



FIRST RESOURCES LIMITED

Unaudited Financial Statements for the First Quarter Ended 31 March 2017

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		
	1Q 2017	1Q 2016	Change
	US\$'000	US\$'000	(%)
Sales	194,146	113,121	71.6%
Cost of sales	(102,146)	(78,307)	30.4%
Gross profit	92,000	34,814	164.3%
Selling and distribution costs	(12,515)	(11,590)	8.0%
General and administrative expenses	(7,006)	(6,377)	9.9%
Other operating expenses	(376)	(380)	(1.1%)
Profit from operations	72,103	16,467	337.9%
Gains on foreign exchange	1,839	556	230.8%
Gains/(losses) on derivative financial instruments	606	(1,146)	n.m.
Net financial expenses	(5,780)	(6,132)	(5.7%)
Other non-operating expenses	(469)	(423)	10.9%
Profit before tax	68,299	9,322	632.7%
Tax expense	(17,405)	(3,711)	369.0%
Profit for the period	50,894	5,611	807.0%
Profit attributable to:			
Owners of the Company	48,481	5,345	807.0%
Non-controlling interests	2,413	266	807.1%
	50,894	5,611	807.0%

n.m. – not meaningful

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

	Group		
	1Q 2017	1Q 2016	Change
	US\$'000	US\$'000	(%)
Profit for the period	50,894	5,611	807.0%
Other comprehensive income:			
Items that may be reclassified subsequently to profit or loss			
Fair value gains on cash flow hedges	8,544	43,466	(80.3%)
Fair value gains on cash flow hedges transferred to the income statement	(5,594)	(44,780)	(87.5%)
Foreign currency translation	9,331	44,636	(79.1%)
Other comprehensive income for the period, net of tax	12,281	43,322	(71.7%)
Total comprehensive income for the period	63,175	48,933	29.1%
Total comprehensive income attributable to:			
Owners of the Company	60,335	46,882	28.7%
Non-controlling interests	2,840	2,051	38.5%
	63,175	48,933	29.1%

Additional Information

	Group		
	1Q 2017	1Q 2016	Change
	US\$'000	US\$'000	(%)
EBITDA			
Profit from operations	72,103	16,467	337.9%
Depreciation and amortisation	15,470	13,302	16.3%
EBITDA	87,573	29,769	194.2%
EBITDA margin	45.1%	26.3%	

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	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS				
Non-current assets				
Bearer plants	627,437	623,176	-	-
Plasma plantation receivables	92,055	80,159	-	-
Property, plant and equipment	330,608	328,618	6,440	6,758
Land use rights	40,428	40,584	-	-
Investment in subsidiaries	-	-	523,527	523,527
Goodwill	88,067	87,313	-	-
Other intangible assets	22,705	22,564	2	15
Tax recoverable	35,835	40,586	-	-
Deferred tax assets	42,052	41,207	113	19
Loan to subsidiary	-	-	370,000	-
Other non-current assets	361	432	-	-
Total non-current assets	1,279,548	1,264,639	900,082	530,319
Current assets				
Biological assets	24,768	24,556	-	-
Inventories	61,525	78,203	-	-
Trade receivables	53,916	23,613	-	-
Other receivables	12,415	11,986	196	1,869
Derivative financial assets	6,220	1,933	94	-
Advances for purchase of plant, property and equipment	7,084	9,662	-	-
Other advances and prepayments	11,332	3,130	2,062	379
Prepaid taxes	18,609	23,584	-	-
Restricted cash balances	143,903	150,312	142,957	149,367
Cash and cash equivalents (Note A)	158,914	107,933	29,327	377,504
Total current assets	498,686	434,912	174,636	529,119
Total assets	1,778,234	1,699,551	1,074,718	1,059,438

Note A:

As at 31 March 2017, the Group has cash at bank amounting to US\$106.0 million (31 December 2016: US\$516.9 million) which have been netted against bank overdrafts as the Group has the legal rights to set off the cash at bank against the overdrafts, which are with the same bank.

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

	Group		Company	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	US\$'000	US\$'000	US\$'000	US\$'000
LIABILITIES				
Current liabilities				
Trade payables	32,945	26,056	9	60
Other payables and accruals	36,968	30,912	10,756	8,634
Advances from customers	93	660	-	-
Loans and borrowings from financial institutions	1,428	1,672	-	-
Islamic medium term notes	225,725	222,542	225,725	222,542
Derivative financial liabilities	98,884	101,329	95,095	99,294
Provision for tax	20,502	18,122	541	499
Total current liabilities	416,545	401,293	332,126	331,029
Non-current liabilities				
Loans and borrowings from financial institutions	1,623	1,346	-	-
Islamic medium term notes	225,361	222,291	225,361	222,291
Derivative financial liabilities	105,727	109,430	105,727	109,430
Provision for post-employment benefits	17,089	16,537	-	-
Deferred tax liabilities	22,531	22,471	-	-
Total non-current liabilities	372,331	372,075	331,088	331,721
Total liabilities	788,876	773,368	663,214	662,750
Net assets	989,358	926,183	411,504	396,688
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	(370,417)	(382,271)	(811)	(2,595)
Retained earnings	881,996	833,515	17,402	4,370
Equity attributable to owners of the Company	941,508	881,173	411,504	396,688
Non-controlling interests	47,850	45,010	-	-
Total equity	989,358	926,183	411,504	396,688

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 31 Mar 2017			As at 31 Dec 2016		
	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	1,428	225,725	227,153	1,672	222,542	224,214
Amount repayable after one year	1,623	225,361	226,984	1,346	222,291	223,637
Total	3,051	451,086	454,137	3,018	444,833	447,851

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 31 March 2017, the Group has bank loans and bank deposits amounting to US\$100.0 million (31 December 2016: US\$300.0 million) respectively, which have been netted against each other as the Group has the legal rights to set off the deposits against the loans. Both the loans and deposits have the same maturity terms of less than one year from the end of the reporting period and are with the same bank.

As at 31 March 2017, the Group has obtained committed unsecured credit facilities of US\$200.0 million, which may be utilised for the refinancing of the Islamic medium term notes due on 31 July 2017 and 8 December 2017 as well as 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	
	1Q 2017	1Q 2016
	US\$'000	US\$'000
Cash flows from operating activities		
Profit before tax	68,299	9,322
Adjustments for:		
Depreciation of bearer plants and property, plant and equipment	15,040	12,848
Amortisation of land use rights and intangible assets	430	454
Gains on disposal of property, plant and equipment	(8)	(32)
Financial expenses	5,971	6,533
Interest income	(191)	(401)
(Gains)/losses on derivative financial instruments	(606)	1,146
Operating cash flows before changes in working capital	88,935	29,870
Changes in working capital:		
Inventories	17,418	(2,168)
Receivables and other assets	(31,284)	12,884
Payables and other liabilities	11,127	6,653
Unrealised translation differences	(2,170)	(1,468)
Cash flows generated from operations	84,026	45,771
Financial expenses paid	(3,709)	(4,151)
Interest income received	160	451
Tax paid	(14,592)	(12,654)
Net cash generated from operating activities	65,885	29,417

1(c) Statement of cash flows (continued)

	Group	
	1Q 2017	1Q 2016
	US\$'000	US\$'000
Cash flows from investing activities		
Capital expenditure on bearer plants	(12,913)	(9,215)
Capital expenditure on property, plant and equipment	(8,072)	(7,191)
Decrease/(increase) in advances for purchase of property, plant and equipment	2,656	(21)
Increase in plasma plantation receivables	(2,651)	(534)
Acquisition of other intangible assets	(48)	-
Proceeds from disposal of property, plant and equipment	19	40
Net cash used in investing activities	(21,009)	(16,921)
Cash flows from financing activities		
Repayment of bank loans	-	(27,317)
Payment of obligations under finance leases	(555)	(673)
Decrease in restricted cash balances	6,409	35,040
Net cash generated from financing activities	5,854	7,050
Net increase in cash and cash equivalents	50,730	19,546
Effect of exchange rate changes on cash and cash equivalents	251	470
Cash and cash equivalents, at the beginning of the financial period	107,933	61,925
Cash and cash equivalents, at the end of the financial period (Note B)	158,914	81,941
<u>Note B</u>		
Reconciliation of cash and cash equivalents:		
Cash at banks and on hand	131,107	81,670
Time deposits	27,807	271
Cash and cash equivalents	158,914	81,941
Restricted cash balances	143,903	108,451
Cash and bank balances	302,817	190,392

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	US\$'000	US\$'000
At 1 Jan 2017	394,913	35,016	(382,271)	833,515	881,173	45,010	926,183
Profit for the period	-	-	-	48,481	48,481	2,413	50,894
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	2,950	-	2,950	-	2,950
Foreign currency translation	-	-	8,904	-	8,904	427	9,331
Other comprehensive income for the period, net of tax	-	-	11,854	-	11,854	427	12,281
Total comprehensive income for the period	-	-	11,854	48,481	60,335	2,840	63,175
At 31 Mar 2017	394,913	35,016	(370,417)	881,996	941,508	47,850	989,358
At 1 Jan 2016	394,913	35,016	(423,798)	729,940	736,071	38,320	774,391
Profit for the period	-	-	-	5,345	5,345	266	5,611
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	(1,314)	-	(1,314)	-	(1,314)
Foreign currency translation	-	-	42,851	-	42,851	1,785	44,636
Other comprehensive income for the period, net of tax	-	-	41,537	-	41,537	1,785	43,322
Total comprehensive income for the period	-	-	41,537	5,345	46,882	2,051	48,933
At 31 Mar 2016	394,913	35,016	(382,261)	735,285	782,953	40,371	823,324

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 2017	394,913	(2,595)	4,370	396,688
Profit for the period	-	-	13,032	13,032
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	1,784	-	1,784
Total comprehensive income for the period	-	1,784	13,032	14,816
At 31 Mar 2017	394,913	(811)	17,402	411,504
At 1 Jan 2016	394,913	(14,513)	1,693	382,093
Profit for the period	-	-	14,657	14,657
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(1,314)	-	(1,314)
Total comprehensive income for the period	-	(1,314)	14,657	13,343
At 31 Mar 2016	394,913	(15,827)	16,350	395,436

Other Reserves

	Group			Company		
	As at			As at		
	31 Mar 2017	31 Dec 2016	31 Mar 2016	31 Mar 2017	31 Dec 2016	31 Mar 2016
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	(29,096)	-	-	-
Revaluation reserve	279	279	279	-	-	-
Gain on sale of treasury shares	10,322	10,322	10,322	10,322	10,322	10,322
Hedging reserve	(8,934)	(11,884)	(26,542)	(11,526)	(13,310)	(26,542)
Foreign translation reserve	(342,988)	(351,892)	(337,224)	393	393	393
Total other reserves	(370,417)	(382,271)	(382,261)	(811)	(2,595)	(15,827)

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.

There were no changes to the Company issued and paid up share capital in the three months ended 31 March 2017.

	Company	
	31 Mar 2017	31 Mar 2016
Number of issued shares excluding treasury shares and subsidiary holdings of the Company	1,584,072,969	1,584,072,969

There were no shares that may be issued upon conversion of any outstanding convertibles as at 31 March 2017 and 31 March 2016.

The Company did not hold any treasury shares and there were no subsidiary holdings as at 31 March 2017 and 31 March 2016.

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 31 March 2017 and 31 December 2016 were 1,584,072,969.

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 qualifications or emphasis of matter)

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 Group has applied the same accounting policies and methods of computation in the preparation of the financial statements as at 31 December 2016 except for the new and revised standards which are effective for annual periods beginning on or after 1 January 2017.

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	
	1Q 2017	1Q 2016
Weighted average number of shares applicable to basic EPS computation	1,584,072,969	1,584,072,969
Weighted average number of shares based on fully diluted basis	1,584,072,969	1,584,072,969
EPS - basic (US cents)	3.06	0.34
EPS - diluted (US cents)	3.06	0.34

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	
	31 Mar 2017	31 Dec 2016	31 Mar 2017	31 Dec 2016
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.59	0.56	0.26	0.25

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:-
- (a) 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
 - (b) 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

	1Q 2017	1Q 2016	Change
	Tonne	Tonne	%
Plantations and Palm Oil Mills			
- Crude palm oil	164,924	152,005	8.5%
- Palm kernel	40,706	34,759	17.1%
Refinery and Processing	252,164	195,897	28.7%

Note: Sales volume include inter-segment sales

SALES

	1Q 2017	1Q 2016	Change
	US\$'000	US\$'000	%
Plantations and Palm Oil Mills			
- Crude palm oil	104,773	72,265	45.0%
- Palm kernel	25,484	12,299	107.2%
- Fresh fruit bunches	4,242	1,651	156.9%
	134,499	86,215	56.0%
Refinery and Processing	181,848	103,000	76.6%
Inter-segment elimination	(122,201)	(76,094)	60.6%
Total Sales	194,146	113,121	71.6%

EBITDA

	1Q 2017	1Q 2016	Change
	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	75,447	22,272	238.8%
Refinery and Processing	7,307	3,077	137.5%
Inter-segment elimination	4,819	4,420	9.0%
Total EBITDA	87,573	29,769	194.2%

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US\$48.5 million in 1Q2017 as compared to US\$5.3 million in 1Q2016 and profit from operations of US\$72.1 million as compared to US\$16.5 million in the corresponding period last year. The strong performance was mainly driven by higher palm oil prices and the Group's improved production volumes and yields as compared to the corresponding period last year.

Sales

Sales grew by 71.6% to US\$194.1 million in 1Q2017, driven by a combination of higher average selling prices and sales volumes.

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 ("FFB") and other palm oil products purchased from plasma farmers or third parties. The Group's cost of sales increased by 30.4% to US\$102.1 million in 1Q2017, mainly due to the effects from inventory drawdown as well as the higher operating costs and depreciation from the Group's increased mature plantation hectareage.

Gross Profit

Gross profit increased by 164.3% to US\$92.0 million in 1Q2017 and gross profit margin improved to 47.4% as compared to 30.8% in 1Q2016, mainly contributed by the higher average selling prices.

Selling and Distribution costs

Selling and distribution expenses, comprising mainly export taxes and freight charges, amounted to US\$12.5 million in 1Q2017 (1Q2016: US\$11.6 million). This increase was mainly due to the export taxes incurred on the higher export sales volumes of processed palm based products.

General and Administrative expenses

General and administrative expenses increased by 9.9% to US\$7.0 million in 1Q2017, mainly due to higher accruals for employee related costs.

EBITDA

The Group's EBITDA increased by 194.2% to US\$87.6 million in 1Q2017, mainly driven by the higher average selling prices and sales volumes.

Depreciation and Amortisation

Depreciation and amortisation increased by 16.3% to US\$15.5 million in 1Q2017, largely due to the higher depreciation from the Group's increased mature plantation hectareage, CPO mills and other property, plant and equipment.

Gains on Foreign Exchange

The Group recorded gains on foreign exchange of US\$1.8 million in 1Q2017 as compared to US\$0.6 million in 1Q2016. The gains on foreign exchange arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

Gains/(Losses) on Derivative Financial Instruments

The Group recorded gains on derivative financial instruments of US\$0.6 million in 1Q2017 (1Q2016: losses of US\$1.1 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.

Net Financial Expenses

Net financial expenses comprise interest expenses after deducting interest income. Net financial expenses amounted to US\$5.8 million in 1Q2017, a decrease of 5.7% from 1Q2016, mainly due to the decrease in interest expenses from working capital loans.

The following table reflects the computation of net financial expenses:

	1Q 2017	1Q 2016	Change
	US\$'000	US\$'000	%
Interest expenses and amortisation on loans and borrowings from financial institutions	60	556	(89.2%)
Profit distribution and amortisation on Islamic medium term notes	5,911	5,977	(1.1%)
	5,971	6,533	(8.6%)
Interest income	(191)	(401)	(52.4%)
Net financial expenses	5,780	6,132	(5.7%)

Tax Expense and Net Profit

Tax expense came in at US\$17.4 million in 1Q2017 (1Q2016: US\$3.7 million), along with the higher taxable income of the Group.

As a result of the foregoing, profit attributable to owners of the Company increased to US\$48.5 million in 1Q2017 as compared to US\$5.3 million in 1Q2016.

REVIEW OF BALANCE SHEET

Total assets of the Group increased from US\$1,699.6 million as at 31 December 2016 to US\$1,778.2 million as at 31 March 2017. Non-current assets increased by US\$14.9 million to US\$1,279.5 million, mainly due to the Group's capital expenditure on bearer plants and property, plant and equipment. The Group's current assets increased by 14.7% to US\$498.7 million, mainly contributed by the increase in cash and bank balances and trade receivables, partially offset by the lower inventories from a net drawdown in inventory volumes.

Total liabilities of the Group increased marginally by 2.0% from US\$773.4 million as at 31 December 2016 to US\$788.9 million as at 31 March 2017.

Gross borrowings increased by US\$6.3 million to US\$454.1 million as at 31 March 2017 (31 December 2016: US\$447.9 million), mainly due to the foreign currency revaluation of the Ringgit-denominated Islamic medium term notes ("IMTN"). The increase in carrying value of the IMTN is broadly offset by the change in fair value of the cross currency swaps entered into with financial institutions to swap the Ringgit-denominated IMTN indebtedness effectively into USD liabilities.

Taking into consideration the increase in cash and bank balances during the period, net borrowings decreased from US\$189.6 million as at 31 December 2016 to US\$151.3 million as at 31 March 2017, with net gearing at 0.15x (31 December 2016: 0.20x).

8. Review of Group Performance (continued)

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US\$65.9 million from its operating activities in 1Q2017 as compared to US\$29.4 million in 1Q2016, mainly contributed by the higher average selling prices and sales volumes.

Net cash used in investing activities amounted to US\$21.0 million in 1Q2017 (1Q2016: US\$16.9 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 in 1Q2017 amounted to US\$5.9 million as compared to US\$7.1 million in 1Q2016. These included the effects of a reduction in restricted cash balances of US\$6.4 million in 1Q2017 (1Q2016: US\$35.0 million), while the amount in 1Q2016 was also partially offset by a repayment of bank loans amounting to US\$27.3 million.

Overall, the Group registered an increase in cash and cash equivalents of US\$50.7 million in 1Q2017, bringing the Group's cash and bank balances to US\$302.8 million as at 31 March 2017.

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

The Group's strong performance in the first quarter of 2017 has been aided by higher palm oil prices in early 2017 and strong production growth. However, prices have moderated since on improving supply prospects for palm oil and other edible oils as well as muted demand from importing countries such as India and China. Lower prices are expected to persist as both our own as well as the industry's production continue to recover especially in the second half of 2017.

The Group's production growth has been strong since the fourth quarter 2016, and barring any weather shocks, this yield recovery is expected to continue for the rest of the year. However, after the strong production in the first quarter of 2017, production in second quarter is expected to slow down before recovering in the second half of 2017.

Amidst the short term volatility in palm oil prices, the longer term fundamentals of the industry remain positive, underpinned by the Indonesian biodiesel mandate and underlying demand growth from emerging markets.

11. Dividends

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

No.

(b) Corresponding period of the immediately preceding financial year

Any dividend declared for the corresponding period of the immediately preceding financial year?

No.

11. Dividends (continued)

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

12. If no dividend has been declared/recommendeded, a statement to that effect

No dividend has been declared or recommended for the current financial period.

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

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

14. Negative Confirmation by the Board pursuant to Rule 705(5) of the Listing Manual

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 first quarter ended 31 March 2017 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
11 May 2017