



FOR IMMEDIATE RELEASE

First Resources' 1H2022 EBITDA more than doubles to US\$230.3 million on stronger palm oil prices

- *Financial performance lifted by higher average selling prices achieved*
- *Declares an interim dividend of 2.50 Singapore cents per share, doubling from last year*

FINANCIAL HIGHLIGHTS (Half year ended 30 June)

US\$ 'million	1H2022	1H2021	Change
Sales	535.2	412.9	29.6%
Gross Profit	295.1	173.3	70.2%
EBITDA⁽¹⁾	230.3	95.5	141.1%
Net Profit⁽²⁾	128.0	32.6	293.1%
Underlying Net Profit⁽³⁾	137.6	30.1	356.5%

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

⁽²⁾ Profit attributable to owners of the Company.

⁽³⁾ Profit attributable to owners of the Company excluding gain/(loss) arising from changes in fair value of biological assets.

Singapore, 12 August 2022 – Boosted by the stronger palm oil prices, **First Resources Limited** (“**First Resources**” or the “**Group**”), achieved a 29.6% year-on-year (“**YoY**”) increase in sales to US\$535.2 million for the six months ended 30 June 2022 (“**1H2022**”) despite lower sales volumes from a net inventory build-up during the period.

On the back of the higher average selling prices achieved by the Group, 1H2022 gross profit rose 70.2% YoY to US\$295.1 million, bringing gross profit margin to 55.1% as compared to 42.0% in the same period last year. EBITDA and underlying net profit were similarly lifted by 141.1% and 356.5% to US\$230.3 million and US\$137.6 million respectively.

First Resources maintained its healthy balance sheet position with net gearing ratio at 0.07 times and cash and bank balances of US\$256.3 million as at 30 June 2022. On the back of its healthy financial position, First Resources has declared an interim dividend of 2.50 Singapore cents per share, doubling that from last year.

During the period under review, the Group's Fresh Fruit Bunches ("FFB") yield remained stable at 8.2 tonnes per hectare, with FFB harvested of 1,630,328 tonnes as compared to 1,623,915 tonnes in the same period last year. Crude palm oil ("CPO") production declined by 6.6% YoY to 400,159 tonnes in 1H2022 due to a reduction in purchases of third-party crops, with CPO yield coming in at 1.8 tonnes per hectare (1H2021: 1.9 tonnes per hectare).

Since the start of 2022, palm oil prices have been affected by macroeconomic uncertainties and government policy changes in Indonesia, culminating in the temporary export ban that drove CPO prices towards its historical highs.

The export ban had since been lifted on 23 May 2022 although the pace of exports in June was still hampered by the ensuing Domestic Market Obligation (DMO), under which exporters are required to sell a portion of their production domestically before being granted export permits. As the Indonesian government continues its bid to boost palm oil exports through relaxation of the DMO policy and reduction in export taxes, stockpiles in Indonesia should normalise in the coming months.

Mr Ciliandra Fangiono, CEO of First Resources, said: *"With palm oil's attractive relative pricing against other competing edible oils encouraging replenishment of inventories by importing countries, we believe palm oil consumption demand should remain supportive."*

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About First Resources Limited

Established in 1992 and listed on the Singapore Exchange since 2007, First Resources is one of the leading palm oil producers in the region, managing over 200,000 hectares of oil palm plantations across the Riau, East Kalimantan and West Kalimantan provinces of Indonesia.

Our core business activities include cultivating oil palms, harvesting the fresh fruit bunches (“FFB”) and milling them into crude palm oil (“CPO”) and palm kernel (“PK”). In addition to plantations and palm oil mills, the Group through its refinery, fractionation, biodiesel and kernel crushing plants, processes its CPO and PK into higher value palm based products such as biodiesel, refined, bleached and deodorised (“RBD”) olein, RBD stearin, palm kernel oil and palm kernel expeller. This enables the Group to extract maximum value out of our upstream plantation assets. Our products are sold to both local and international markets.

First Resources is committed to the production of sustainable palm oil. Our sustainability strategy is centered upon maximising output while minimising adverse environmental and social impact from our operations. We will constantly strengthen our sustainability framework through regular benchmarking against industry standards and best practices.

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

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