



FOR IMMEDIATE RELEASE

First Resources achieves revenue growth of 48.4% and EBITDA of US\$95.5 million in 1H2021

- Revenue boosted by stronger production volumes and palm oil prices although earnings were dampened by higher export taxes
- Declares an interim dividend of 1.25 Singapore cents per share

FINANCIAL HIGHLIGHTS (Half year ended 30 June)

US\$ 'million	1H2021	1H2020⁽⁴⁾	Change
Sales	412.9	278.2	48.4%
Gross Profit	173.3	114.1	51.9%
EBITDA⁽¹⁾	95.5	106.9	(10.7%)
Net Profit⁽²⁾	32.6	39.1	(16.7%)
Underlying Net Profit⁽³⁾	30.1	42.1	(28.4%)

⁽¹⁾ Profit from operations before depreciation, amortisation and gain/(loss) 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 gain/(loss) arising from changes in fair value of biological assets.

⁽⁴⁾ Restated to take into account the fair valuation of biological assets and amortisation of land use rights so as to be comparable with 1H2021.

Singapore, 13 August 2021 – First Resources Limited (“First Resources” or the “Group”), achieved a 48.4% year-on-year (“YoY”) surge in sales to US\$412.9 million for the half year ended 30 June 2021 (“1H2021”), while EBITDA and net profit for the same period declined by 10.7% to US\$95.5 million and 16.7% to US\$32.6 million respectively.

The topline improvement was driven by a combination of the higher average selling prices and the stronger production and sales volumes achieved by the Group. Gross profit margin remained resilient at 42.0% as compared to 41.0% in the same period last year. However, this did not translate to net profit growth due to the impact of higher export taxes from the progressive export levy structure implemented in Indonesia since December 2020.

Effective 2 July 2021, Indonesia has reduced its export levies for palm oil products, which will help to reduce the export tax burden for exporters in the second half of the year. Under the revised levy structure, the incremental levy on crude palm oil (“CPO”) payable by exporters for

every US\$50 per tonne of increase in market CPO price was reduced from US\$30 per tonne to US\$20 per tonne, whilst the maximum levy payable for every tonne of CPO exported was lowered by US\$80 per tonne.

As at 30 June 2021, the Group maintained its healthy balance sheet position with net gearing ratio at 0.19 times and cash and bank balances of US\$205.3 million. On the back of its healthy financial position, First Resources has declared an interim dividend of 1.25 Singapore cents per share.

During the period under review, the Group's production volumes came in strongly, with fresh fruit bunches ("**FFB**") harvested increasing by 11.3% YoY to 1,623,915 tonnes in 1H2021 while CPO production rose 15.4% YoY to 428,408 tonnes. These were driven by overall yield improvements, with the Group's FFB yield increasing from 7.3 tonnes per hectare in 1H2020 to 8.2 tonnes per hectare in 1H2021 and CPO yield coming in at 1.9 tonnes per hectare in 1H2021 as compared to 1.7 tonnes per hectare in 1H2020.

The Group expects its output growth to continue for the rest of the year as it enters the production up-cycle that typically takes place in the third and fourth quarters.

Mr Ciliandra Fangiono, CEO of First Resources, said: *"Palm oil prices had been volatile during the first half of the year, driven by price movements in the rest of the vegetable oil complex and expectations of impending changes to the export levy structure in Indonesia. Since then, prices have rallied on supply concerns for palm and other edible oils and in anticipation of improved demand from the lowering of import taxes by India.*

"Looking ahead, palm's attractive relative pricing against competing edible oils is expected to lend support to prices whilst the lower export levy in Indonesia will help to reduce the export tax burden for exporters in the second half of the year."

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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.

For more information, please visit www.first-resources.com.

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