

**FIRST RESOURCES LIMITED**

(Incorporated in Singapore)

(Company Registration No. 200415931M)

**MINUTES OF ANNUAL GENERAL MEETING HELD BY WAY OF ELECTRONIC MEANS**

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**DATE** : Thursday, 28 April 2022

**TIME** : 2.30 p.m.

**PRESENT** : The following Director was present at the webcast studio:

Mr Chang See Hiang	Chairman, Independent Director and Chairman of Nominating Committee and member of the Remuneration Committee
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The following Directors were present remotely:

Mr Ciliandra Fangiono	Chief Executive Officer, Executive Director and member of the Nominating Committee
Mr Fang Zhixiang	Deputy Chief Executive Officer and Executive Director
Mr Peter Ho Kok Wai	Independent Director and Chairman of Audit Committee
Ms Wong Su Yen	Independent Director and Chairman of Remuneration Committee and member of the Nominating Committee
Mr Ong Beng Kee	Independent Director and member of the Audit and Remuneration Committees
Mr Tan Seow Kheng	Non-Executive, Non-Independent Director and member of the Audit Committee

**SHAREHOLDERS PRESENT VIA ELECTRONIC MEANS** : As set out in the Audio-visual Webcast and Audio-feed Attendee Report.

**CHAIRMAN** : Mr Chang See Hiang

**QUORUM**

As a quorum was present, the Chairman declared the meeting open at 2.30 p.m.

## **INTRODUCTION**

The Chairman informed that as a precautionary measure due to the current COVID-19 situation, the Annual General Meeting (“**AGM**” or the “**Meeting**”) was convened via both (i) a “live” audio-visual webcast; and (ii) a “live” audio-only feed, in line with the guidance issued by the authorities on the conduct of general meetings via electronic means.

Thereafter, the Chairman introduced the Board of Directors who attended either in person or by electronic means and requested Mr Ciliandra Fangiono, Chief Executive Officer (“**CEO**”) to deliver a short presentation on the Group’s FY2021 performance. Copies of the presentation slides, which were posted on the SGXNet and the Company’s website, are annexed to these minutes as **Appendix “A”**. After the presentation, the CEO handed over the proceedings to the Chairman.

## **NOTICE**

The Notice convening the Meeting was taken as read.

The Chairman informed that in accordance with the COVID-19 (Temporary Measures) Act 2020 and its related guidance on the conduct of general meetings amid the evolving COVID-19 situation which will continue to be in force until revoked or amended, all votes on the resolutions tabled at the Meeting would be by proxy and only the Chairman of the Meeting might be appointed as a proxy. All resolutions tabled at the Meeting would be voted by poll and counted based on the proxy forms that were submitted to the Company at least 72 hours before the Meeting, either by post or via email.

An announcement had been made by the Company on 6 April 2022 via SGXNet and the Company’s website informing shareholders to submit their proxy forms by 2.30 p.m. on 25 April 2022 to appoint the Chairman of the Meeting to cast votes on their behalf.

The Chairman further informed that in his capacity as Chairman of the Meeting, he has been appointed by numerous shareholders as proxy and would be voting in accordance with their instructions. Boardroom Corporate & Advisory Services Pte. Ltd. and Reliance 3P Advisory Pte Ltd have been appointed as the polling agent and scrutineer for the poll respectively. The validity of the proxies submitted by the shareholders by the submission deadline of 2.30 p.m. on 25 April 2022 have been reviewed and the votes of all such valid proxies have been counted and verified.

## **Q&A SESSION**

As indicated in the Company’s announcement on 6 April 2022, shareholders would not be able to ask questions during the live webcast and audio-stream of the Meeting. The Company had detailed the steps for shareholders to submit their questions by 18 April 2022 via the pre-registration website, by post or by email in relation to the agenda of the Meeting.

The Company has received various questions by 18 April 2022 and the responses to the questions have been (i) published on SGXNet and the Company’s website on 22 April 2022; and (ii) attached to these minutes as **Appendix “B”**.

**ORDINARY BUSINESS:**

**1. DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS – ORDINARY RESOLUTION 1**

Ordinary Resolution 1 was duly proposed by Chairman:

“That the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2021, together with the Auditor's Report, be received and adopted.”

The result of Ordinary Resolution 1 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,444,740,852	1,444,740,852	100.00	0	0.00

Accordingly, Ordinary Resolution 1 tabled at the Meeting was carried.

**2. FINAL DIVIDEND – ORDINARY RESOLUTION 2**

The Directors had recommended the payment of a final dividend of 5.1 Singapore cents per share (one-tier, tax exempt) for the year ended 31 December 2020. The final dividend, if approved, would be paid on 19 May 2022.

Ordinary Resolution 2 was duly proposed by Chairman:

“That the payment of a final dividend of 5.1 Singapore cents per share (one-tier, tax exempt) for the year ended 31 December 2021 be approved.”

The result of Ordinary Resolution 2 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,445,158,052	1,445,158,052	100.00	0	0.00

Accordingly, Ordinary Resolution 2 tabled at the Meeting was carried.

**3. RE-ELECTION OF MR CHANG SEE HIANG – ORDINARY RESOLUTION 3**

Mr Chang See Hiang, who was retiring pursuant to Regulation 103 of the Company's Constitution, had consented to continue in office. The chair was handed over to the CEO, Mr Ciliandra Fangiono, to conduct the re-election of Mr Chang See Hiang.

Ordinary Resolution 3 set out below was duly proposed by Mr Ciliandra Fangiono:

"That Mr Chang See Hiang be re-elected as a Director of the Company."

The result of Ordinary Resolution 3 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,443,190,852	1,429,400,794	99.04	13,790,058	0.96

Accordingly, Ordinary Resolution 3 tabled at the Meeting was carried.

At this juncture, the chair was handed back to Mr Chang See Hiang to continue with the conduct of the remaining business of the Meeting.

**4. RE-ELECTION OF MR FANG ZHIXIANG – ORDINARY RESOLUTION 4**

Mr Fang Zhixiang, who was retiring pursuant to Regulation 103 of the Company's Constitution, had consented to continue in office.

Ordinary Resolution 4 set out as follows was duly proposed by Chairman:

"That Mr Fang Zhixiang be re-elected as a Director of the Company."

The result of Ordinary Resolution 4 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,445,188,052	1,443,061,750	99.85	2,126,302	0.15

Accordingly, Ordinary Resolution 4 tabled at the Meeting was carried.

**5. RE-ELECTION OF MR TAN SEOW KHENG – ORDINARY RESOLUTION 5**

Mr Tan Seow Kheng, who was retiring pursuant to Regulation 103 of the Company's Constitution, had consented to continue in office.

Ordinary Resolution 5 set out as follows was duly proposed by Chairman:

"That Mr Tan Seow Kheng be re-elected as a Director of the Company."

The result of Ordinary Resolution 5 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,445,158,052	1,416,650,847	98.03	28,507,205	1.97

Accordingly, Ordinary Resolution 5 tabled at the Meeting was carried.

**6. DIRECTORS' FEES – ORDINARY RESOLUTION 6**

The Board had recommended the payment of Directors' fees of S\$640,000 for the year ended 31 December 2021.

Ordinary Resolution 6 set out as follows was duly proposed by Chairman:

"That the payment of Directors' fees of S\$640,000 for the year ended 31 December 2021 be approved."

The result of Ordinary Resolution 6 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,445,119,952	1,445,119,952	100.00	0	0.00

Accordingly, Ordinary Resolution 6 tabled at the Meeting was carried.

7. **RE-APPOINTMENT OF AUDITOR – ORDINARY RESOLUTION 7**

The retiring auditor, Messrs Ernst & Young LLP, had expressed its willingness to continue in office.

Ordinary Resolution 7 set out as follows was duly proposed by Chairman:

“That Messrs Ernst & Young LLP be re-appointed as the Auditor of the Company and that the Directors be authorised to fix their remuneration.”

The result of Ordinary Resolution 7 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,445,188,052	1,445,188,052	100.00	0	0.00

Accordingly, Ordinary Resolution 7 tabled at the Meeting was carried.

**SPECIAL BUSINESS:**

8. **AUTHORITY TO ISSUE SHARES – ORDINARY RESOLUTION 8**

The Meeting noted that Ordinary Resolution 8 was to authorise the Directors to issue shares pursuant to Section 161 of the Companies Act 1967 and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited.

Ordinary Resolution 8 set out as follows was duly proposed by Chairman:

“That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual of the SGX-ST, the Directors of the Company be authorised and empowered to:

- (a) (i) issue shares in the Company (“**shares**”) whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, “**Instruments**”) that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) options, warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the Directors of the Company may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instruments made or granted by the Directors of the Company while this Resolution was in force,

provided that:

- (1) the aggregate number of shares (including shares to be issued in pursuance of the Instruments, made or granted pursuant to this Resolution) to be issued pursuant to this Resolution shall not exceed fifty per cent. (50%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company shall not exceed twenty per cent. (20%) of the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such calculation as may be prescribed by the SGX-ST) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the total number of issued shares (excluding treasury shares and subsidiary holdings) shall be based on the total number of issued shares (excluding treasury shares and subsidiary holdings) in the capital of the Company at the time of the passing of this Resolution, after adjusting for:
- (a) new shares arising from the conversion or exercise of any convertible securities;
  - (b) new shares arising from exercising share options or vesting of share awards, provided the options or awards were granted in compliance with the Listing Manual; and
  - (c) any subsequent bonus issue, consolidation or subdivision of shares,
- provided such adjustments in sub-paragraphs (2)(a) and (b) above are only to be made in respect of new shares arising from convertible securities, share options or share awards which were issued and outstanding or subsisting at the time of the passing of this Resolution;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the SGX-ST) and the Constitution of the Company; and
- (4) unless revoked or varied by the Company in a general meeting, such authority shall continue in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is earlier.”

The result of Ordinary Resolution 8 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,445,188,052	1,318,041,434	91.20	127,146,618	8.80

Accordingly, Ordinary Resolution 8 tabled at the Meeting was carried.

#### 9. PROPOSED RENEWAL OF THE IPT MANDATE – ORDINARY RESOLUTION 9

The Meeting noted that Ordinary Resolution 9 was to approve the renewal of the Interested Person Transactions Mandate (“**IPT Mandate**”) for the purposes of Chapter 9 of the Listing Manual of SGX-ST, for the Company and any of its subsidiaries to enter into any of the transactions falling within the types of Interested Person Transactions set out in the Company’s Appendix to the Notice of AGM dated 6 April 2022 (the “**Appendix**”).

Details of the IPT Mandate including its rationale set out in pages 7 to 11 of the Appendix dated 6 April 2022 were highlighted.

For the purposes of Chapter 9 of the Listing Manual, each of the (a) Interested Directors, namely, Messrs Ciliandra Fangiono and Fang Zhixiang, (b) Eight Capital Inc., (c) Prinsep Management Limited, (d) PT Surya Dumai Industri, and (e) Associates of the Interested Directors, Eight Capital Inc., Prinsep Management Limited and PT Surya Dumai Industri, are considered to be interested persons and have abstained from voting on this resolution.

Ordinary Resolution 9 set out as follows was duly proposed by Chairman:

“That:

- (a) approval be and is hereby given for the purposes of Chapter 9 of the Listing Manual of the SGX-ST, for the Company, its subsidiaries and corporations which become the Company’s subsidiaries (the “**Group**”) or any of them to enter into any of the transactions falling within the types of Interested Person Transactions as described in the Appendix to this Notice of AGM dated 6 April 2022 (the “**Appendix**”) with any party who is of the class of Interested Persons as described in the Appendix provided that such transactions are made on normal commercial terms and in accordance with the Review Procedures for such Interested Person Transactions as set out in the Appendix (the “**IPT Mandate**”);
- (b) the approval given for the IPT Mandate shall, unless revoked or varied by the Company in a general meeting, continue to be in force until the conclusion of the next AGM of the Company or the date by which the next AGM of the Company is required by law to be held, whichever is the earlier; and



- (c) the Directors of the Company be and are hereby authorised to complete and do all such acts and things (including but not limited to the execution of all such documents as may be required) as they may consider expedient or necessary or in the interests of the Company to give effect to the IPT Mandate and/or this Resolution.”

The result of Ordinary Resolution 9 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
401,221,822	401,221,822	100.00	0	0.00

Accordingly, Ordinary Resolution 9 tabled at the Meeting was carried.

10. **PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE – ORDINARY RESOLUTION 10**

The Meeting noted that Ordinary Resolution 10 was to seek shareholders’ approval in respect of the renewal of the share purchase mandate and to authorise the Directors of the Company to make purchases of shares of up to ten per cent. (10%) of the total number of issued ordinary shares in the capital of the Company at the Maximum Price as defined in the Appendix to the Notice of this meeting dated 6 April 2022.

Details of the Share Purchase Mandate set out in pages 11 to 26 of the Appendix dated 6 April 2022 were highlighted.

Ordinary Resolution 10 set out as follows was duly proposed by Chairman:

“That:

- (a) for the purposes of the Companies Act, the exercise by the Directors of all the powers of the Company to purchase or otherwise acquire ordinary shares in the capital of the Company (the “**Shares**”) not exceeding in aggregate the Maximum Limit (as hereafter defined), at such price(s) as may be determined by the Directors of the Company from time to time up to the Maximum Price (as hereafter defined), whether by way of:
- (i) an on-market purchase (“**Market Purchase**”) effected on the SGX-ST through the ready market, which may be transacted through one or more duly licensed stock brokers appointed by the Company for the purpose; and/or
  - (ii) an off-market purchase (“**Off-Market Purchase**”) effected pursuant to an equal access scheme in accordance with Section 76C of the Companies Act,

and otherwise in accordance with all other laws and regulations, including but not limited to the provisions of the Companies Act and the Listing Manual of the SGX-ST as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the “**Share Purchase Mandate**”);

(b) unless varied or revoked by the Company in a general meeting, the authority conferred on the Directors pursuant to the Share Purchase Mandate may be exercised by the Directors at any time and from time to time during the period commencing from the date of the passing of this Resolution relating to the Share Purchase Mandate and expiring on:

(i) the date on which the next AGM of the Company is held or required by law to be held, whichever is earlier;

(ii) the date on which the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting; or

(iii) the date on which the Share Purchase has been carried out to the full extent mandated;

whichever is the earliest;

(c) in this Resolution relating to the Share Purchase Mandate:

“**Maximum Limit**” means that number of Shares representing not more than ten per cent. (10%) of the total number of issued Shares (excluding treasury shares and subsidiary holdings) as at the date of the resolution passed in relation to the Share Purchase Mandate, unless the Company has, at any time during the Relevant Period, reduced its share capital in accordance with the applicable provisions of the Companies Act, in which event the total number of issued Shares (excluding treasury shares and subsidiary holdings) shall be taken to be the total number of Shares as altered after such capital reduction (excluding any treasury shares and subsidiary holdings, as may be held by the Company from time to time);

“**Relevant Period**” means the period commencing from the date of resolution passed in relation to the Share Purchase Mandate and expiring on the date on which the next AGM is held or required by law to be held, whichever is the earlier, unless prior thereto, the Share Purchase has been carried out to the full extent mandated, or the authority conferred by the Share Purchase Mandate is revoked or varied by Shareholders in a general meeting;

“**Maximum Price**”, in relation to a Share to be purchased, means the purchase price (excluding brokerage, stamp duties, commission, applicable goods and services tax and other related expenses) not exceeding:

(i) in the case of a Market Purchase, one hundred and five per cent. (105%) of the Average Closing Price; and

(ii) in the case of an Off-Market Purchase pursuant to an equal access scheme, one hundred and twenty per cent. (120%) of the Highest Last Dealt Price;

where:

“**Average Closing Price**” means the average of the closing market prices of the Shares over the last five (5) Market Days, on which transactions in the Shares were recorded, immediately before the day on which the purchase or acquisition of Shares is made, and deemed to be adjusted for any corporate action that occurs during the relevant five (5) Market Days and the day on which the purchase or acquisition of Shares is made;

“**Highest Last Dealt Price**” means the highest price transacted for a Share as recorded on the Market Day on which there were trades in the Shares immediately preceding the day of the making of the offer pursuant to the Off-Market Purchase;

“**day of the making of the offer**” means the day on which the Company announces its intention to make an offer for the purchase of Shares from Shareholders, stating the purchase price (which shall not be more than the Maximum Price calculated on the foregoing basis) for each Share and the relevant terms of the equal access scheme for effecting the Off-Market Purchase; and

“**Market Day**” means a day on which the SGX-ST is open for securities trading;

- (d) any Share that is purchased or otherwise acquired by the Company pursuant to the Share Purchase Mandate shall, at the discretion of the Directors of the Company; either be cancelled or held in treasury and dealt with in accordance with the Companies Act; and
- (e) the Directors and/or any of them be and are/is hereby authorised to complete and do all such acts and things (including without limitation, executing such documents as may be required and to approve any amendments, alterations or modifications to any documents) as they or he may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution relating to the Share Purchase Mandate.”

The result of Ordinary Resolution 10 tabled at the Meeting, taken on a poll, was as follows:

Total number of shares represented by votes for and against the relevant resolution	FOR		AGAINST	
	Number of shares	As a percentage of total number of votes for and against the resolution (%)	Number of shares	As a percentage of total number of votes for and against the resolution (%)
1,445,149,952	1,443,469,643	99.88	1,680,309	0.12

Accordingly, Ordinary Resolution 10 tabled at the Meeting was carried.

## CONCLUSION

There being no other business to transact, the Chairman declared the Annual General Meeting of the Company closed at 3.00 p.m..

**CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD**

**CHANG SEE HIANG**  
**CHAIRMAN**



# First Resources Limited

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**Annual General Meeting  
28 April 2022**

*Delivering Growth and Returns*



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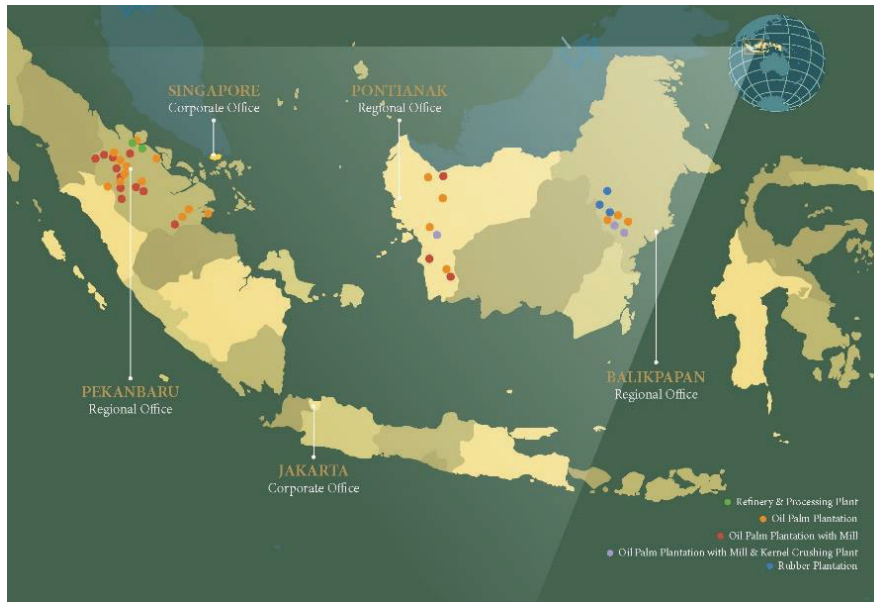
# Group Overview

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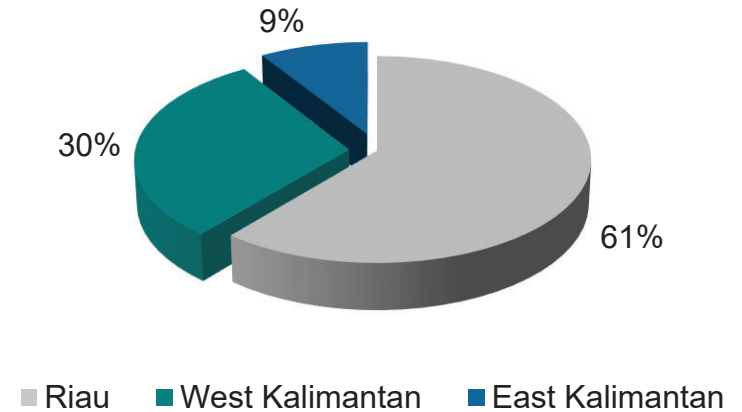
# About First Resources

## Locations



## Assets

Oil palm plantations are located in the Riau, West Kalimantan and East Kalimantan provinces of Indonesia



**212,208** ha  
of Oil Palm Plantations

**18**  
Palm Oil Mills

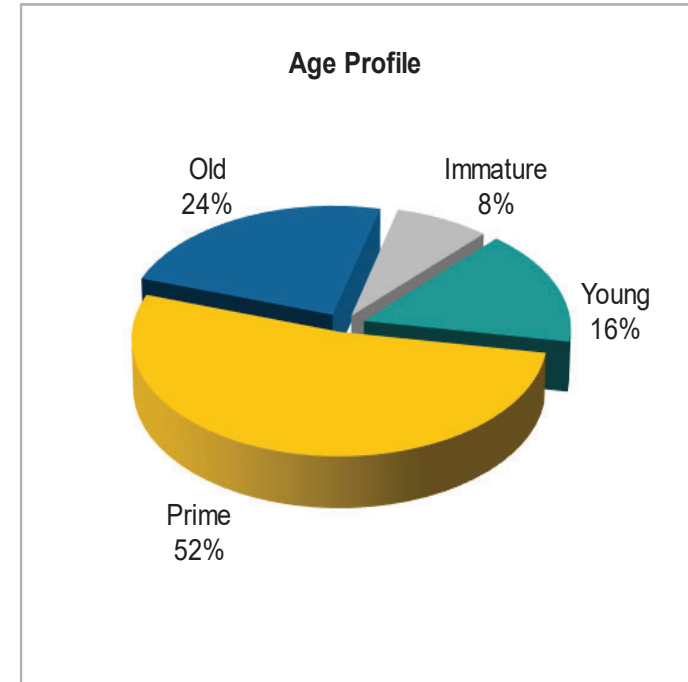
**850,000**  
tonnes per annum  
of Processing Capacity

Data as at 31 Dec 2021



# Plantation Age Profile

Age	As at 31 Dec 2021	
	Area (ha)	% of Total
0-3 years (Immature)	16,657	8%
4-7 years (Young)	34,165	16%
8-17 years (Prime)	111,142	52%
≥ 18 years (Old)	50,244	24%
<b>Total</b>	<b>212,208</b>	<b>100%</b>



**Weighted average age of ~ 13 years**

# Growth Strategy: Building on our Core Expertise

## Upstream Agri-Business Focus

- Develop and maintain high-quality plantation assets and ensure optimal milling capacity in line with FFB production growth
- To achieve sustainable production growth

## Active Cost Containment

- Maintain our low-cost structure through best-in-class operational efficiency and stringent cost management
- To achieve superior margins and greater resilience to price cycles by being at the low end of the industry cost curve

## Responsible Cultivation

- Continuously strengthen our multi-faceted sustainability policy across the Group's entire operations
- To maximise market access through sustainable palm oil production

# Dividend

## ■ Proposing final dividend of 5.10 Singapore cents per share

- Interim dividend of 1.25 Singapore cent per share paid in September 2021, bringing full-year ordinary dividends to 6.35 Singapore cents per share

## ■ Dividend policy

- Revised last year to distribute up to 50% of underlying net profit annually, an increase from the 30% previously

Dividend History	FY2021	FY2020	FY2019	FY2018	FY2017
Interim (SGD cents per share)	1.25	1.00	0.625	1.25	1.25
Final (SGD cents per share)	5.10	2.00	1.725	2.00	2.15
Special (SGD cents per share)	-	-	-	-	3.40
<b>Total (SGD cents per share)</b>	<b>6.35</b>	<b>3.00</b>	<b>2.350</b>	<b>3.25</b>	<b>6.80</b>

### % of Underlying Net Profit

- Ordinary dividend	50%	37%	31%	31%	29%
- Special dividend	-	-	-	-	29%

# 2021 Financial and Operational Highlights

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# Executive Summary – FY2021

## Delivers robust set of results with record revenue of US\$1 billion

### ■ Financial Performance

- EBITDA came in at US\$312.9 million, an increase of 20.7%
- Underlying net profit came in at US\$149.2 million, an increase of 53.8%
- Better financial performance attributed to higher average selling prices and stronger sales volumes

### ■ Operational Performance

- Fresh fruit bunches (FFB) harvested increased by 2.9%
- Crude palm oil (CPO) production volumes increased by 1.6%
- Cash cost of production for nucleus CPO came in at US\$250 per tonne (FY2020: US\$221)

# Income Statement Highlights

US\$' million	FY2021	FY2020	Change
Sales	1,032.3	660.4	56.3%
Cost of sales	(570.7)	(368.0)	55.1%
Gross profit	461.6	292.4	57.9%
Gain arising from changes in fair value of biological assets	16.0	3.9	312.4%
EBITDA <sup>(1)</sup>	312.9	259.2	20.7%
Net profit <sup>(2)</sup>	161.1	99.7	61.6%
Underlying net profit <sup>(3)</sup>	149.2	97.1	53.8%
Gross profit margin	44.7%	44.3%	↑
EBITDA margin	30.3%	39.2%	↓

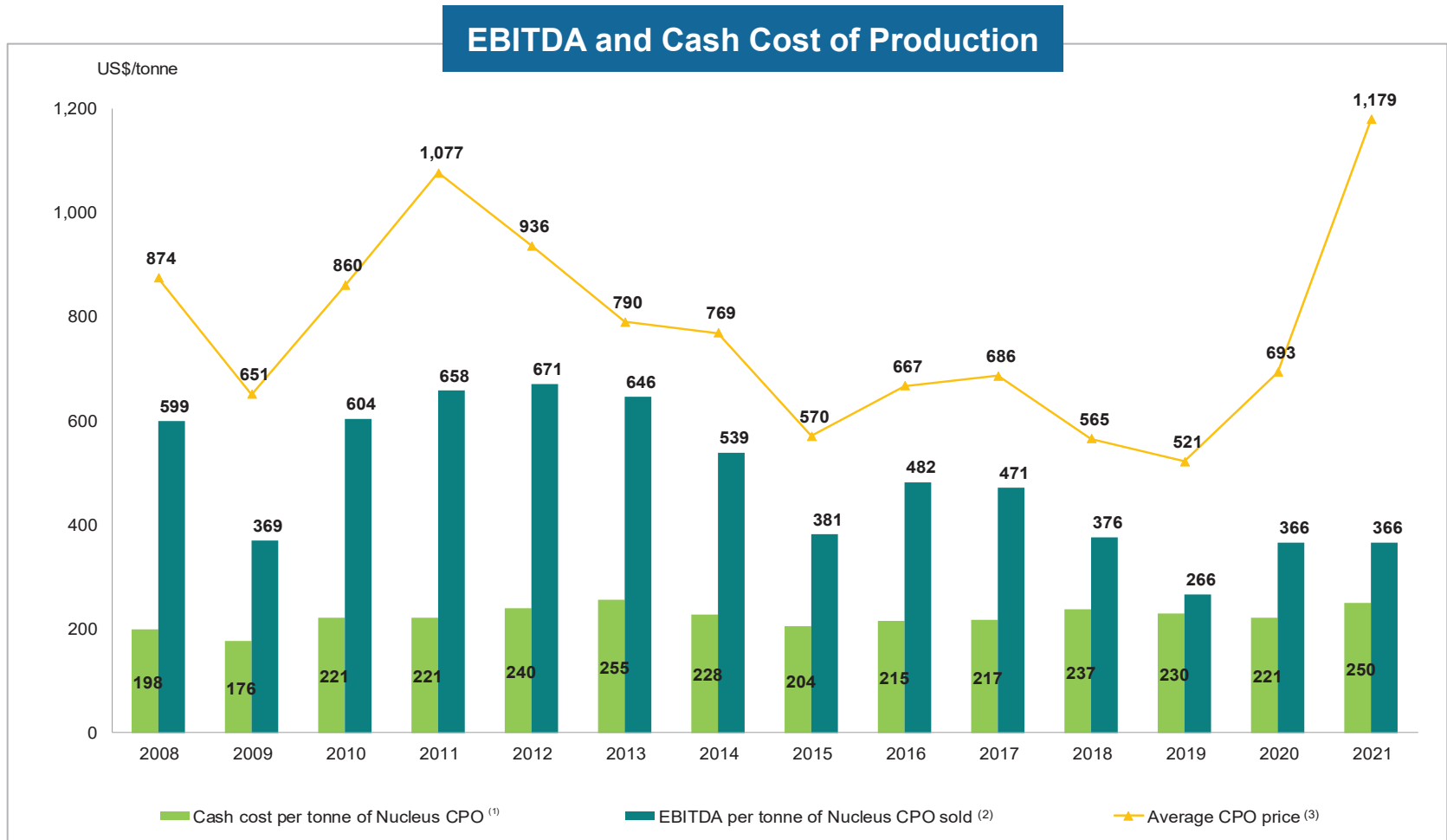
- Increase in sales was driven by a combination of higher average selling prices and sales volumes
- EBITDA and underlying net profit in FY2021 continued to reflect the impact of higher export taxes from the progressive export levy structure implemented in Indonesia since December 2020

(1) Profit from operations before depreciation, amortisation, expected credit losses and gains 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 expected credit losses and gains/(losses) arising from changes in fair value of biological assets and unquoted investment

# Key Performance Metrics

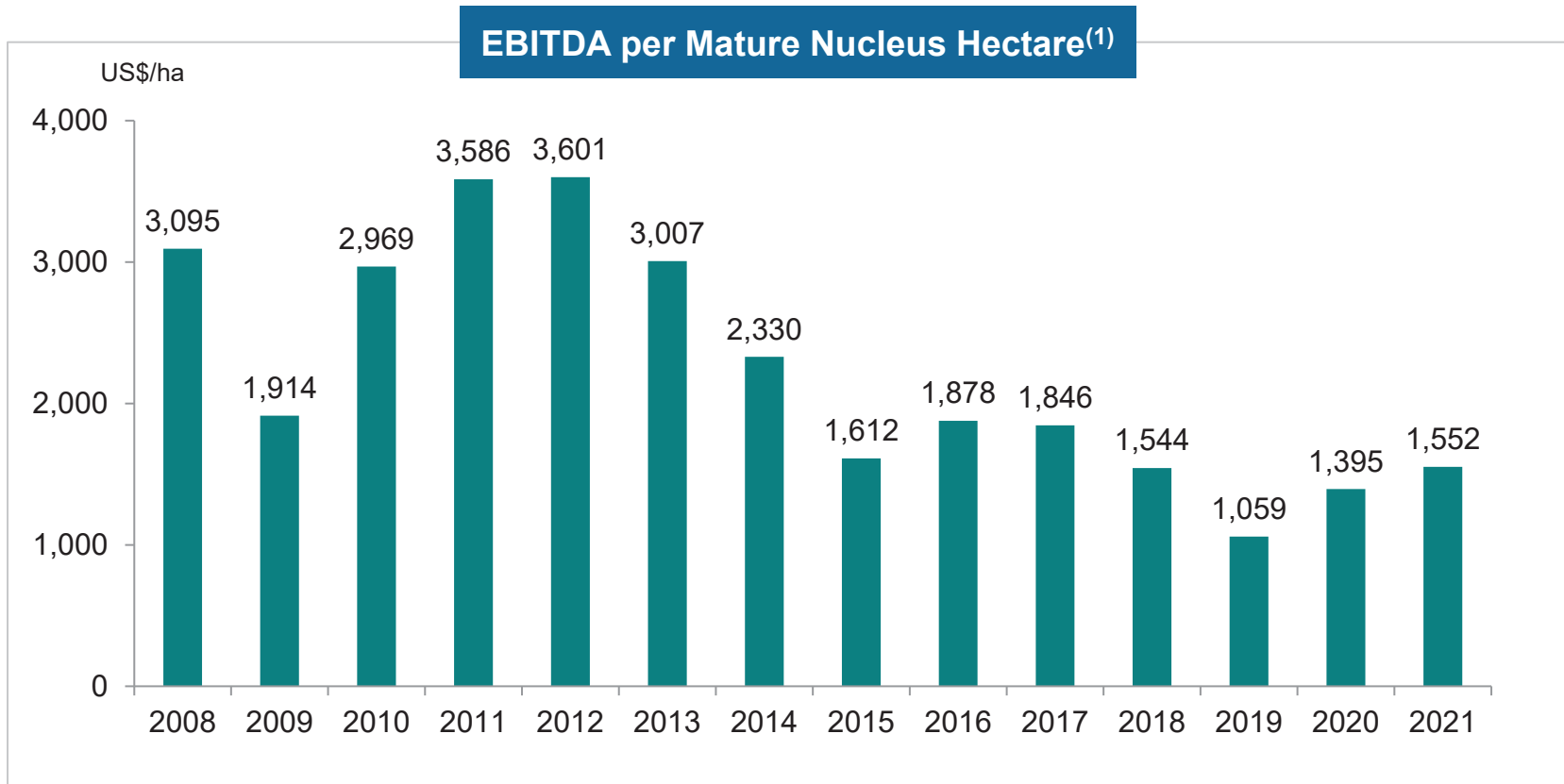


(1) Derived using total cash cost of producing nucleus CPO and PK (before selling and distribution expenses and general and administrative expenses), divided by the production volume of nucleus CPO

(2) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA

(3) Based on Indonesia FOB Crude Palm Oil spot price

# Key Performance Metrics



**Improved unit EBITDA in FY2021 on stronger CPO prices despite higher export taxes**

(1) Refers to EBITDA contribution from Plantations and Palm Oil Mills segment and not Group EBITDA



# Balance Sheet Highlights

US\$' million	31 Dec 2021	31 Dec 2020
Total Assets	1,873.6	1,785.9
Cash and bank balances	381.5	195.1
Total Liabilities	602.5	659.8
Borrowings and debt securities <sup>(1)</sup>	406.7	441.6
Total Equity	1,271.1	1,126.1
Net Debt	25.2	246.5
Gross Debt <sup>(1)</sup> /Total Equity	0.32x	0.39x
Net Debt <sup>(2)</sup> /Total Equity	0.02x	0.22x
Gross Debt <sup>(1)</sup> /EBITDA	1.30x	1.70x
Net Debt <sup>(2)</sup> /EBITDA	0.08x	0.95x
EBITDA/Interest Expense <sup>(3)</sup>	22.8x	15.6x

(1) Sum of Islamic MTNs and borrowings from financial institutions

(2) Borrowings and debt securities less cash and bank balances

(3) Total interest/profit distribution paid/payable on borrowings and debt securities

# Operational Highlights

		FY2021	FY2020	Change
<b>Production</b>				
FFB harvested	(tonnes)	3,367,668	3,273,584	2.9%
• Nucleus		2,940,434	2,903,800	1.3%
• Plasma		427,234	369,784	15.5%
CPO	(tonnes)	869,241	855,668	1.6%
PK	(tonnes)	197,384	192,840	2.4%
<b>Efficiency</b>				
FFB Yield	(tonnes/ha)	17.2	16.4	↑
CPO Yield	(tonnes/ha)	3.9	3.8	↑
CPO Extraction Rate	(%)	22.7	23.2	↓
PK Extraction Rate	(%)	5.2	5.2	—

# Group Updates

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# Capital Investments in 2022

## ■ Plantation Development

- Replanting of oil palms
- Maintenance of immature oil palm plantations

## ■ Property, Equipment and Others

- Infrastructure for plantation management

## ■ CPO Mills

- Construction of our 19<sup>th</sup> mill
- Upgrading and maintenance of existing CPO mills

## ■ Processing Facilities

**Expected capital expenditure ~ US\$120 million**

# Thank You

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# Contact Information

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If you need further information, please contact:

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**FIRST RESOURCES LIMITED**  
(Incorporated in Singapore)  
(Company Registration No. 200415931M)

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**RESPONSES TO QUESTIONS RECEIVED FOR THE ANNUAL GENERAL MEETING 2022**

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The following questions were received from shareholders of First Resources Limited (the “**Company**”, and together with its subsidiaries, the “**Group**”) for the Company’s Annual General Meeting on 28 April 2022. Accordingly, please find below the responses from the Company.

**Question 1**

**What is the general outlook of the agribusiness industry in 2022 and beyond? What are the challenges and opportunities encounter by First Resources? Given the frequent changes in policy by the Indonesian Government, how does First Resources intend to move forward?**

**The Company’s Response:**

We believe that the global crude palm oil (“CPO”) supply has entered a new phase – ongoing below-trend investment in supply for sustainability and other concerns, will manifest in lower supply growth going forward, with or without factoring in weather shocks. It is foreseeable that demand growth will outstrip supply growth in the future and we expect to see strong CPO prices over the longer term. With our favourable plantation maturity profile, we believe that First Resources is well-positioned to capitalise on such long-term trends. First Resources has and will keep the focus on striving for continued improvements in agricultural yields and operations amid uncertainties in the COVID-19 situation, climate change, government policies and the general macro environment at large.

Changes in the Indonesian government policies is an inherent part of the palm oil business that impact all players operating in the industry, but First Resources has demonstrated over the years that it is able to navigate them well with the following key mitigations:-

**(a) Lean cost of production**

The Group’s cash of production has largely remained unchanged in the last decade, with each tonne of nucleus CPO on an ex-mill basis costing us US\$250 to produce in FY2021. This is a reflection of the Group’s continued focus on yield and cost whilst striving to be on the low end of the industry cost curve as a defence against market price volatility and changes in the export tax structure.

**(b) Well-positioned as an integrated player**

Under the progressive export levy structure announced in December 2020, the export of processed products attracts relatively lower export levies as compared to CPO. Being integrated, the Group is well-positioned to manoeuvre and make changes to its product mix to capture the incremental margins, resulting in more competitiveness compared to the pure plantation players.

Lastly, even though the new export levy structure can be punitive to Indonesian palm oil producers, part of the export levies collected are being utilised to fund the local biodiesel mandate in Indonesia, which is supportive to the overall palm oil demand-supply dynamics and impacts palm oil prices positively in the long run.



## **Question 2**

**Does First Resources intend to reward shareholders through higher dividend in the future? Perhaps, by acquiring other smaller estate holders or diversifying into other agri-related business, First Resources may be able to increase future recurring income for stakeholders. Alternatively, through periodic improvement in ESG achievement, First Resources may raise value to its business operations. What is the management view on this matter?**

### **The Company's Response:**

As an acknowledgement of our evolution to a more mature and free cashflow generative business and to thank shareholders for your support, our dividend policy was revised last year to distribute up to 50% of the Group's underlying net profit annually, an increase from the 30% previously. The proposed final ordinary dividend of 5.10 Singapore cents per share in respect of the financial year ended 31 December 2021 brings the full-year ordinary dividend to 6.35 Singapore cents per share, which represents 50% of underlying net profit and the highest paid by the Group in a financial year since listing. Because of our low leverage and strong recurring cashflow generation, we believe that such dividend policy will allow us to balance between reinvesting for growth and distribution to shareholders.

In terms of potential acquisitions or diversifications, First Resources is open to considering opportunities that can value-add to our existing palm oil value chain.

On the ESG front, while we acknowledge that ESG is an on-going work-in-progress, we feel that First Resources have so far kept pace with industry best practices for sustainability.

First Resources officially launched our Sustainability Policy and declared our commitment to No Peat, No Deforestation and No Exploitation (popularly known as "NDPE") in 2015. Over the years, we have achieved steady progress to improve on our efforts, culminating in some notable results including the launch of a Sustainable Supply Chain Framework, which enabled us to achieve 100% traceability to mills in 2017 and 100% traceability to plantations for our own mills in 2020.

On the certification front, after a hiatus from onsite audits due to COVID-19 travel restrictions, we received an additional RSPO certification for one of our mills integrated with plantations in February this year and are eager to regain our momentum and accelerate our sustainability initiatives for the rest of the year. Please refer to our sustainability report for more detailed information about the Group's sustainability progress and targets for 2022.

BY ORDER OF THE BOARD  
FIRST RESOURCES LIMITED

Chester Leong  
Company Secretary  
22 April 2022