FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Fourth Quarter ("4Q") and Full Year Ended 31 December 2013

PART I - INFORMATION REQUIRED FOR ANNOUNCEMENTS OF QUARTERLY (Q1, Q2 & Q3), HALF-YEAR AND FULL YEAR RESULTS

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					
	FY 2013	FY 2012	Change	4Q 2013	4Q 2012	Change
	US$'000	US$'000	(%)	US$'000	US$'000	(%)
Sales	626,498	603,429	3.8%	179,129	134,124	33.6%
Cost of sales	(244,755)	(221,189)	10.7%	(70,909)	(41,922)	69.1%
Gross profit	**381,743**	**382,240**	**(0.1%)**	**108,220**	**92,202**	**17.4%**
Gains arising from changes in fair value of biological assets	29,564	35,795	(17.4%)	29,564	35,795	(17.4%)
Selling and distribution costs	(37,246)	(50,704)	(26.5%)	(9,029)	(10,785)	(16.3%)
General and administrative expenses	(31,638)	(32,262)	(1.9%)	(9,473)	(10,993)	(13.8%)
Other operating expenses	(1,589)	(1,541)	3.1%	(359)	(371)	(3.2%)
Profit from operations	**340,834**	**333,528**	**2.2%**	**118,923**	**105,848**	**12.4%**
(Losses)/gains on foreign exchange	(6,368)	8,054	n.m.	1,052	1,255	(16.2%)
(Losses)/gains on derivative financial instruments	(2,602)	1,579	n.m.	2,901	745	289.4%
Net financial expenses	(18,332)	(19,174)	(4.4%)	(3,291)	(4,774)	(31.1%)
Other non-operating income	32	2,340	(98.6%)	1,074	1,475	(27.2%)
Profit before tax	**313,564**	**326,327**	**(3.9%)**	**120,659**	**104,549**	**15.4%**
Tax expense	(67,454)	(78,134)	(13.7%)	(31,886)	(27,944)	14.1%
Profit for the year/period	**246,110**	**248,193**	**(0.8%)**	**88,773**	**76,605**	**15.9%**
Profit attributable to:						
Owners of the Company	238,242	237,060	0.5%	85,544	73,066	17.1%
Non-controlling interests	7,868	11,133	(29.3%)	3,229	3,539	(8.8%)
	246,110	**248,193**	**(0.8%)**	**88,773**	**76,605**	**15.9%**

n.m. – not meaningful

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

	Group					
	FY 2013	FY 2012	Change	4Q 2013	4Q 2012	Change
	US$'000	US$'000	(%)	US$'000	US$'000	(%)
Profit for the year/period	246,110	248,193	(0.8%)	88,773	76,605	15.9%
Other comprehensive income:						
Items that will not be reclassified to profit or loss						
Remeasurement gains on defined benefits plan	2,245	-	n.m.	2,245	-	n.m.
Income tax effect	(561)	-	n.m.	(561)	-	n.m.
	1,684	-	n.m.	1,684	-	n.m.
Items that may be reclassified subsequently to profit or loss						
Fair value (losses)/gains on cash flow hedges	(38,291)	23,263	n.m.	(9,560)	14,245	n.m.
Fair value losses/(gains) on cash flow hedges transferred to the income statement	11,144	(17,777)	n.m.	(967)	(13,928)	(93.1%)
Foreign currency translation	(304,317)	(66,115)	360.3%	(67,203)	(10,936)	514.5%
Income tax effect	16,644	(1,752)	n.m.	3,739	494	656.9%
	(314,820)	(62,381)	404.7%	(73,991)	(10,125)	630.8%
Other comprehensive income for the year/period, net of tax	(313,136)	(62,381)	402.0%	(72,307)	(10,125)	614.1%
Total comprehensive income for the year/period	**(67,026)**	**185,812**	**n.m.**	**16,466**	**66,480**	**(75.2%)**
Total comprehensive income attributable to:						
Owners of the Company	(61,911)	177,722	n.m.	15,794	63,702	(75.2%)
Non-controlling interests	(5,115)	8,090	n.m.	672	2,778	(75.8%)
	(67,026)	**185,812**	**n.m.**	**16,466**	**66,480**	**(75.2%)**

n.m. – not meaningful

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

Additional Information

	Group					
	FY 2013	FY 2012	Change	4Q 2013	4Q 2012	Change
	US$'000	US$'000	(%)	US$'000	US$'000	(%)
EBITDA						
Profit from operations	340,834	333,528	2.2%	118,923	105,848	12.4%
Depreciation and amortisation	27,646	25,017	10.5%	6,986	6,414	8.9%
Gains arising from changes in fair value of biological assets	(29,564)	(35,795)	(17.4%)	(29,564)	(35,795)	(17.4%)
EBITDA	**338,916**	**322,750**	**5.0%**	**96,345**	**76,467**	**26.0%**
EBITDA margin	54.1%	53.5%		53.8%	57.0%	

	Group					
	FY 2013	FY 2012	Change	4Q 2013	4Q 2012	Change
	US$'000	US$'000	(%)	US$'000	US$'000	(%)
Underlying Net Profit						
Profit for the year/period	246,110	248,193	(0.8%)	88,773	76,605	15.9%
Gains arising from changes in fair value of biological assets	(29,564)	(35,795)	(17.4%)	(29,564)	(35,795)	(17.4%)
Tax on gains arising from changes in fair value of biological assets	7,391	8,949	(17.4%)	7,391	8,949	(17.4%)
Underlying net profit for the year/period	**223,937**	**221,347**	**1.2%**	**66,600**	**49,759**	**33.8%**
Underlying net profit attributable to :						
Owners of the Company	216,958	211,301	2.7%	64,260	47,307	35.8%
Non-controlling interests	6,979	10,046	(30.5%)	2,340	2,452	(4.6%)
	223,937	**221,347**	**1.2%**	**66,600**	**49,759**	**33.8%**

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	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	US$'000	US$'000	US$'000	US$'000
ASSETS				
Non-current assets				
Biological assets	869,309	844,023	-	-
Plasma plantation receivables	27,757	44,264	-	-
Property, plant and equipment	303,083	321,217	9,972	11,071
Land use rights	43,464	40,775	-	-
Investment in subsidiaries	-	-	452,291	297,617
Goodwill	73,277	32,530	-	-
Other intangible assets	29,067	74,304	451	287
Tax recoverable	7,741	6,727	-	-
Deferred tax assets	14,220	2,577	-	-
Loans to subsidiaries	-	-	438,729	193,330
Derivative financial assets	-	1,136	-	657
Other non-current assets	2,110	2,627	-	-
Total non-current assets	**1,370,028**	**1,370,180**	**901,443**	**502,962**
Current assets				
Inventories	59,211	57,929	-	-
Loan to subsidiary	-	-	600	750
Trade receivables	34,922	24,903	2,499	5,037
Other receivables	6,998	10,127	987	3,127
Derivative financial assets	3,987	25,812	-	14
Advances for purchase of plant, property and equipment	5,666	8,480	23	319
Other advances and prepayments	3,280	18,604	103	10,459
Prepaid taxes	24,030	10,127	-	-
Advance subscription for shares in subsidiary	-	-	-	82,778
Cash and bank balances	272,152	404,738	36,683	130,084
Total current assets	**410,246**	**560,720**	**40,895**	**232,568**
Total assets	**1,780,274**	**1,930,900**	**942,338**	**735,530**

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

	Group		Company	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	US$'000	US$'000	US$'000	US$'000
LIABILITIES				
Current liabilities				
Trade payables	24,498	20,879	1	129
Other payables and accruals	35,462	38,430	10,159	6,974
Advances from customers	1,360	6,302	-	-
Loans and borrowings from financial institutions	2,608	40,202	7	17
Derivative financial liabilities	1,210	2,804	-	42
Provision for tax	15,312	22,080	-	1
Total current liabilities	**80,450**	**130,697**	**10,167**	**7,163**
Non-current liabilities				
Loans and borrowings from financial institutions	2,733	174,127	-	7
Islamic medium term notes	484,388	323,839	484,388	323,839
Derivative financial liabilities	48,061	1,366	48,061	1,366
Provision for post-employment benefits	11,623	13,041	-	-
Deferred tax liabilities	112,894	130,258	402	844
Total non-current liabilities	**659,699**	**642,631**	**532,851**	**326,056**
Total liabilities	**740,149**	**773,328**	**543,018**	**333,219**
Net assets	**1,040,125**	**1,157,572**	**399,320**	**402,311**
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	(348,922)	(47,085)	(7,645)	2,150
Retained earnings	912,472	723,548	12,052	5,248
Equity attributable to owners of the Company	**993,479**	**1,106,392**	**399,320**	**402,311**
Non-controlling interests	46,646	51,180	-	-
Total equity	**1,040,125**	**1,157,572**	**399,320**	**402,311**

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 Dec 2013			As at 31 Dec 2012		
	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	2,608	-	2,608	40,202	-	40,202
Amount repayable after one year	2,733	484,388	487,121	174,127	323,839	497,966
Total	**5,341**	**484,388**	**489,729**	**214,329**	**323,839**	**538,168**

Details of any collateral

The secured borrowings are collaterised by certain of the Group's biological assets, land use rights and property, plant and equipment.

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			
	FY 2013	FY 2012	4Q 2013	4Q 2012
	US$'000	US$'000	US$'000	US$'000
Cash flows from operating activities				
Profit before tax	313,564	326,327	120,659	104,549
Adjustments for:				
Depreciation of property, plant and equipment	25,851	23,536	6,581	6,265
Amortisation of land use rights and intangible assets	1,795	1,771	405	439
Financial expenses	21,857	21,514	4,365	5,761
Interest income	(3,525)	(2,340)	(1,074)	(987)
Losses/(gains) on derivative financial instruments	2,602	(1,579)	(2,901)	(745)
Gains arising from changes in fair value of biological assets	(29,564)	(35,795)	(29,564)	(35,795)
Operating cash flows before changes in working capital	**332,580**	**333,434**	**98,471**	**79,487**
Changes in working capital:				
Inventories	(9,821)	(18,523)	11,353	(4,175)
Trade receivables	(12,864)	4,977	(17,943)	14,889
Other receivables	(15,452)	(6,294)	(524)	(2,393)
Advances and prepayments	13,968	(11,963)	2,187	(9,205)
Prepaid taxes	(10,949)	(7,473)	(3,281)	967
Other non-current assets	165	(1,573)	30	(231)
Trade payables	6,646	3,624	(3,482)	(8,274)
Other payables and accruals	(4,777)	4,478	9,510	4,498
Advances from customers	(5,264)	(1,094)	(3,508)	(613)
Provision for post-employment benefits	3,173	4,324	1,181	3,137
Unrealised translation differences	(14,338)	(11,756)	(13,976)	(541)
Cash flows generated from operations	**283,067**	**292,161**	**80,018**	**77,546**
Financial expenses paid	(21,234)	(25,044)	(5,030)	(5,661)
Interest income received	3,417	2,340	969	1,053
Tax paid	(65,260)	(72,974)	(16,044)	(21,132)
Net cash generated from operating activities	**199,990**	**196,483**	**59,913**	**51,806**

1(c) Statement of cash flows (continued)

	Group			
	FY 2013	FY 2012	4Q 2013	4Q 2012
	US$'000	US$'000	US$'000	US$'000
Cash flows from investing activities				
Capital expenditure on biological assets	(129,761)	(88,950)	(56,206)	(44,454)
Capital expenditure on property, plant and equipment	(51,240)	(85,867)	(1,913)	(27,593)
Decrease/(increase) in advances for purchase of property, plant and equipment	1,242	1,875	(657)	9,069
Decrease in plasma plantation receivables	15,157	9,809	17,933	98
Acquisition of land use rights	(823)	(1,313)	(376)	(1,313)
Acquisition of other intangible assets	(324)	(34,395)	(171)	(6,463)
Net cash (outflow)/inflow on acquisition of subsidiaries	(69,756)	(31,239)	157	(31,239)
Acquisition of additional interest in subsidiary	-	(73)	-	(73)
Net cash used in investing activities	**(235,505)**	**(230,153)**	**(41,233)**	**(101,968)**
Cash flows from financing activities				
Settlement of derivative financial instruments, net	-	(4,098)	-	(9)
Redemption of Rupiah bonds payable	-	(46,906)	-	(46,906)
Redemption of convertible bonds	-	(409)	-	-
(Repayment of)/proceeds from bank loans, net	(232,760)	13,006	13,130	(1,741)
Proceeds from issuance of Islamic medium term notes, net	197,237	316,508	-	130,376
Payment of obligations under finance leases	(3,307)	(3,017)	(888)	(785)
(Increase)/decrease in restricted cash balances	(19,731)	2,979	(8,656)	(2,685)
Dividends paid	(51,002)	(47,518)	-	-
Proceeds from equity contribution by non-controlling interests	179	103	179	-
Net cash (used in)/generated from financing activities	**(109,384)**	**230,648**	**3,765**	**78,250**
Net (decrease)/increase in cash and cash equivalents	(144,899)	196,978	22,445	28,088
Effect of exchange rate changes on cash and cash equivalents	(7,418)	333	(1,412)	(185)
Cash and cash equivalents, at the beginning of the financial year/period	391,794	194,483	218,444	363,891
Cash and cash equivalents, at the end of the financial year/period (Note A)	**239,477**	**391,794**	**239,477**	**391,794**

1(c) Statement of cash flows (continued)

	Group			
	FY 2013	FY 2012	4Q 2013	4Q 2012
	US$'000	US$'000	US$'000	US$'000
Note A				
Reconciliation of cash and cash equivalents:				
Cash at banks and on hand	108,606	292,560	108,606	292,560
Time deposits	130,871	99,234	130,871	99,234
Cash and cash equivalents	**239,477**	**391,794**	**239,477**	**391,794**
Cash held by financial institutions, restricted	32,675	12,944	32,675	12,944
Cash and bank balances	**272,152**	**404,738**	**272,152**	**404,738**

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 ----------							
	Share capital	Differences arising from restructuring transactions involving entities under common control	Other reserves	Equity component of convertible bonds	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 Jan 2013	394,913	35,016	(47,085)	-	723,548	1,106,392	51,180	1,157,572
Total comprehensive income for the year	-	-	(301,837)	-	239,926	(61,911)	(5,115)	(67,026)
Contributions by and distributions to owners								
Dividends paid	-	-	-	-	(51,002)	(51,002)	-	(51,002)
Changes in ownership interests in subsidiaries								
Equity contribution by non-controlling interests	-	-	-	-	-	-	179	179
Acquisition of subsidiaries	-	-	-	-	-	-	402	402
At 31 Dec 2013	**394,913**	**35,016**	**(348,922)**	**-**	**912,472**	**993,479**	**46,646**	**1,040,125**
At 1 Jan 2012	290,312	35,016	12,253	13,762	533,350	884,693	43,660	928,353
Total comprehensive income for the year	-	-	(59,338)	-	237,060	177,722	8,090	185,812
Contributions by and distributions to owners								
Dividends paid	-	-	-	-	(46,918)	(46,918)	(600)	(47,518)
Issue of shares upon conversion of convertible bonds	104,601	-	-	(13,706)	-	90,895	-	90,895
Gain on redemption of convertible bonds	-	-	-	(56)	56	-	-	-
Changes in ownership interests in subsidiaries								
Equity contribution by non-controlling interests	-	-	-	-	-	-	103	103
Acquisition of additional interest in subsidiary							(73)	(73)
At 31 Dec 2012	**394,913**	**35,016**	**(47,085)**	**-**	**723,548**	**1,106,392**	**51,180**	**1,157,572**
At 1 Oct 2013	394,913	35,016	(277,488)	-	825,244	977,685	45,393	1,023,078
Total comprehensive income for the period	-	-	(71,434)	-	87,228	15,794	672	16,466
Changes in ownership interests in subsidiaries								
Equity contribution by non-controlling interests	-	-	-	-	-	-	179	179
Acquisition of subsidiaries	-	-	-	-	-	-	402	402
At 31 Dec 2013	**394,913**	**35,016**	**(348,922)**	**-**	**912,472**	**993,479**	**46,646**	**1,040,125**

1(d)(i) Statement of changes in equity (continued)

Group	---------- Attributable to owners of the Company ----------							
	Share capital	Differences arising from restructuring transactions involving entities under common control	Other reserves	Equity component of convertible bonds	Retained earnings	Equity attributable to owners of the Company	Non-controlling interests	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 Oct 2012	394,913	35,016	(37,721)	-	650,482	1,042,690	48,475	1,091,165
Total comprehensive income for the period	-	-	(9,364)	-	73,066	63,702	2,778	66,480
Changes in ownership interests in subsidiaries								
Acquisition of additional interest in subsidiary	-	-	-	-	-	-	(73)	(73)
At 31 Dec 2012	**394,913**	**35,016**	**(47,085)**	**-**	**723,548**	**1,106,392**	**51,180**	**1,157,572**

Company	Share capital	Other reserves	Equity component of convertible bonds	Retained earnings	Total equity
	US$'000	US$'000	US$'000	US$'000	US$'000
At 1 Jan 2013	394,913	2,150	-	5,248	402,311
Total comprehensive income for the year	-	(9,795)	-	57,806	48,011
Contributions by and distributions to owners					
Dividends paid	-	-	-	(51,002)	(51,002)
At 31 Dec 2013	**394,913**	**(7,645)**	-	**12,052**	**399,320**
At 1 Jan 2012	290,312	10,715	13,762	47,017	361,806
Total comprehensive income for the year	-	(8,565)	-	5,093	(3,472)
Contributions by and distributions to owners					
Dividends paid	-	-	-	(46,918)	(46,918)
Issue of shares upon conversion of convertible bonds	104,601	-	(13,706)	-	90,895
Gain on redemption of convertible bonds	-	-	(56)	56	-
At 31 Dec 2012	**394,913**	**2,150**	**-**	**5,248**	**402,311**
At 1 Oct 2013	394,913	(1,673)	-	6,150	399,390
Total comprehensive income for the period	-	(5,972)	-	5,902	(70)
At 31 Dec 2013	**394,913**	**(7,645)**	-	**12,052**	**399,320**
At 1 Oct 2012	394,913	3,139	-	6,127	404,179
Total comprehensive income for the period	-	(989)	-	(879)	(1,868)
At 31 Dec 2012	**394,913**	**2,150**	**-**	**5,248**	**402,311**

1(d)(i) Statement of changes in equity (continued)

Other Reserves

	Group		Company	
	As at		As at	
	31 Dec 2013	31 Dec 2012	31 Dec 2013	31 Dec 2012
	US$'000	US$'000	US$'000	US$'000
Capital reserve	(29,096)	(29,096)	-	-
Revaluation reserve	279	279	-	-
Gain on sale of treasury shares	10,322	10,322	10,322	10,322
Hedging reserve	(18,360)	6,312	(18,360)	(8,565)
Foreign translation reserve	(312,067)	(34,902)	393	393
Total other reserves	(348,922)	(47,085)	(7,645)	2,150

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 also the number of shares that may be issued on conversion of all the outstanding convertibles, as well as the number of shares held as treasury shares, if any, against the total number of issued shares excluding treasury shares 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

There were no changes to the Company's issued and paid up share capital in the three months ended 31 December 2013.

	Company	
	31 Dec 2013	31 Dec 2012
Number of issued shares excluding treasury shares	1,584,072,969	1,584,072,969

The Company did not hold any treasury shares and there were no shares that may be issued upon conversion of any outstanding convertibles as at 31 December 2013 and 31 December 2012.

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 December 2013 and 31 December 2012 were 1,584,072,969.

1(d)(iv) A statement showing all sales, transfers, disposal, cancellation and/or use of treasury shares 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 auditors.

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 2012 except for the new and revised standards that are effective for annual periods beginning as of 1 January 2013. The adoption of these standards has no significant impact to the Group.

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			
	FY 2013	**FY 2012**	**4Q 2013**	**4Q 2012**
Weighted average number of shares applicable to basic EPS computation	1,584,072,969	1,550,518,798	1,584,072,969	1,584,072,969
Weighted average number of shares based on fully diluted basis	1,584,072,969	1,550,518,798	1,584,072,969	1,584,072,969
EPS - basic (US cents)	15.04	15.29	5.40	4.61
EPS - diluted (US cents)	15.04	15.29	5.40	4.61

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 Dec 2013	**31 Dec 2012**	**31 Dec 2013**	**31 Dec 2012**
	US$	**US$**	**US$**	**US$**
Net asset value per ordinary share	0.63	0.70	0.25	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

	FY 2013	FY 2012	Change	4Q 2013	4Q 2012	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	625,202	516,012	21.2%	194,257	142,861	36.0%
- Palm kernel	136,966	123,774	10.7%	43,148	32,469	32.9%
Refinery and Processing	252,121	223,809	12.7%	110,541	37,403	195.5%

Note: Sales volume include inter-segment sales

SALES

	FY 2013	FY 2012	Change	4Q 2013	4Q 2012	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	537,995	454,986	18.2%	153,673	120,218	27.8%
- Palm kernel	45,080	49,425	(8.8%)	14,916	9,647	54.6%
	583,075	504,411	15.6%	168,589	129,865	29.8%
Refinery and Processing	202,816	243,208	(16.6%)	79,590	36,814	116.2%
Inter-segment elimination	(159,393)	(144,190)	10.5%	(69,050)	(32,555)	112.1%
Total Sales	**626,498**	**603,429**	**3.8%**	**179,129**	**134,124**	**33.6%**

EBITDA

	FY 2013	FY 2012	Change	4Q 2013	4Q 2012	Change
	US$'000	US$'000	%	US$'000	US$'000	%
Plantations and Palm Oil Mills	314,247	295,375	6.4%	89,538	75,947	17.9%
Refinery and Processing	26,802	29,885	(10.3%)	12,525	3,366	272.1%
Inter-segment elimination	(2,133)	(2,510)	(15.0%)	(5,718)	(2,846)	100.9%
Total EBITDA	**338,916**	**322,750**	**5.0%**	**96,345**	**76,467**	**26.0%**

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US$238.2 million in FY2013, a marginal increase of 0.5% against FY2012, with a 2.2% increase in profit from operations to US$340.8 million. For 4Q2013, net profit increased by 17.1% to US$85.5 million while profit from operations increased by 12.4% to US$118.9 million, mainly driven by higher sales volumes from the Refinery and Processing segment.

Sales

Sales increased by 3.8% to US$626.5 million in FY2013, primarily on increased sales volumes from the Plantations and Palm Oil Mills segment, partially offset by the lower average selling prices from the Refinery and Processing segment. For 4Q2013, sales grew by 33.6% to US$179.1 million in 4Q2013, mainly due to increased sales volumes from the Refinery and Processing segment, partially offset by lower 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 FFB and other palm oil products purchased from plasma farmers or third parties. The Group's cost of sales increased by 10.7% to US$244.8 million in FY2013 and 69.1% to US$70.9 million in 4Q2013. These increases were mainly driven by the higher production and sales volumes, an increase in purchases of FFB from third parties (including plasma farmers), as well as a shift in product mix of refined products sold from RBD ("Refined Bleached Deodorised") palm olein to biodiesel, which typically attracts a higher cost of production than RBD palm olein. For FY2013, the increase was partially offset by a decline in purchases of palm oil products as compared to FY2012.

Gross Profit

Gross profit decreased marginally by 0.1% to US$381.7 million in FY2013. For 4Q2013, gross profit increased by 17.4% to US$108.2 million, mainly due to higher sales volumes from the Refinery and Processing segment.

Gross profit margin came in at 60.9% in FY2013 as compared to 63.3% in FY2012, mainly due to the lower palm oil prices, partially offset by a decrease in purchases of palm oil products from third parties. For 4Q2013, gross profit margin declined to 60.4% as compared to 68.7% in the corresponding period last year, mainly driven by the lower average selling prices.

Gains arising from changes in fair value of biological assets

The Group recognised gains arising from changes in fair value of biological assets amounting to US$29.6 million in FY2013 and 4Q2013, as compared to US$35.8 million in the corresponding period last year. The gains in 2013 mainly arose from the increase in the Group's plantation hectarage as compared to the year before.

Selling and Distribution costs

Selling and distribution expenses, comprising mainly export taxes, freight charges and warehousing charges, totaled US$37.2 million in FY2013, a decrease of 26.5% from FY2012. For 4Q2013, selling and distribution expenses decreased by 16.3% to US$9.0 million (4Q2012: US$10.8 million). The decreases in selling and distribution expenses were mainly due to the lower export tax rates applicable during 2013 in view of the lower prevailing CPO prices.

8. Review of Group Performance (continued)

General and Administrative expenses

General and administrative expenses, comprising professional fees, remuneration of office staff, licences and software fees, decreased by 1.9% to US$31.6 million in FY2013 and 13.8% to US$9.5 million in 4Q2013. The decreases were largely due to translation of the Group's Indonesian Rupiah ("IDR") denominated expenses into USD, which resulted from the depreciation of IDR against United States Dollar ("USD") in 2013.

EBITDA

The Group's EBITDA grew by 5.0% to US$338.9 million in FY2013 and 26.0% to US$96.3 million in 4Q2013 on the back of higher sales volumes of palm based products. Overall, the Plantations and Palm Oil Mills segment remains the main earnings driver, contributing 92.1% to the Group's EBITDA in FY2013 (FY2012: 90.8%). In 4Q2013, the Refinery and Processing segment contributed a higher 12.3% to the Group's EBITDA as compared to 4.2% in the corresponding period last year, mainly driven by the significant growth in sales volumes during the period.

Depreciation and Amortisation

Depreciation and amortisation (included in profit from operations) increased by 10.5% to US$27.6 million in FY2013 and 8.9% to US$7.0 million in 4Q2013. The increases were largely due to the higher depreciation from the Group's new palm oil mills and other property, plant and equipment.

(Losses)/Gains on Foreign Exchange

The Group recorded losses on foreign exchange of US$6.4 million in FY2013 and gains of US$1.1 million in 4Q2013, as compared to gains of US$8.1 million in FY2012 and US$1.3 million in 4Q2012. The losses on foreign exchange in FY2013 were mainly attributable to translation of the USD denominated intercompany liabilities of the subsidiaries, which resulted from the depreciation of IDR against USD during the year.

(Losses)/Gains on Derivative Financial Instruments

The Group recorded losses on derivative financial instruments of US$2.6 million in FY2013 and gains of US$2.9 million in 4Q2013, as compared to gains of US$1.6 million in FY2012 and US$0.7 million in 4Q2012. These arose primarily from financial instruments entered into by the Group to hedge its exposure to foreign exchange and commodity price movements during the course of its business.

Net Financial Expenses

Net financial expenses comprise interest expenses after deducting interest income and other financial gains/losses. Part of the interest expenses are capitalised to immature plantations.

Net financial expenses totaled US$18.3 million in FY2013, a decrease of 4.4% from FY2012. For 4Q2013, net financial expenses amounted to US$3.3 million, a 31.1% reduction as compared to 4Q2012. The lower financial expenses were mainly due to the Group's lower effective cost of borrowings through the issuances of the Islamic medium term notes.

8. Review of Group Performance (continued)

Net Financial Expenses (continued)

The following table reflects the computation of net financial expenses:

	FY 2013	FY 2012	4Q 2013	4Q 2012
	US$'000	US$'000	US$'000	US$'000
Interest expense and amortisation on:				
- Rupiah bonds payable	-	5,033	-	831
- convertible bonds	-	2,163	-	-
- loans and borrowings from financial institutions	6,258	17,246	(213)	4,911
Profit distribution and amortisation on Islamic medium term notes	15,842	3,470	4,758	2,180
Loss on redemption of convertible bonds	-	35	-	-
	22,100	**27,947**	**4,545**	**7,922**
Less: Capitalised to biological assets	(243)	(6,433)	(180)	(2,161)
	21,857	**21,514**	**4,365**	**5,761**
Interest income	(3,525)	(2,340)	(1,074)	(987)
Net financial expenses	**18,332**	**19,174**	**3,291**	**4,774**

Tax Expense and Net Profit

Tax expense came in at US$67.5 million for FY2013 (FY2012: US$78.1 million) and US$31.9 million for 4Q2013 (4Q2012: US$27.9 million), generally in line with the lower taxable income as well as the reduction in effective tax rate of the Group.

As a result of the foregoing, profit attributable to owners of the Company increased by 0.5% to US$238.2 million in FY2013 and increased by 17.1% to US$85.5 million in 4Q2013. Excluding the effect from the gains arising from changes in fair value of biological assets, the underlying net profit for the Group would have increased by 2.7% and 35.8% for FY2013 and 4Q2013 respectively.

REVIEW OF BALANCE SHEET

Total assets of the Group decreased from US$1,930.9 million as at 31 December 2012 to US$1,780.3 million as at 31 December 2013. Non-current assets decreased marginally by US$0.2 million to US$1,370.0 million, mainly due to the weakening of IDR against USD by 21% during FY2013, partially offset by the Group's capital expenditure on biological assets and property, plant and equipment, as well as the goodwill arising from the acquisition of Lynhurst Investment Pte. Ltd. and its subsidiary during the year. The Group's current assets decreased by 26.8% to US$410.2 million, mainly due to the reduction in cash and bank balances.

Total liabilities of the Group decreased by 4.3% from US$773.3 million as at 31 December 2012 to US$740.1 million as at 31 December 2013, mainly due to the reduction in the Group's borrowings.

Gross borrowings decreased by US$48.4 million to US$489.7 million as at 31 December 2013 (31 December 2012: US$538.2 million) as a result of the early repayment of bank loans, partially offset by the additional issuance of Islamic medium term notes during 2Q2013. Taking into consideration the reduction in cash and bank balances during the period, net borrowings increased from US$133.4 million as at 31 December 2012 to US$217.6 million as at 31 December 2013. However, net gearing remains at a healthy level of 0.21x (31 December 2012: 0.12x).

8. Review of Group Performance (continued)

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US$200.0 million from its operating activities in FY2013 as compared to US$196.5 million in FY2012. In 4Q2013, net cash generated from operating activities amounted to US$59.9 million as compared to US$51.8 million in 4Q2012.

Net cash used in investing activities in FY2013 was US$235.5 million as compared to US$230.2 million in FY2012. In 4Q2013, net cash used in investing activities was US$41.2 million as compared to US$102.0 million in 4Q2012. The cash was used primarily for the Group's continued capital expenditure on oil palm plantations and property, plant and equipment in line with the Group's expansion plans. In addition, the cash used in investing activities in FY2013 also included US$69.9 million for the acquisition of Lynhurst Investment Pte. Ltd. and its subsidiary.

Net cash used in financing activities in FY2013 was US$109.4 million as compared to net cash generated of US$230.6 million in FY2012. This included net repayment of bank loans amounting to US$232.8 million in FY2013, partially offset by US$197.2 million of net proceeds received from the third issuance of Islamic medium term notes in 2Q2013. For 4Q2013, the net cash generated from financing activities was US$3.8 million as compared to US$78.3 million in 4Q2012, which included US$130.4 million of net proceeds received from the second issuance of Islamic medium term notes in 4Q2012.

Overall, the Group registered a decrease in cash and cash equivalents of US$144.9 million in FY2013, bringing the Group's cash and bank balances to US$272.2 million as at 31 December 2013.

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 long-term fundamentals of the palm oil industry remain favourable. In the near term, palm oil prices are expected to be well-supported, driven mainly by incremental energy-based demand.

On the cost front, the Group has benefitted from the weakness in the Indonesian Rupiah relative to the US Dollar. Although there has been inflationary pressure from the yearly increase in Indonesia's minimum wage levels, the impact of these nominal wage increases has been partially negated by depreciation of the Indonesian Rupiah against the US Dollar.

Barring any weather shocks, the Group expects to deliver growth in production volumes in FY2014 due to yield recovery and contribution from newly mature plantations.

11. Dividends

(a) Current financial period reported on

Any dividend declared for the current financial period reported on?

Yes.

Name of Dividend	Interim dividend	Proposed final dividend
Dividend Type	Cash	Cash
Dividend Amount per Share	1.25 Singapore cents	3.25 Singapore cents
Tax Rate	Tax-exempt, one-tier	Tax-exempt, one-tier

(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	Final dividend
Dividend Type	Cash	Cash
Dividend Amount per Share	1.25 Singapore cents	2.75 Singapore cents
Tax Rate	Tax-exempt, one-tier	Tax-exempt, one-tier

(c) Date payable

Payment of the proposed final dividend, if approved by the members at the Annual General Meeting to be held on 23 April 2014, will be made on 28 May 2014.

(d) Books closure date

Notice is hereby given that the Register of Members and Register of Transfers of the Company will be closed on 9 May 2014 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 8 May 2014 will be registered to determine shareholders' entitlements to the proposed final dividend. Members whose Securities Accounts with The Central Depository (Pte) Limited are credited with shares at 5.00 p.m. on 8 May 2014 will be entitled to the proposed final dividend.

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

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

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

PART II - ADDITIONAL INFORMATION REQUIRED FOR FULL YEAR ANNOUNCEMENT

14. Segmented revenue and results for business or geographical segments (of the group) in the form presented in the issuer's most recently audited annual financial statements, with comparative information for the immediately preceding year

	Plantations and Palm Oil Mills	Refinery and Processing	Elimination	Total
FY 2013	**US$'000**	**US$'000**	**US$'000**	**US$'000**
Sales:				
External customers	423,682	202,816	-	626,498
Inter-segment	159,393	-	(159,393)	-
Total Sales	**583,075**	**202,816**	**(159,393)**	**626,498**
Results:				
EBITDA	**314,247**	**26,802**	**(2,133)**	**338,916**
Depreciation and amortisation	(22,586)	(5,060)	-	(27,646)
Gains arising from changes in fair value of biological assets	29,564	-	-	29,564
Profit from operations	**321,225**	**21,742**	**(2,133)**	**340,834**
Losses on foreign exchange				(6,368)
Losses on derivative financial instruments				(2,602)
Net financial expenses				(18,332)
Other non-operating income				32
Profit before tax				**313,564**

14. Segmented revenue and results for business or geographical segments (continued)

FY 2012	Plantations and Palm Oil Mills US$'000	Refinery and Processing US$'000	Elimination US$'000	Total US$'000
Sales:				
External customers	360,221	243,208	-	603,429
Inter-segment	144,190	-	(144,190)	-
Total Sales	**504,411**	**243,208**	**(144,190)**	**603,429**
Results:				
EBITDA	**295,375**	**29,885**	**(2,510)**	**322,750**
Depreciation and amortisation	(19,889)	(5,128)	-	(25,017)
Gains arising from changes in fair value of biological assets	35,795	-	-	35,795
Profit from operations	**311,281**	**24,757**	**(2,510)**	**333,528**
Gains on foreign exchange				8,054
Gains on derivative financial instruments				1,579
Net financial expenses				(19,174)
Other non-operating income				2,340
Profit before tax				**326,327**

15. In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Not applicable.

16. A breakdown of sales

	Group		
	FY 2013 US$'000	FY 2012 US$'000	Change %
Sales reported for first half year	294,320	317,526	(7.3%)
Profit after tax before deducting non-controlling interests reported for first half year	103,846	104,154	(0.3%)
Sales reported for second half year	332,178	285,903	16.2%
Profit after tax before deducting non-controlling interests reported for second half year	142,264	144,039	(1.2%)

17. A breakdown of the total annual dividend (in dollar value) for the issuer's latest full year and its previous full year

	FY 2013		FY 2012	
	S$'000	US$'000 equivalent	S$'000	US$'000 equivalent
Ordinary – Interim (paid)	19,801	15,534	19,801	16,179
Ordinary – Final (paid)	-	-	43,562	35,468
Ordinary – Final (proposed)	51,482	40,665*	-	-
Total	**71,283**	**56,199**	**63,363**	**51,647**

* based on SGD/USD exchange rate of 1.2660

18. Disclosure of person occupying a managerial position in the issuer or any of its principal subsidiaries who is a relative of a director or chief executive officer or substantial shareholder of the issuer pursuant to Rule 704(13) in the format below. If there are no such persons, the issuer must make an appropriate negative statement

Name	Age	Family relationship with any director and/or substantial shareholder	Current position and duties, and the year the position was held	Details of changes in duties and position held, if any, during the year
Cik Sigih Fangiono	36	Brother of - Ciliandra Fangiono (Director and Chief Executive Officer)	Deputy Chief Executive Officer since 2007 - Responsible for the Group's daily operations, including new plantations development	No change

BY ORDER OF THE BOARD

Ciliandra Fangiono
Director and Chief Executive Officer
25 February 2014