



FOR IMMEDIATE RELEASE

First Resources delivers profitability growth in FY2020 on stronger palm oil prices; raises dividend payout ratio

- Performance lifted by higher average selling prices
- Proposes a final dividend of 2.00 Singapore cents per share
- Revises dividend policy to distribute up to 50% of underlying net profit

FINANCIAL HIGHLIGHTS (12 months ended 31 December)

US\$' million	FY2020	FY2019	Change
Sales	660.4	614.9	7.4%
Gross Profit	292.4	227.2	28.7%
EBITDA⁽¹⁾	259.2	218.8	18.5%
Net Profit⁽²⁾	99.7	89.1	11.8%
Underlying Net Profit⁽³⁾	97.1	89.1	9.0%

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

Singapore, 26 February 2021 – Buoyed by the improvement in palm oil prices, **First Resources Limited** (“**First Resources**” or the “**Group**”) achieved healthy year-on-year growth of 7.4% in sales and 9.0% in underlying net profit for the 12 months ended 31 December 2020 (“**FY2020**”), with EBITDA coming in at US\$259.2 million, an increase of 18.5% against the preceding year.

The better financial performance was achieved despite a slight dip in production volumes and yields during the year under review, with fresh fruit bunches (“**FFB**”) harvested declining by 2.6% to 3,273,584 tonnes and FFB yield coming in at 16.4 tonnes per hectare in FY2020 as compared to 17.0 tonnes per hectare a year ago. Crude palm oil (“**CPO**”) yield also declined marginally from 3.9 tonnes per hectare in FY2019 to 3.8 tonnes per hectare in FY2020, while CPO production increased by 5.4% to 855,668 tonnes in FY2020.

The Group's financial position remains healthy with net gearing ratio at 0.22 times and cash and bank balances of US\$195.1 million as at 31 December 2020.

The Board of Directors has proposed a final dividend of 2.00 Singapore cents per share for the current financial year ended 31 December 2020, which will bring the full year ordinary dividend to 3.00 Singapore cents per share, representing 37% of the Group's underlying net profit. Backed by its strong balance sheet, First Resources' dividend policy will also be revised going forward to distribute up to 50% of the Group's underlying net profit annually, an increase from the 30% previously.

Mr Ciliandra Fangiono, CEO of First Resources, said: *“Lower-than-expected supply of palm and other edible oils, restocking of palm oil inventories by importing countries and Indonesia's continued commitment to its biodiesel mandate have contributed to the strong rally in palm oil prices during the second half of 2020.*

“Looking ahead, overall healthy rainfall in 2020 is expected to be conducive for production recovery in 2021. Progress in the COVID-19 situation, as well as other macro developments such as changes to the import and export tax structures in consuming and producing countries and the supply-demand dynamics of competing edible oils, will continue to exert an influence over palm oil prices.”

-- END --

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.

If you need further information, please contact:

August Consulting

Janice Ong, janiceong@august.com.sg

Wrisney Tan, wrisneytan@august.com.sg

Tel: +65 6733 8873

First Resources Limited

Tan Xiao Han, xiaohan.tan@first-resources.com

Tel: +65 6602 0200