

ANNUAL MEETING: RESPONSES TO QUESTIONS FROM SHAREHOLDERS

Golden Agri-Resources Ltd (the “**Company**” or “**GAR**” and together with its subsidiaries, the “**Group**”) refers to:

- (1) the annual report of the Company for the financial year ended 31 December 2021; and
- (2) the Notice of Annual Meeting (“**AM**”) dated 8 April 2022 relating to the Company’s AM to be held by electronic means on 29 April 2022 at 2.00 pm.

The Company would like to thank shareholders for submitting their questions in advance of our AM.

Please see below for the Company’s responses to questions received from shareholders as of 18 April 2022:

Shareholder 1

Question 1

How does GAR expect the outlook of the agribusiness industry in 2022 and beyond?

Company’s Response

Currently, CPO market prices maintain their high level supported by tight global vegetable oil supply and recovery in demand. The impact of the pandemic is gradually receding, resulting in progressive economic recovery in major consuming countries. While in the short-term, worldwide edible oil supply growth is predicted to remain limited. Palm oil faces production challenges, including foreign labour shortage in Malaysia and under-fertilised smallholder plantations. Unfavourable weather conditions in South America and conflict in Ukraine further strain global vegetable oil supply.

In the long term, positive palm oil industry prospects endure. Palm oil is a key solution to cater to the challenging food security amidst a growing world population. Compared to other vegetable oils, oil palm plantations utilise significantly less land to produce the same amount of oil, with higher productivity of up to seven times. Nonetheless, we expect price to remain volatile. We will cautiously monitor any short-term volatilities, especially developments in the geopolitical situation and the pandemic.

Question 2

In particular, what are the issues encountered in Indonesia due to frequent change in government policies?

Company’s Response

With high CPO market prices, domestic cooking oil prices have been increasing too. As cooking oil is one of the main staple foods, the Indonesian Government’s goal is to secure the supply availability at affordable price. The Government has responded with a win-win solution to balance the needs of all stakeholders in the industry while achieving its goal. The government’s policies have been supportive to the industry, given palm oil industry is an important contributor to Indonesia’s economy.

Question 3

What are advantages of diversifying into foreign markets, such as, China and India?

Company's Response

Market diversification is our strategic effort to expand our demand base and develop growth opportunities. Over the years, we have extended our global presence across 100 countries with emphasis on China, India, and the growing markets in Europe, Pakistan, the Middle East and the United States. This initiative allows us to capture additional value chain margin as well.

Shareholder 2

Question

Please comment on the impact on GAR's bottom line resulting from the tighter restriction imposed recently by Indonesian Government on Crude Palm Oil export ex-Indonesia.

Company's Response

The Indonesian government has responded with various policies to achieve its objective of securing cooking oil supply availability at affordable price. Currently, there is no export restriction for palm-based products. To maintain the domestic price, the Government has regulated the price of bulk cooking oil price at IDR 14,000 per litre and increased the export levy rate for CPO price of above US\$1,000 per tonne. The difference between the regulated price and market price is subsidised through the export levy fund. The current scheme will impact the net selling price of our palm products after deducted by the export tax and levy.

However, it would also increase the benefit to our downstream business from the differential between the levy tariff of CPO and refined products. Please find below an illustration of the export tax and levy tariffs at different CPO price references.

(in US\$ per tonne)

CPO Price Reference	1,000	1,100	1,200	1,300	1,400
<u>For CPO</u>					
Export Tax	74	116	166	200	200
Export Levy - new	155	195	235	275	315
Export Levy - old	155	175	175	175	175
<u>For RBDP Olein</u>					
Export Tax	26	56	83	117	117
Export Levy - new	115	147	179	211	243
Export Levy - old	115	131	131	131	131

Shareholder 3

Question

The directors' fees increased by 8% but the dividend growth did not increase. Can the Board explain why do we need to increase the directors' fees while the shareholders are getting the same dividend (or no dividend) at all through the years. Please have the compensation tied to the performance of the company's profitability.

Company's Response

We would like to clarify that for FY2021 profit, the Board has proposed a final dividend of 1.077 Singapore cents per share. Including the interim dividend of 0.528 Singapore cents per share distributed in November 2021, the total dividends for the year will be an all-time high of 1.605 Singapore cents per share, more than triple our FY2020 dividend distribution. This reward to shareholders is on the back of GAR's robust performance and successful efforts in prudently managing its financial position.

The Remuneration Committee, with concurrence of the Board, has recommended total Directors' fees for FY2021 of S\$447,073, 8% higher than the previous year. These Directors' fees proposed to be paid to the Non-executive Independent Directors, are structured according to their roles during FY2021 and reviewed annually, taking into consideration contribution, responsibilities, regulatory changes, and market benchmarks.

By Order of the Board
GOLDEN AGRI-RESOURCES LTD

Rafael Buhay Concepcion, Jr.
Director
22 April 2022