



FIRST RESOURCES LIMITED

Unaudited Financial Statements for the Third Quarter (“3Q”) and Nine Months (“9M”) Ended 30 September 2016

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					
	9M 2016	9M 2015 (Restated)	Change	3Q 2016	3Q 2015 (Restated)	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Sales	400,010	322,816	23.9%	151,525	107,750	40.6%
Cost of sales	(228,294)	(148,550)	53.7%	(71,026)	(41,912)	69.5%
Gross profit	171,716	174,266	(1.5%)	80,499	65,838	22.3%
Selling and distribution costs	(29,910)	(18,462)	62.0%	(9,435)	(8,606)	9.6%
General and administrative expenses	(20,550)	(22,144)	(7.2%)	(6,906)	(7,396)	(6.6%)
Other operating expenses	(1,198)	(1,163)	3.0%	(432)	(370)	16.8%
Profit from operations	120,058	132,497	(9.4%)	63,726	49,466	28.8%
Gains/(losses) on foreign exchange	11	(5,650)	n.m.	(352)	(2,774)	(87.3%)
Gains on derivative financial instruments	1,076	-	n.m.	342	-	n.m.
Net financial expenses	(18,535)	(15,677)	18.2%	(6,742)	(6,003)	12.3%
Other non-operating expenses	(962)	(903)	6.5%	(137)	(485)	(71.8%)
Profit before tax	101,648	110,267	(7.8%)	56,837	40,204	41.4%
Tax expense	(30,587)	(29,767)	2.8%	(18,530)	(10,563)	75.4%
Profit for the period	71,061	80,500	(11.7%)	38,307	29,641	29.2%
Profit attributable to:						
Owners of the Company	67,345	77,724	(13.4%)	35,857	28,404	26.2%
Non-controlling interests	3,716	2,776	33.9%	2,450	1,237	98.1%
	71,061	80,500	(11.7%)	38,307	29,641	29.2%

n.m. – not meaningful

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

	Group					
	9M 2016	9M 2015 (Restated)	Change	3Q 2016	3Q 2015 (Restated)	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
Profit for the period	71,061	80,500	(11.7%)	38,307	29,641	29.2%
Other comprehensive income:						
Items that may be reclassified subsequently to profit or loss						
Fair value gains/(losses) on cash flow hedges	20,157	(126,120)	n.m.	(11,157)	(85,568)	(87.0%)
Fair value (gains)/losses on cash flow hedges transferred to the income statement	(15,370)	122,163	n.m.	15,333	78,959	(80.6%)
Foreign currency translation adjustments	76,614	(186,623)	n.m.	19,189	(109,860)	n.m.
Income tax effect	(5,233)	12,085	n.m.	(1,236)	7,842	n.m.
Other comprehensive income for the period, net of tax	76,168	(178,495)	n.m.	22,129	(108,627)	n.m.
Total comprehensive income for the period	147,229	(97,995)	n.m.	60,436	(78,986)	n.m.
Total comprehensive income attributable to:						
Owners of the Company	140,527	(94,787)	n.m.	57,154	(76,685)	n.m.
Non-controlling interests	6,702	(3,208)	n.m.	3,282	(2,301)	n.m.
	147,229	(97,995)	n.m.	60,436	(78,986)	n.m.

n.m. – not meaningful

Additional Information

	Group					
	9M 2016	9M 2015 (Restated)	Change	3Q 2016	3Q 2015 (Restated)	Change
	US\$'000	US\$'000	(%)	US\$'000	US\$'000	(%)
EBITDA						
Profit from operations	120,058	132,497	(9.4%)	63,726	49,466	28.8%
Depreciation and amortisation	39,896	37,245	7.1%	13,724	12,164	12.8%
EBITDA	159,954	169,742	(5.8%)	77,450	61,630	25.7%
EBITDA margin	40.0%	52.6%		51.1%	57.2%	

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	
	30 Sep 2016	31 Dec 2015 (Restated)	1 Jan 2015 (Restated)	30 Sep 2016	31 Dec 2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
ASSETS					
Non-current assets					
Bearer plants	646,233	599,264	569,157	-	-
Plasma plantation receivables	80,035	59,832	59,206	-	-
Property, plant and equipment	339,580	325,111	338,415	7,030	7,978
Land use rights	42,078	40,153	46,139	-	-
Investment in subsidiaries	-	-	-	523,527	523,527
Goodwill	90,163	85,041	60,994	-	-
Other intangible assets	23,452	22,301	24,932	54	171
Derivative financial assets	405	-	-	-	-
Tax recoverable	34,303	37,626	13,431	-	-
Deferred tax assets	27,595	26,409	16,652	-	-
Other non-current assets	369	941	2,094	-	-
Total non-current assets	1,284,213	1,196,678	1,131,020	530,611	531,676
Current assets					
Biological assets	11,885	11,199	11,678	-	-
Inventories	74,315	67,903	48,563	-	-
Trade receivables	25,731	29,317	29,769	1,249	2,839
Other receivables	15,817	10,502	9,312	1,802	4,717
Derivative financial assets	1,407	79	-	-	-
Advances for purchase of plant, property and equipment	7,544	3,353	4,235	-	-
Other advances and prepayments	6,665	4,108	2,188	451	315
Prepaid taxes	46,660	39,660	29,926	-	-
Restricted cash balances	128,123	143,491	59,460	124,637	142,757
Cash and cash equivalents (Note A)	89,476	61,925	291,456	399,525	373,022
Total current assets	407,623	371,537	486,587	527,664	523,650
Total assets	1,691,836	1,568,215	1,617,607	1,058,275	1,055,326

Note A:

As at 30 September 2016, the Group has cash at bank amounting to US\$467.7 million (31 December 2015: US\$425.5 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	
	30 Sep 2016	31 Dec 2015 (Restated)	1 Jan 2015 (Restated)	30 Sep 2016	31 Dec 2015
	US\$'000	US\$'000	US\$'000	US\$'000	US\$'000
LIABILITIES					
Current liabilities					
Trade payables	37,781	24,965	20,075	23	16
Other payables and accruals	33,928	25,763	36,884	10,346	8,405
Advances from customers	726	232	2,071	-	-
Loans and borrowings from financial institutions	1,380	28,667	10,946	-	-
Islamic medium term notes	144,308	-	-	144,308	-
Derivative financial liabilities	47,733	-	-	46,054	-
Provision for tax	9,239	11,718	18,315	-	164
Total current liabilities	275,095	91,345	88,291	200,731	8,585
Non-current liabilities					
Loans and borrowings from financial institutions	1,939	2,038	2,740	-	-
Islamic medium term notes	336,863	464,344	569,433	336,863	464,344
Derivative financial liabilities	134,443	199,955	91,198	134,155	199,955
Provision for post-employment benefits	15,046	13,649	13,413	-	-
Deferred tax liabilities	29,329	22,493	24,160	2,278	349
Total non-current liabilities	517,620	702,479	700,944	473,296	664,648
Total liabilities	792,715	793,824	789,235	674,027	673,233
Net assets	899,121	774,391	828,372	384,248	382,093
EQUITY					
Share capital	394,913	394,913	394,913	394,913	394,913
Differences arising from restructuring transactions involving entities under common control	35,016	35,016	35,016	-	-
Other reserves	(350,616)	(423,798)	(315,356)	(11,228)	(14,513)
Retained earnings	775,472	729,940	674,245	563	1,693
Equity attributable to owners of the Company	854,785	736,071	788,818	384,248	382,093
Non-controlling interests	44,336	38,320	39,554	-	-
Total equity	899,121	774,391	828,372	384,248	382,093

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 30 Sep 2016			As at 31 Dec 2015		
	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	1,380	144,308	145,688	23,167	5,500	28,667
Amount repayable after one year	1,939	336,863	338,802	2,038	464,344	466,382
Total	3,319	481,171	484,490	25,205	469,844	495,049

Details of any collateral

The secured borrowings are collateralised by certain of the Group's bearer plants, land use rights and property, plant and equipment.

As at 30 September 2016, the Group has bank loans and bank deposits amounting to US\$300.0 million (31 December 2015: US\$200.0 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.

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			
	9M 2016	9M 2015 (Restated)	3Q 2016	3Q 2015 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from operating activities				
Profit before tax	101,648	110,267	56,837	40,204
Adjustments for:				
Depreciation of property, plant and equipment	38,470	35,810	13,212	11,690
Amortisation of land use rights and intangible assets	1,426	1,435	512	474
Gains on disposal of property, plant and equipment	(176)	(99)	(24)	(5)
Financial expenses	19,441	18,354	6,894	6,419
Interest income	(906)	(2,677)	(152)	(416)
Gains on derivative financial instruments	(1,076)	-	(342)	-
Operating cash flows before changes in working capital	158,827	163,090	76,937	58,366
Changes in working capital:				
Inventories	(1,721)	(45,638)	(4,952)	(27,244)
Receivables and other assets	3,592	(1,825)	28,631	11,861
Payables and other liabilities	18,882	7,986	15,442	1,685
Unrealised translation differences	(393)	4,916	220	(1,923)
Cash flows generated from operations	179,187	128,529	116,278	42,745
Financial expenses paid	(17,920)	(15,625)	(5,314)	(4,003)
Interest income received	863	2,963	120	494
Tax paid	(36,264)	(43,361)	(13,402)	(6,681)
Net cash generated from operating activities	125,866	72,506	97,682	32,555

1(c) Statement of cash flows (continued)

	Group			
	9M 2016	9M 2015 (Restated)	3Q 2016	3Q 2015 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Cash flows from investing activities				
Capital expenditure on bearer plants	(33,955)	(57,761)	(13,615)	(15,894)
Capital expenditure on property, plant and equipment	(19,038)	(32,260)	(5,620)	(11,716)
Increase in advances for purchase of property, plant and equipment	(3,886)	(526)	(1,242)	(151)
(Increase)/decrease in plasma plantation receivables	(4,896)	185	(4,921)	(894)
Acquisition of land use rights	(676)	(38)	(5)	(4)
Acquisition of other intangible assets	(28)	(138)	(28)	(83)
Proceeds from disposal of property, plant and equipment	247	281	35	80
Net cash outflow on acquisition of subsidiaries	-	(71,624)	-	(71,624)
Net cash used in investing activities	(62,232)	(161,881)	(25,396)	(100,286)
Cash flows from financing activities				
Proceeds from bank loans	-	39,212	-	39,212
Repayment of bank loans	(27,643)	(7,540)	(27,267)	-
Payment of obligations under finance leases	(1,945)	(2,342)	(629)	(748)
Decrease/(increase) in restricted cash balances	15,368	(102,098)	(10,362)	(69,749)
Dividends paid	(22,499)	(42,525)	(7,813)	(14,866)
Net cash used in financing activities	(36,719)	(115,293)	(46,071)	(46,151)
Net increase/(decrease) in cash and cash equivalents	26,915	(204,668)	26,215	(113,882)
Effect of exchange rate changes on cash and cash equivalents	636	(3,151)	111	(1,853)
Cash and cash equivalents, at the beginning of the financial period	61,925	291,456	63,150	199,372
Cash and cash equivalents, at the end of the financial period (Note B)	89,476	83,637	89,476	83,637
<u>Note B</u>				
Reconciliation of cash and cash equivalents:				
Cash at banks and on hand	89,476	83,637	89,476	83,637
Cash and cash equivalents	89,476	83,637	89,476	83,637
Restricted cash balances	128,123	161,558	128,123	161,558
Cash and bank balances	217,599	245,195	217,599	245,195

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		
At 1 Jan 2016 (As previously reported)	394,913	35,016	(532,116)	1,097,570	995,383	50,033	1,045,416
Cumulative effect of adopting amendments to FRS 16 and FRS 41	-	-	108,318	(367,630)	(259,312)	(11,713)	(271,025)
At 1 Jan 2016 (As restated)	394,913	35,016	(423,798)	729,940	736,071	38,320	774,391
Profit for the period	-	-	-	67,345	67,345	3,716	71,061
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	4,636	-	4,636	-	4,636
Foreign currency translation	-	-	68,546	-	68,546	2,986	71,532
Other comprehensive income for the period, net of tax	-	-	73,182	-	73,182	2,986	76,168
Total comprehensive income for the period	-	-	73,182	67,345	140,527	6,702	147,229
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(21,813)	(21,813)	(686)	(22,499)
At 30 September 2016	394,913	35,016	(350,616)	775,472	854,785	44,336	899,121
At 1 Jan 2015 (As previously reported)	394,913	35,016	(396,366)	1,029,626	1,063,189	52,561	1,115,750
Cumulative effect of adopting amendments to FRS 16 and FRS 41	-	-	81,010	(355,381)	(274,371)	(13,007)	(287,378)
At 1 Jan 2015 (As restated)	394,913	35,016	(315,356)	674,245	788,818	39,554	828,372
Profit for the period	-	-	-	77,724	77,724	2,776	80,500
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	(3,993)	-	(3,993)	-	(3,993)
Foreign currency translation	-	-	(168,518)	-	(168,518)	(5,984)	(174,502)
Other comprehensive income for the period, net of tax	-	-	(172,511)	-	(172,511)	(5,984)	(178,495)
Total comprehensive income for the period	-	-	(172,511)	77,724	(94,787)	(3,208)	(97,995)
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(41,352)	(41,352)	(1,173)	(42,525)
At 30 September 2015	394,913	35,016	(487,867)	710,617	652,679	35,173	687,852

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

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		
At 1 July 2016	394,913	35,016	(371,913)	746,897	804,913	41,585	846,498
Profit for the period	-	-	-	35,857	35,857	2,450	38,307
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	4,127	-	4,127	-	4,127
Foreign currency translation	-	-	17,170	-	17,170	832	18,002
Other comprehensive income for the period, net of tax	-	-	21,297	-	21,297	832	22,129
Total comprehensive income for the period	-	-	21,297	35,857	57,154	3,282	60,436
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(7,282)	(7,282)	(531)	(7,813)
At 30 September 2016	394,913	35,016	(350,616)	775,472	854,785	44,336	899,121
At 1 July 2015 (As previously reported)	394,913	35,016	(482,337)	1,058,620	1,006,212	50,677	1,056,889
Cumulative effect of adopting amendments to FRS 16 and FRS 41	-	-	99,559	(362,393)	(262,834)	(12,351)	(275,185)
At 1 July 2015 (As restated)	394,913	35,016	(382,778)	696,227	743,378	38,326	781,704
Profit for the period	-	-	-	28,404	28,404	1,237	29,641
<u>Other comprehensive income</u>							
Net change in fair value of cash flow hedges	-	-	(6,657)	-	(6,657)	-	(6,657)
Foreign currency translation	-	-	(98,432)	-	(98,432)	(3,538)	(101,970)
Other comprehensive income for the period, net of tax	-	-	(105,089)	-	(105,089)	(3,538)	(108,627)
Total comprehensive income for the period	-	-	(105,089)	28,404	(76,685)	(2,301)	(78,986)
<u>Contributions by and distributions to owners</u>							
Dividends paid	-	-	-	(14,014)	(14,014)	(852)	(14,866)
At 30 September 2015	394,913	35,016	(487,867)	710,617	652,679	35,173	687,852

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 2016	394,913	(14,513)	1,693	382,093
Profit for the period	-	-	20,683	20,683
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	3,285	-	3,285
Total comprehensive income for the period	-	3,285	20,683	23,968
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(21,813)	(21,813)
At 30 Sep 2016	394,913	(11,228)	563	384,248
At 1 Jan 2015	394,913	(12,723)	3,115	385,305
Profit for the period	-	-	40,546	40,546
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(4,311)	-	(4,311)
Total comprehensive income for the period	-	(4,311)	40,546	36,235
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(41,352)	(41,352)
At 30 Sep 2015	394,913	(17,034)	2,309	380,188
At 1 Jul 2016	394,913	(14,927)	2,828	382,814
Profit for the period	-	-	5,017	5,017
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	3,699	-	3,699
Total comprehensive income for the period	-	3,699	5,017	8,716
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(7,282)	(7,282)
At 30 Sep 2016	394,913	(11,228)	563	384,248
At 1 Jul 2015	394,913	(9,942)	3,780	388,751
Profit for the period	-	-	12,543	12,543
<u>Other comprehensive income</u>				
Net change in fair value of cash flow hedges	-	(7,092)	-	(7,092)
Total comprehensive income for the period	-	(7,092)	12,543	5,451
<u>Contributions by and distributions to owners</u>				
Dividends paid	-	-	(14,014)	(14,014)
At 30 Sep 2015	394,913	(17,034)	2,309	380,188

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

Other Reserves

	Group			
	As at			
	30 Sep 2016	31 Dec 2015 (Restated)	30 Sep 2015 (Restated)	1 Jan 2015 (Restated)
	US\$'000	US\$'000	US\$'000	US\$'000
Capital reserve	(29,096)	(29,096)	(29,096)	(29,096)
Revaluation reserve	279	279	279	279
Gain on sale of treasury shares	10,322	10,322	10,322	10,322
Hedging reserve	(20,592)	(25,228)	(27,431)	(23,438)
Foreign translation reserve	(311,529)	(380,075)	(441,941)	(273,423)
Total other reserves	(350,616)	(423,798)	(487,867)	(315,356)

	Company		
	As at		
	30 Sep 2016	31 Dec 2015	30 Sep 2015
	US\$'000	US\$'000	US\$'000
Gain on sale of treasury shares	10,322	10,322	10,322
Hedging reserve	(21,943)	(25,228)	(27,749)
Foreign translation reserve	393	393	393
Total other reserves	(11,228)	(14,513)	(17,034)

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 30 September 2016.

	Company	
	30 Sep 2016	30 Sep 2015
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 30 September 2016 and 30 September 2015.

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 30 September 2016 and 31 December 2015 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 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 2015 except for the new and revised standards that are effective for annual periods beginning on or after 1 January 2016.

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

The Group adopted the amendments to FRS 16 and FRS 41 with effect from 1 January 2016. Under the amendments, biological assets that meet the definition of bearer plants will no longer be within the scope of FRS 41. Instead, bearer plants will be measured under FRS 16 at accumulated cost (before maturity) using the cost model (after maturity). The amendments also require that agricultural produce growing on bearer plants will remain within the scope of FRS 41 to be measured at fair value less costs to sell. We have applied these amendments retrospectively.

Based on the adoption of these amendments on 1 January 2016, the Group's total assets and deferred tax liabilities decreased by US\$358.7 million and US\$87.8 million respectively, with a corresponding decrease to total equity of US\$271.0 million.

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			
	9M 2016	9M 2015 (Restated)	3Q 2016	3Q 2015 (Restated)
Weighted average number of shares applicable to basic EPS computation	1,584,072,969	1,584,072,969	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	1,584,072,969	1,584,072,969
EPS - basic (US cents)	4.25	4.91	2.26	1.79
EPS - diluted (US cents)	4.25	4.91	2.26	1.79

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	
	30 Sep 2016	31 Dec 2015 (Restated)	30 Sep 2016	31 Dec 2015
	US\$	US\$	US\$	US\$
Net asset value per ordinary share	0.54	0.46	0.24	0.24

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

	9M 2016	9M 2015	Change	3Q 2016	3Q 2015	Change
	Tonne	Tonne	%	Tonne	Tonne	%
Plantations and Palm Oil Mills						
- Crude palm oil	448,920	481,149	(6.7%)	167,188	163,278	2.4%
- Palm kernel	101,731	111,578	(8.8%)	37,951	38,057	(0.3%)
Refinery and Processing	561,722	302,725	85.6%	186,149	137,196	35.7%

Note: Sales volume include inter-segment sales

SALES

	9M 2016	9M 2015	Change	3Q 2016	3Q 2015	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills						
- Crude palm oil	254,909	275,060	(7.3%)	102,082	81,141	25.8%
- Palm kernel	47,267	39,661	19.2%	20,794	10,965	89.6%
- Fresh fruit bunches	7,722	4,911	57.2%	3,184	1,218	161.4%
	309,898	319,632	(3.0%)	126,060	93,324	35.1%
Refinery and Processing	341,467	184,119	85.5%	122,471	84,014	45.8%
Inter-segment elimination	(251,355)	(180,935)	38.9%	(97,006)	(69,588)	39.4%
Total Sales	400,010	322,816	23.9%	151,525	107,750	40.6%

8. Review of Group Performance (continued)

REVIEW OF GROUP FINANCIAL PERFORMANCE BY BUSINESS SEGMENT (continued)

EBITDA

	9M 2016	9M 2015	Change	3Q 2016	3Q 2015	Change
	US\$'000	US\$'000	%	US\$'000	US\$'000	%
Plantations and Palm Oil Mills	150,480	163,243	(7.8%)	69,379	51,325	35.2%
Refinery and Processing	6,770	16,644	(59.3%)	10,903	14,361	(24.1%)
Inter-segment elimination	2,704	(10,145)	n.m.	(2,832)	(4,056)	(30.2%)
Total EBITDA	159,954	169,742	(5.8%)	77,450	61,630	25.7%

n.m. – not meaningful

REVIEW OF INCOME STATEMENT

Overview

The Group recorded a net profit of US\$67.3 million in 9M2016, down 13.4% against 9M2015 and a 9.4% decrease in profit from operations to US\$120.1 million, mainly due to the decline in production volumes and yields.

For 3Q2016, net profit increased by 26.2% to US\$35.9 million while profit from operations was up by 28.8% to US\$63.7 million, boosted by the improvement in average selling prices and higher sales volumes.

Sales

Sales increased by 23.9% to US\$400.0 million in 9M2016 and 40.6% to US\$151.5 million in 3Q2016, mainly due to higher sales volumes from the Refinery and Processing segment. For 3Q2016, the increase in sales was also contributed by higher average selling prices.

Cost of Sales

Cost of sales comprise mainly harvesting costs, plantation maintenance costs, plantation general expenses and processing costs, as well as purchases of fresh fruit bunches ("FFB") and other palm oil products from third parties, including plasma farmers. The Group's cost of sales increased by 53.7% to US\$228.3 million in 9M2016 and 69.5% to US\$71.0 million in 3Q2016, mainly due to the effects from inventory drawdown and increased purchases of palm oil products from third parties.

Gross Profit

Gross profit decreased marginally by 1.5% to US\$171.7 million in 9M2016. For 3Q2016, gross profit increased by 22.3% to US\$80.5 million, mainly due to the higher average selling prices and sales volumes.

Gross profit margin came in at 42.9% in 9M2016 as compared to 54.0% in the corresponding period last year. For 3Q2016, gross profit margin was at 53.1% as compared to 61.1% in 3Q2015. The general decline in margins was contributed by the increased purchases from third parties, which typically results in a lower profit margin contribution.

Selling and Distribution costs

Selling and distribution expenses, comprising mainly export taxes and freight charges, increased to US\$29.9 million in 9M2016 (9M2015: US\$18.5 million) and US\$9.4 million in 3Q2016 (3Q2015: US\$8.6 million), mainly due to the higher export taxes incurred from the imposition of the palm oil export levy since July 2015.

8. Review of Group Performance (continued)

REVIEW OF INCOME STATEMENT (continued)

EBITDA

The Group's EBITDA declined by 5.8% to US\$160.0 million in 9M2016, impacted by the lower production volumes. In 3Q2016, EBITDA increased by 25.7% to US\$77.5 million as compared to 3Q2015, mainly due to the improvement in average selling prices and higher sales volumes.

Depreciation and Amortisation

Depreciation and amortisation increased by 7.1% to US\$39.9 million in 9M2016 and 12.8% to US\$13.7 million in 3Q2016, largely due to the higher depreciation from the Group's increased mature plantation hectarage, CPO mills and other property, plant and equipment.

Gains/(Losses) on Foreign Exchange

The Group recorded gains on foreign exchange of US\$11,000 in 9M2016 (9M2015: losses of US\$5.7 million) and losses of US\$0.4 million in 3Q2016 (3Q2015: losses of US\$2.8 million). The gains/(losses) on foreign exchange arose mainly from the impact of foreign currency movements on monetary assets and liabilities of the subsidiaries.

Gains on Derivative Financial Instruments

The Group recorded gains on derivative financial instruments of US\$1.1 million in 9M2016 (9M2015: nil) and US\$0.3 million in 3Q2016 (3Q2015: nil). These arose primarily from financial instruments entered into by the Group to hedge its exposure to commodity price 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\$18.5 million in 9M2016 (9M2015: US\$15.7 million) and US\$6.7 million in 3Q2016 (3Q2015: US\$6.0 million). The higher net financial expenses as compared to the corresponding periods last year were mainly due to the increase in interest expenses from working capital loans as well as the lower interest income earned on cash and bank balances.

The following table reflects the computation of net financial expenses:

	9M 2016	9M 2015	3Q 2016	3Q 2015
	US\$'000	US\$'000	US\$'000	US\$'000
Interest expenses and amortisation on loans and borrowings from financial institutions	1,444	423	851	377
Profit distribution and amortisation on Islamic medium term notes	17,997	17,931	6,043	6,042
	19,441	18,354	6,894	6,419
Interest income	(906)	(2,677)	(152)	(416)
Net financial expenses	18,535	15,677	6,742	6,003

Tax Expense and Net profit

Tax expenses came in at US\$30.6 million in 9M2016 (9M2015: US\$29.8 million) and US\$18.5 million in 3Q2016 (3Q2015: US\$10.6 million). The higher effective tax rates as compared to the corresponding periods last year included the impact of withholding tax expense on income received from foreign subsidiaries as well as adjustments to deferred tax.

As a result of the foregoing, profit attributable to owners of the Company decreased by 13.4% to US\$67.3 million in 9M2016 and increased by 26.2% to US\$35.9 million in 3Q2016.

8. Review of Group Performance (continued)

REVIEW OF BALANCE SHEET

Total assets of the Group increased from US\$1,568.2 million as at 31 December 2015 to US\$1,691.8 million as at 30 September 2016. Non-current assets increased by US\$87.5 million to US\$1,284.2 million, mainly due to the strengthening of Indonesian Rupiah against United States Dollar ("USD") during the period, as well as the Group's capital expenditure on bearer plants and property, plant and equipment. The Group's current assets increased by 9.7% to US\$407.6 million, mainly due to the increase in cash and bank balances and prepaid taxes.

Total liabilities of the Group decreased marginally by 0.1% from US\$793.8 million as at 31 December 2015 to US\$792.7 million as at 30 September 2016.

Gross borrowings decreased by US\$10.6 million to US\$484.5 million as at 30 September 2016 (31 December 2015: US\$495.0 million), mainly due to the repayment of working capital loans partially offset by increase in carrying value of the Ringgit-denominated Islamic medium term notes ("IMTN") from foreign currency revaluation. 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 reduction in cash and bank balances during the period, net borrowings decreased from US\$289.6 million as at 31 December 2015 to US\$266.9 million as at 30 September 2016, with net gearing at 0.30x (31 December 2015: 0.37x).

REVIEW OF CASH FLOW STATEMENT

The Group generated net cash of US\$125.9 million from its operating activities in 9M2016 as compared to US\$72.5 million in 9M2015, mainly due to the higher sales volumes. In 3Q2016, net cash generated from operating activities amounted to US\$97.7 million as compared to US\$32.6 million in 3Q2015, mainly due to the higher average selling prices and sales volumes.

Net cash used in investing activities amounted to US\$62.2 million in 9M2016 (9M2015: US\$161.9 million) and US\$25.4 million in 3Q2016 (3Q2015: US\$100.3 million), primarily relating to the Group's lower capital expenditure on oil palm plantations, palm oil mills and other property, plant and equipment. In addition, the higher cash used in investing activities in 9M2015 and 3Q2015 also included US\$71.6 million of net cash outflow on acquisition of subsidiaries.

Net cash used in financing activities in 9M2016 amounted to US\$36.7 million as compared to US\$115.3 million in 9M2015. The higher cash used in financing activities in 9M2015 included an increase in restricted cash balances of US\$102.1 million compared to a reduction of US\$15.4 million in 9M2016. For 3Q2016, net cash used in financing activities amounted to US\$46.1 million as compared to US\$46.2 million in 3Q2015.

Overall, the Group registered an increase in cash and cash equivalents of US\$26.9 million in 9M2016, bringing the Group's cash and bank balances to US\$217.6 million as at 30 September 2016.

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

While palm oil prices continue to be influenced by prices of competing oils and the low crude oil price, the Group expects the Indonesian biodiesel mandate and the current low palm oil inventories to provide support to prices.

On the production front, the Group saw less pronounced declines in production volumes in 3Q2016 as compared to 1H2016 as the El Nino impact gradually tapers off. While the Group's young plantation maturity profile continues to support production output, overall volume for 2016 is still expected to be lower than 2015 due to the adverse impact of El Nino in 2015.

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.

(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)

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 third quarter ended 30 September 2016 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
9 November 2016