

FIRST RESOURCES LIMITED

(Incorporated in Singapore)

(Company Registration No. 200415931M)

MINUTES OF ANNUAL GENERAL MEETING

PLACE	:	Suntec Singapore Convention & Exhibition Centre 1 Raffles Boulevard, Level 3, Room 330, Suntec City Singapore 039593
DATE	:	Friday, 26 April 2024
TIME	:	4.30 p.m.
PRESENT	:	Please see Attendance List attached hereto.
IN ATTENDANCE	:	Please see Attendance List attached hereto.
CHAIRMAN	:	Mr Chang See Hiang

QUORUM

As a quorum was present, the Chairman declared the meeting open at 4.30 p.m.

INTRODUCTION

The Chairman introduced the Board of Directors to the Meeting.

NOTICE AND CEO'S PRESENTATION

The Notice convening the Meeting was taken as read.

The Chairman 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.

The Chairman requested Mr Ciliandra Fangiono, Chief Executive Officer ("**CEO**") to deliver a short presentation on the Group's operational and financial performance for FY2023. Copies of the presentation slides, which were released via SGXNET and posted on the Company's website, are annexed to these minutes as **Appendix "A"**. After the presentation, the CEO handed over the proceedings to the Chairman.

Q&A SESSION

The Chairman thanked Shareholders for the questions that were submitted in advance and the responses to these questions have been published on SGXNET and the Company's website on 19 April 2024. A copy of which is annexed to these minutes as **Appendix "B"**.

Questions from the Shareholders at the Meeting were fielded. The questions raised and the responses are attached to these minutes as **Appendix "C"**.

The Chairman further informed that 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.

Thereafter, a short presentation explaining the voting process was made.

The Chairman then proceeded by proposing all the motions which had been tabled for approval at this Meeting and put these to the vote by poll.

ORDINARY BUSINESS:

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

The motion in relation to Ordinary Resolution 1 set out as follows was duly proposed and seconded:

“That the Directors' Statement and Audited Financial Statements for the financial year ended 31 December 2023, 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 (%)
1,306,741,436	1,306,734,236	100.00	7,200	0.00*

* Less than 0.005%

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 3.70 Singapore cents per share (one-tier, tax exempt) for the year ended 31 December 2023. The final dividend, if approved, would be paid on 16 May 2024.

The motion in relation to Ordinary Resolution 2 set out as follows was duly proposed and seconded:

“That the payment of a final dividend of 3.70 Singapore cents per share (one-tier, tax exempt) for the year ended 31 December 2023 be approved.”

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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 (%)
1,307,011,836	1,307,010,836	100.00	1,000	0.00*

* Less than 0.005%

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

3. RE-ELECTION OF MR FANG ZHIXIANG – ORDINARY RESOLUTION 3

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

The motion in relation to Ordinary Resolution 3 set out as follows was duly proposed and seconded:

"That Mr Fang Zhixiang 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 (%)
1,307,020,836	1,283,626,664	98.21	23,394,172	1.79

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

4. RE-ELECTION OF MR TAN SEOW KHENG – ORDINARY RESOLUTION 4

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

The motion in relation to Ordinary Resolution 4 set out as follows was duly proposed and seconded:

"That Mr Tan Seow Kheng 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 (%)
1,306,987,836	1,246,441,535	95.37	60,546,301	4.63

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

5. RE-ELECTION OF MS LUO DAN – ORDINARY RESOLUTION 5

Ms Luo Dan, who was retiring pursuant to Regulation 109 of the Company's Constitution, had consented to continue in office.

The motion in relation to Ordinary Resolution 5 set out as follows was duly proposed and seconded:

"That Ms Luo Dan 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 (%)
1,307,028,836	1,307,021,636	100.00	7,200	0.00*

* Less than 0.005%

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

6. RE-ELECTION OF MS YEO CHOR GEK – ORDINARY RESOLUTION 6

Ms Yeo Chor Gek, who was retiring pursuant to Regulation 109 of the Company's Constitution, had consented to continue in office.

The motion in relation to Ordinary Resolution 6 set out as follows was duly proposed and seconded:

"That Ms Yeo Chor Gek be re-elected as a Director of the Company."

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 (%)
1,307,040,736	1,306,889,736	99.99	151,000	0.01

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

7. DIRECTORS' FEES – ORDINARY RESOLUTION 7

The Board had recommended the payment of Directors' fees of S\$510,000 for the year ended 31 December 2023.

The motion in relation to Ordinary Resolution 7 set out as follows was duly proposed and seconded:

"That the payment of Directors' fees of S\$510,000 for the year ended 31 December 2023 be approved."

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 (%)
1,306,997,836	1,306,928,636	99.99	69,200	0.01

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

8. RE-APPOINTMENT OF AUDITOR – ORDINARY RESOLUTION 8

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

The motion in relation to Ordinary Resolution 8 set out as follows was duly proposed and seconded:

"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 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 (%)
1,306,981,736	1,306,933,536	100.00	48,200	0.00*

* Less than 0.005%

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

SPECIAL BUSINESS:

9. AUTHORITY TO ISSUE SHARES – ORDINARY RESOLUTION 9

The Meeting noted that Ordinary Resolution 9 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.

The motion in relation to Ordinary Resolution 9 set out as follows was duly proposed and seconded:

“That pursuant to Section 161 of the Companies Act 1967 (the “**Companies Act**”) and Rule 806 of the Listing Manual of the Singapore Exchange Securities Trading Limited (“**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 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 (%)
1,307,039,736	1,199,791,858	91.79	107,247,878	8.21

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

10. **PROPOSED RENEWAL OF THE IPT MANDATE – ORDINARY RESOLUTION 10**

The Meeting noted that Ordinary Resolution 10 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 4 April 2024 (the “**Appendix**”).

Details of the IPT Mandate including its rationale set out in pages 7 to 11 of the Appendix dated 4 April 2024 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.

The motion in relation to Ordinary Resolution 10 set out as follows was duly proposed and seconded:

“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 4 April 2024 (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.”

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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 (%)
263,060,606	235,612,667	89.57	27,447,939	10.43

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

11. PROPOSED RENEWAL OF THE SHARE PURCHASE MANDATE – ORDINARY RESOLUTION 11

The Meeting noted that Ordinary Resolution 11 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 4 April 2024.

Details of the Share Purchase Mandate set out in pages 11 to 26 of the Appendix dated 4 April 2024 were highlighted.

The motion in relation to Ordinary Resolution 11 set out as follows was duly proposed and seconded:

“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 of 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 11 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 (%)
1,306,392,989	1,305,214,880	99.91	1,178,109	0.09

Accordingly, Ordinary Resolution 11 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 5.42 p.m..

CONFIRMED AS TRUE RECORD OF PROCEEDINGS HELD

CHANG SEE HIANG
CHAIRMAN



First Resources Limited

**Annual General Meeting
26 April 2024**

Delivering Growth and Returns



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Group Overview



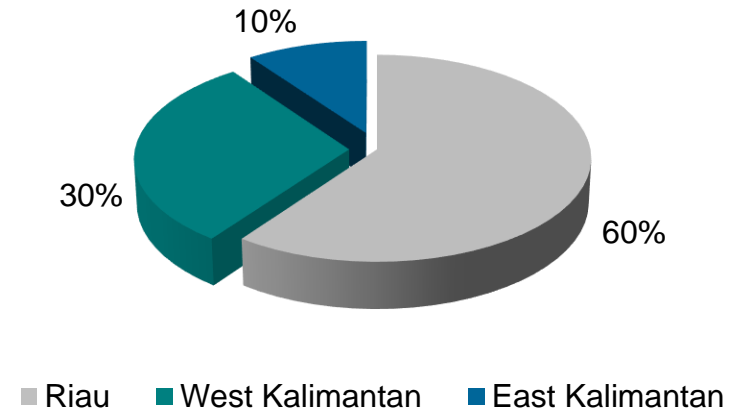
About First Resources

Locations



Assets

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



213,421 ha
of Oil Palm Plantations

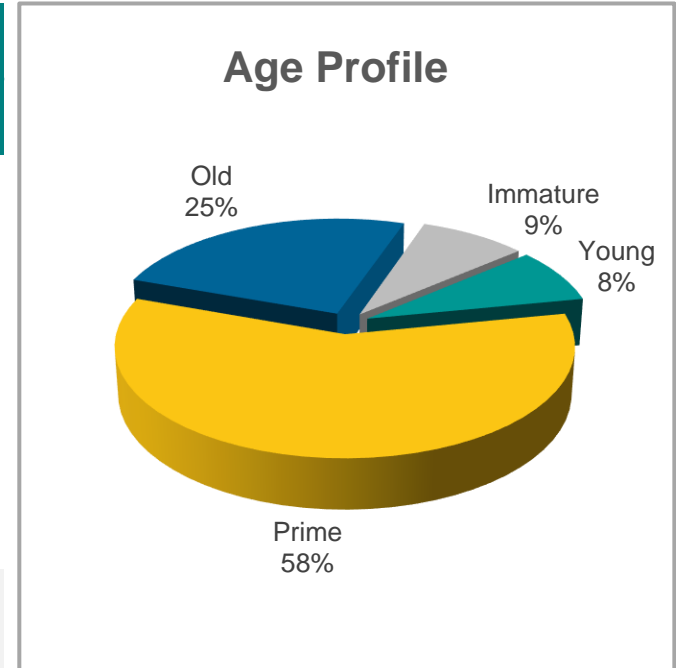
45 to 90
FFB tonnes per hour
of Mill Capacity

850,000
tonnes per annum
of Processing Capacity

Data as at 31 Dec 2023

Plantation Age Profile

Age	As at 31 Dec 2023	
	Area (ha)	% of Total
0-3 years (Immature)	18,354	9%
4-7 years (Young)	17,241	8%
8-17 years (Prime)	124,749	58%
≥ 18 years (Old)	53,077	25%
Total	213,421	100%



Weighted average age of ~ 14 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 3.70 Singapore cents per share

- Interim dividend of 2.50 Singapore cent per share paid in September 2023, bringing full-year ordinary dividends to 6.20 Singapore cents per share

Dividend History	FY2023	FY2022	FY2021	FY2020	FY2019
Interim (SGD cents per share)	2.50	2.50	1.25	1.00	0.625
Final (SGD cents per share)	3.70	12.00	5.10	2.00	1.725
Total (SGD cents per share)	6.20	14.50	6.35	3.00	2.350
% of Underlying Net Profit	50%	50%	50%	37%	31%

2023 Financial and Operational Highlights



Executive Summary – FY2023

Healthy Performance with Record Production

■ Financial Performance

- EBITDA of US\$282.0 million, a decrease of 44.6%
- Underlying net profit of US\$146.6 million, a decrease of 56.1%
- Overall results reflect the effects of a moderation in palm oil prices against the historical highs in 2022

■ Operational Performance

- Fruit bunches (FFB) harvested increased by 0.5%
- CPO production volumes increased by 8.0%
- Cash cost of production for nucleus CPO came in at US\$327 per tonne (FY2022: US\$276)

Income Statement Highlights

US\$' million	FY2023	FY2022	Change
Sales	980.6	1,225.4	(20.0%)
Cost of sales	(617.5)	(596.1)	3.6%
Gross profit	363.0	629.3	(42.3%)
Loss arising from changes in fair value of biological assets	(1.1)	(11.5)	(90.1%)
EBITDA ⁽¹⁾	282.0	508.8	(44.6%)
Net profit ⁽²⁾	145.4	325.2	(55.3%)
Underlying net profit ⁽³⁾	146.6	334.2	(56.1%)
Gross profit margin	37.0%	51.4%	↓
EBITDA margin	28.8%	41.5%	↓

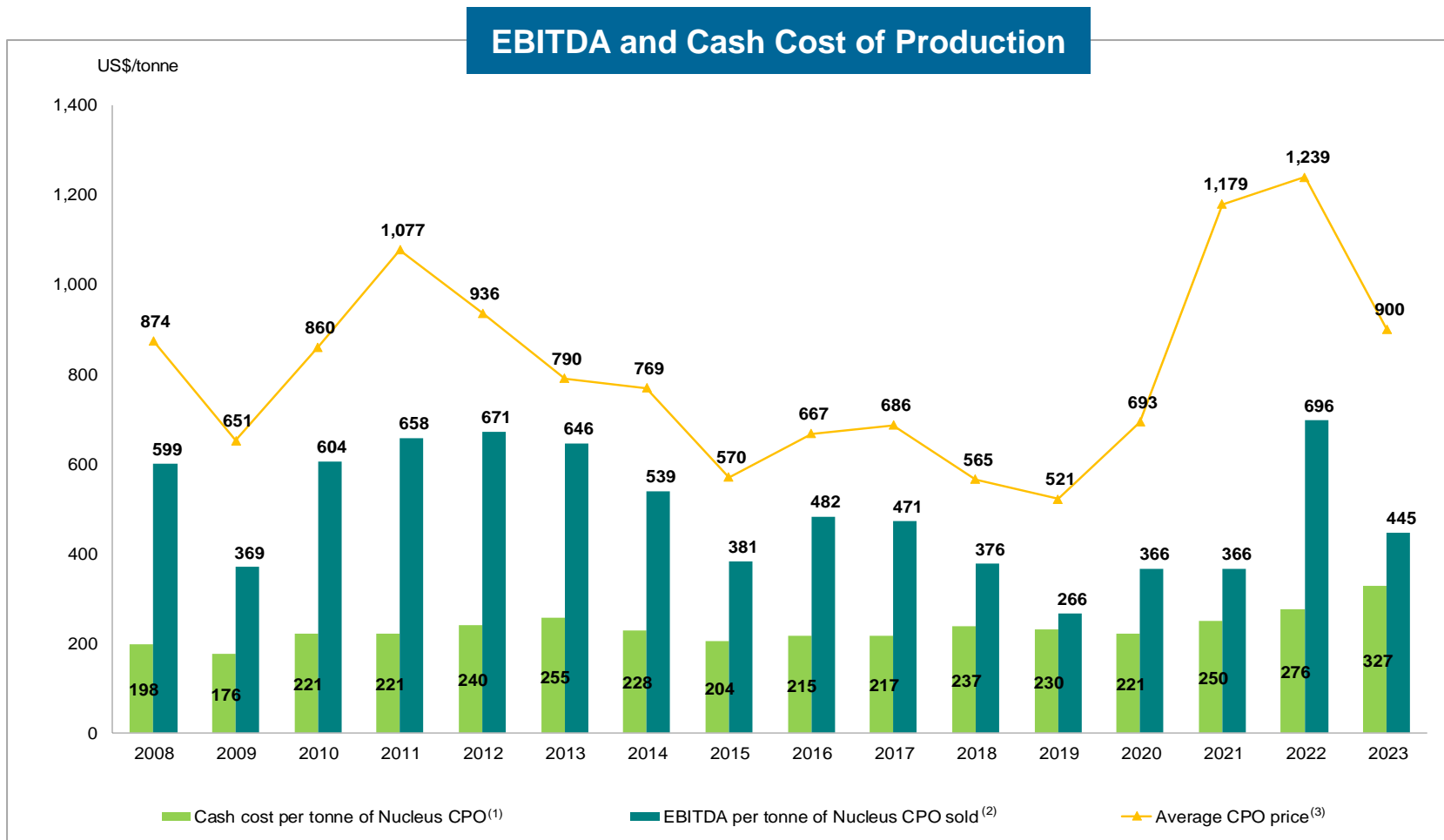
- Sales and profitability affected by softer palm oil prices, partially mitigated by an increase in overall sales volume for the year
- Full-year earnings impacted by US\$13.0 million of assets write-down relating to the conversion of rubber to oil palm plantations and US\$5.7 million of foreign exchange loss

(1) Profit from operations before depreciation, amortisation, expected credit losses and gains/(losses) 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

Key Performance Metrics

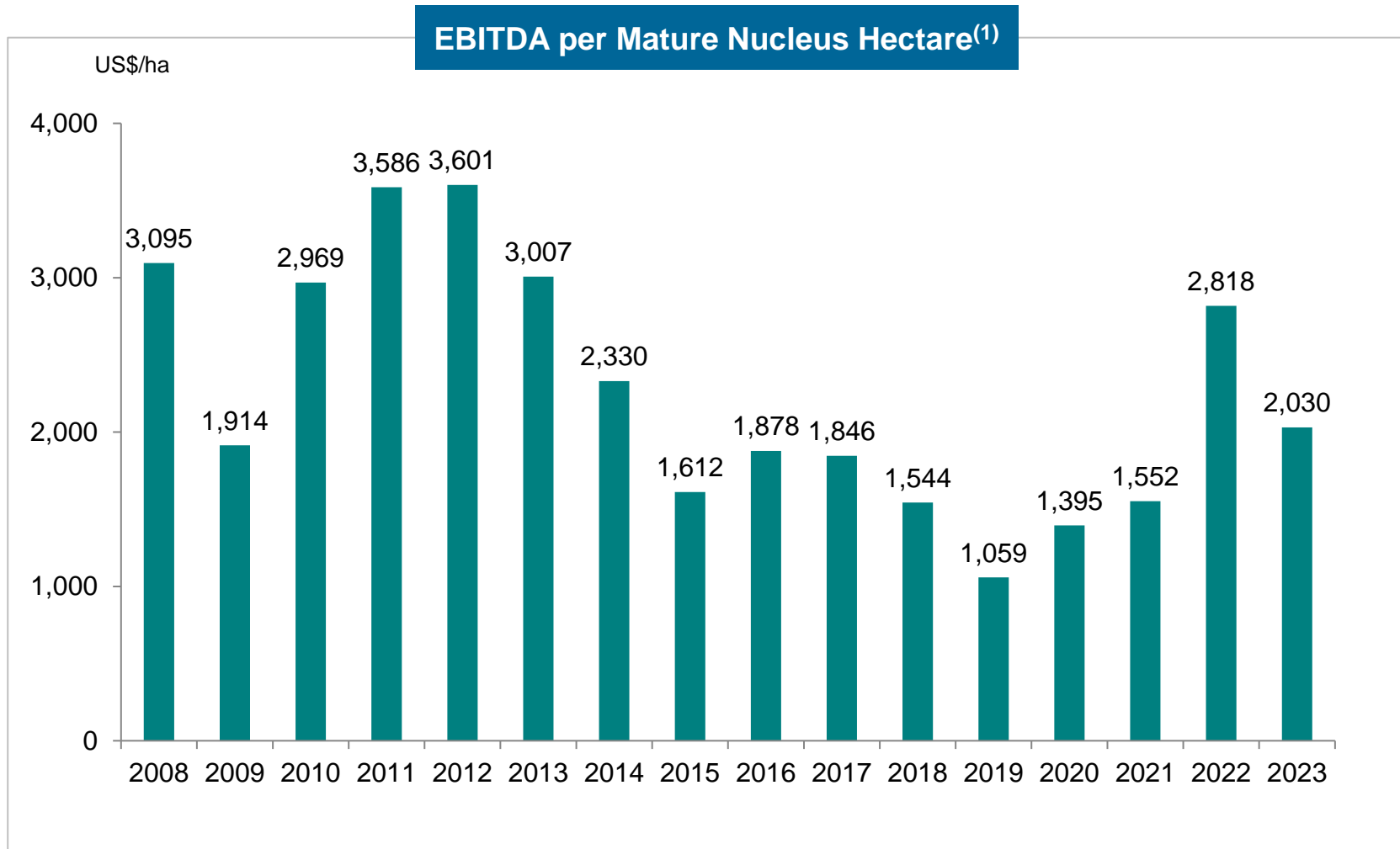


(1) Derived using total cash cost of producing nucleus CPO and PK (before selling & distribution expenses and general & administrative expenses), divided by the production volume of nucleus CPO

(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 prices published by Refinitiv Eikon

Key Performance Metrics



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

Balance Sheet Highlights

US\$' million	31 Dec 2023	31 Dec 2022
Total Assets	1,774.8	1,832.7
Cash and bank balances	162.9	440.3
Total Liabilities	373.1	433.8
Borrowings and debt securities ⁽¹⁾	237.7	295.7
Total Equity	1,401.8	1,398.9
Net Debt/(Cash) ⁽²⁾	74.9	(144.6)
Gross gearing ratio	0.17x	0.21x
Net gearing ratio	0.05x	(0.10x)
Gross debt ⁽¹⁾ to EBITDA ratio	0.84x	0.58x
Net debt/(cash) ⁽²⁾ to EBITDA ratio	0.27x	(0.28x)
EBITDA to interest ⁽³⁾ coverage	39.3x	54.6x

(1) Sum of borrowings from financial institutions

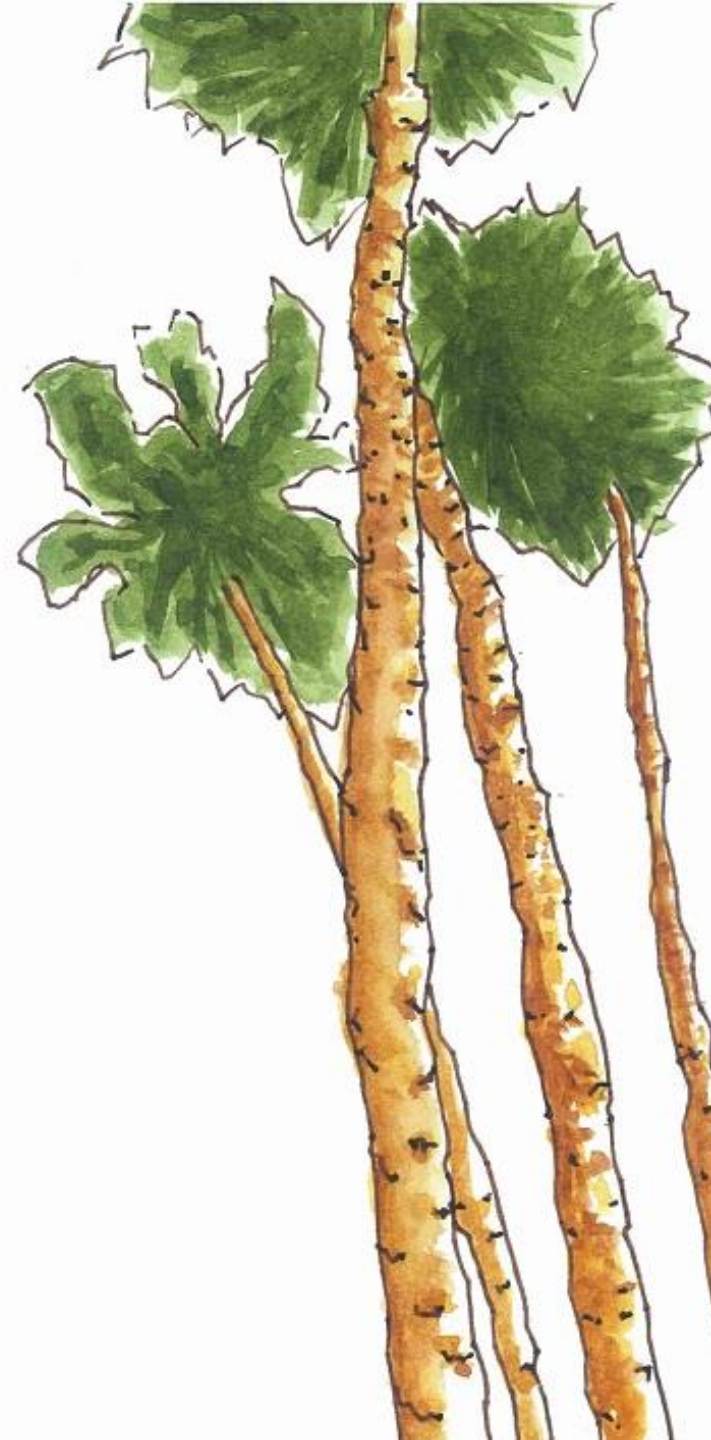
(2) Borrowings and debt securities less cash and bank balances

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

Operational Highlights

		FY2023	FY2022	Change
Production				
FFB harvested	(tonnes)	3,584,486	3,566,191	0.5%
• Nucleus		3,070,683	3,055,203	0.5%
• Plasma		513,803	510,988	0.6%
CPO	(tonnes)	951,425	881,062	8.0%
PK	(tonnes)	207,436	197,620	5.0%
Efficiency				
FFB Yield	(tonnes/ha)	18.4	18.2	↑
CPO Yield	(tonnes/ha)	4.2	4.1	↑
CPO Extraction Rate	(%)	22.7	22.3	↑
PK Extraction Rate	(%)	4.9	5.0	↓

Group Updates



Capital Investments in 2024

■ Plantation Development

- Replanting of oil palms
- Conversion from rubber to oil palms
- Maintenance of immature oil palm plantations

■ Property, Equipment and Others

- Infrastructure for plantation management

■ CPO Mills

- Construction of our 20th mill
- Upgrading and maintenance of existing CPO mills

■ Processing Facilities

Expected capital expenditure ~ US\$200 million

Updates

■ RSPO Certifications

- In 2023, the Group received RSPO (Roundtable on Sustainable Palm Oil) certification for one additional subsidiary, covering 3,838 hectares of plantations in East Kalimantan.
- As at December 2023, we have received RSPO certifications for nine of our subsidiaries covering six mills and more than 63,000 hectares of plantations in the provinces of Riau and East Kalimantan, representing 36% of the Group's nucleus planted area.
- We are committed to progressing in our certification process and have set ourselves a goal to achieve 100% RSPO certification by 2026.

Question & Answer



Thank You



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

RESPONSES TO QUESTIONS RECEIVED FOR THE ANNUAL GENERAL MEETING 2024

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 (“**AGM**”) on 26 April 2024. Accordingly, please find below the responses from the Company.

Question 1

Since the beginning of the year, have the company’s plantations been experiencing a prolonged period of hot and dry weather like in Malaysia? If so, is it going to affect our harvests significantly?

The Company’s Response:

While the phenomenon of El Nino in 2023 was evident in many areas across Indonesia, its severity in our operating areas in Riau, East Kalimantan and West Kalimantan was less pronounced compared to the southern areas such as South Sumatra, South Kalimantan and Central Kalimantan. Notably, some of our operating areas even experienced heavy rainfall towards the end of 2023. Consequently, the impact of El Nino on our 2024 production is expected be milder than experienced in previous El Nino occurrences, if any.

Question 2

The company has been regularly buying back its shares from the open market in the past year. Does the share valuation justify these buybacks or is it merely an expression of confidence in the company’s future?

The Company’s Response:

The Company has in place a share purchase mandate renewed annually at the AGM, authorising the purchase of up to ten percent of the total number of issued shares (excluding treasury shares and subsidiary holdings) as of the resolution date. This allows the Company to capitalise on opportunities to buy back its shares at attractive values, while providing greater flexibility over the Company’s capital structure, dividend policy and cash reserves.

As the Company evolves into a more mature and free cash flow generative business, the dividend policy was revised in 2020 to distribute up to 50% of the Group’s underlying net profit for the financial year, an increase from the 30% cap previously. Looking ahead, we believe that our low leverage and strong recurring cashflow generation will enable us to strike a balance between reinvesting for growth and distribution to shareholders.

Our approach to share buybacks goes beyond opportunistically signaling to the market. It is guided by a holistic understanding of market conditions and our commitment to maximising shareholder value over the long term. The Company remains mindful of the need to maintain a prudent balance between buybacks and other strategic uses of our cash resources to ensure the long-term sustainability and growth of the Company.

Question 3

In its annual reports, why does the company make references to average CPO prices on a “free-on-board Belawan basis” instead of other international indices that are more readily available and commonly used? Based on this index, what is the prevailing price currently?

The Company’s Response:

CPO prices on a “free-on-board Belawan basis” reflect the selling price of CPO loaded for delivery at an Indonesian port, which is where the Group exports its palm oil products. While other reference prices such as the CPO futures contract traded on the Bursa Malaysia are readily available and commonly used, it is important to note that there is typically some price difference between Indonesia and Malaysia-sourced CPO.

Question 4

Please explain how the foreign exchange losses of US\$5.7 million (page 18 of the Annual Report 2023) came about.

The Company’s Response:

The loss on foreign exchange of US\$5.7 million recorded by the Group in FY2023 arose mainly from the revaluation of United States Dollar (“USD”) cash and bank balances in the books of the Indonesian subsidiaries, resulting from the appreciation of Indonesian Rupiah against the USD during the year.

BY ORDER OF THE BOARD
FIRST RESOURCES LIMITED

Eunice Hooi
Company Secretary
19 April 2024

FIRST RESOURCES LIMITED

(Incorporated in Singapore)

(Company Registration No. 200415931M)

**APPENDIX “C” TO THE MINUTES OF THE ANNUAL GENERAL MEETING HELD ON 26 APRIL 2024:
QUESTIONS RAISED**

Question : The plantations are mainly in Sumatra where costs are presumably higher than Kalimantan. With the Indonesian capital relocating to Kalimantan, more population is expected to move over as well. Are there any plans to slowly shift the plantations to nearer to Kalimantan?

Answer : The Group currently operates in three regions, i.e. Riau, East Kalimantan and West Kalimantan. We first started out in the Riau province of Sumatra, which is currently still the lowest in terms of operating cost due to its more developed infrastructure.

Subsequently, we expanded into the East and West Kalimantan provinces through acquisitions, and will be keen to consider adding more plantation assets through acquisitions if opportunities arise.

In terms of greenfield plantings, our focus lies in replanting our older palms in Riau. We are also converting our rubber trees in East Kalimantan into oil palms.

Question : What is the progress of moving the population to Kalimantan? Will this plan materialise? It will be an opportune time for the Company to acquire lands at lower prices near the new capital before the capital is relocated. Plantations should not be too far from the population as it will also be more costly to hire workers to move to plantations from further places.

Answer : The Group’s plantations in East Kalimantan are not near where the new capital will be, such that the relocation of the Indonesia capital does not have a direct impact on our business operations. In Indonesia, all plantation lands are leased from the government and the Group is not in the business of acquiring real estate land. For our plantations in East Kalimantan, the workers are mainly hired from other places such as Java and Sumatra, and they stay onsite with housing complexes, places of worship, schools and general facilities provided within our plantations.

Question : Reference is made to the earlier CEO presentation, where the weighted average plantation age is around 14 years. What is the difference in yields comparing the trees of 4 to 7 years and more than 18 years?

Answer : There are generally a few categories for our plantation age as follows:

- 0 to 3 years (immature) – Trees are still not fruiting during this period;
- 4 to 7 years (young) – Trees will start to fruit at low yields, which increases until they reach prime age;
- 8 to 17 years (prime) – Trees are in their peak production years; and
- More than 18 years (old) – Yields will start to gradually decline.

In summary, yields are highest when trees are at their prime production age. As part of the Group's long-term plan to rejuvenate its older plantations, we have commenced and will continue with our replanting programme in a measured approach.

Question : How many years will it take to replant the oil palms of more than 18 years which currently occupies 53,077 ha, representing 25% of the total plantation area?

Answer : In the industry, reference yield curves such as that from the Indonesian Oil Palm Research Institute (PPKS) are commonly used as indicative benchmarks. Our replanting strategy relies on our own operational experience. Within our 53,077 ha of "old" trees, those which still remain high-yielding will not be replanted yet. We closely monitor the trees in this age category for irreversible signs of yield decline due to aging to assess the optimal timing and pace for replanting.

Question : Based on experience in the palm oil industry, when do you usually replant?

Answer : The general rule of thumb for replanting is 25 years onwards. However, it is not a hard and fast rule and may vary depending on other factors such as the actual yields of the trees as discussed.

Question : It is noted that the dividend yield in an outlier year like 2022 was much higher than the usual years. With normalised CPO price as mentioned during the CEO presentation, can we expect dividend payment of at least 6 cents in FY2024?

Answer : Our dividend policy is to pay up to 50% of the Group's underlying net profit, so the dividends for FY2014 will have to depend on the results for the year.

Question : Can you elaborate on the Dumai operations and when the asset will be in operation?

Answer : We have had the Dumai processing complex for several years and have been operating a refining and fractionation plant, kernel crushing plant and palm oil mill within it. We have recently embarked on the construction of (i) an additional refining, fractionation and biodiesel plant; (ii) a palm kernel oil refining plant; and (iii) an oleochemical plant. These will be completed and commence operations in phases over 2024 and 2025. The oleochemical plant, the last to be completed, is expected to commission in 1HFY2025.

Question : During the CEO presentation, it was mentioned that 2022 was an exceptionally good year and that from 2023 onwards, prices have normalised. What do you mean by that?

Answer : In 2022, crude palm oil (“CPO”) prices on a free-on-board Belawan basis reached its historical high of US\$1,239 per tonne when government policies and the Russian-Ukraine conflict sent prices soaring on fears of supply chain disruptions and vegetable oil shortages. CPO prices has since retreated from its peak to an average of US\$900 per tonne in 2023, a more normalised level when compared with the past 15 years. Going forward, we will continue to work towards realising volume growth and managing costs to mitigate the effects of CPO price volatility.

Question : What is the Group’s plantation size using Singapore as a comparison?

Answer : Approximately 2.5 times of Singapore.

Question : In order for the profit to grow in the years to come, other than the productivity, are there any plans to increase plantation size through acquisition?

Answer : The Group’s profitability is mainly dependent on CPO selling prices, production volumes and cost of production. Whilst CPO selling price is beyond our control, we are generally optimistic that demand and supply conditions will be supportive of prices over the medium to long term.

in terms of production volumes, our ongoing replanting initiatives aimed at offsetting yield declines from aging trees, coupled with the acquisition of additional plantation assets, have positioned us for medium-term volume growth, enhancing our profitability outlook.

Cost of production is inversely related to production yields. The higher the yields, the lower the cash cost of production. We are working hard to improve our yields to above 20 tonnes per hectare in the short to medium term, with the potential for further improvements in the longer term from the use of higher-yielding seeds for replanting.

Question : What is the competitive edge of the Company as compared to your competitors?

Answer : First Resources is predominantly an upstream producer, similar to other upstream peers in the industry. In recent years, global palm oil supply growth has been flattish while demand has continued to grow. Such favourable supply-demand dynamics are supportive of prices across the board, which will benefit everyone in the industry. The main differentiation then lies in who can achieve the highest yield and therefore, the highest profitability per hectare. Companies are no longer competing on expanding their upstream plantings, but more looking at how to maximise value through the entire palm oil value chain. Different companies have different approaches and risk appetites with regard to downstream expansions, which we have also embarked on. Our competition with peers is not direct, but more of a friendly competition as we typically need to collaborate with one another in order to maximise value through our unique value chains.

Question : Has the Company considered entering the sugar business? Can Indonesia have sugar plantations? Given the potential for sugar prices to stabilise the volatility of profitability brought about by palm oil, can the Board look into this, including the downstream processing?

Answer : While there are sugar plantations operated by other companies in different parts of the world, we have not identified suitable opportunities to enter the sugar business at this time. Moreover, cross-cultivation of rubber on the same plot of land as oil palm is not feasible, and each crop has to be cultivated as a separate operating unit.

Diversification is one of the considerations in the strategy reviews conducted by the Board from time to time. The Board will take your comment into consideration.

Question : Can Ms Luo Dan and Ms Mary Yeo share more about their experience(s) and advise on how each of them can contribute to the Company in terms of adding value to board diversity and providing a fresh perspective?

Answer : As a background, the Board has appointed new directors to replace those who have retired / resigned as part of the board renewal process. Factors such as diversity, industry experience and gender were taken into consideration. Candidates were shortlisted for interviews before the Board decided to appoint Ms Luo Dan and Ms Mary Yeo as directors.

Answer (continued)

: Ms Luo Dan – I am a former executive in the consumer goods and dairy ingredients industries. Particularly in my last role, I worked for a dairy ingredient cooperative in New Zealand. There are many similarities between dairy agriculture and oil palm agriculture, where expertise can be shared across both sectors. Coming from the consumer goods industry, I am mindful that we should take to heart consumers and customers in everything we do.

Ms Mary Yeo – I have been on about 15 to 16 boards from past to current. I am also appointed Justice of Peace for the second term by the President of Singapore, and had received an award for contributing to the community that we work in. I spent the last 35 to 36 years in a logistics company and am still there. My last board appointment with a listed company was with Mapletree Industrial Trust (MIT), where I spent nine years there. I was the lead independent director, and also the Nominating Committee Chair. Through that process, I felt that I was able to contribute in different ways. I enjoy working with people. I am currently the Audit Chair with the Civil Aviation Authority of Singapore and I would be able to bring forth this experience to First Resources' Audit Committee. I currently also sit on the National Library Board as their Audit and Risk Committee Chair. With these cross experiences and knowledge, I am able to collaborate effectively with people, gain insights into the business that the Company is in today, and contribute to meeting the growing needs of the Group.

Question

: How many shares were bought back in 2023 and what is the number of treasury shares currently held? What is the free float of the Company?

Answer

: Reference is made to Note 33 of the financial statements where you can see that approximately 4.2 million shares were bought back in 2023 with approximately US\$4.4 million. As at 31 December 2023, the Company has approximately 19.1 million treasury shares.

The Company has a free float of approximately 22% as at 8 March 2024.