresh fruit bunches (“FFB”) in 1H2020 remained resilient at 1,459,549 tonnes (1H2019: 1,455,796 tonnes) with CPO production rising 6.6% yoy to 371,182 tonnes in 1H2020 as compared to 348,102 tonnes in 1H2019. The Group's FFB and CPO yields in 1H2020 also remained stable at 7.3 tonnes and 1.7 tonnes per hectare respectively.

Mr Ciliandra Fangiono, CEO of First Resources, said: *“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 ahead, we expect 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.”

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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 centred 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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